Annual report

KBC Bank

2024

To the reader

Company name

'KBC', 'the group', 'we' or 'KBC Bank' as used in this annual report refer (unless otherwise indicated) to the consolidated bank entity, i.e. KBC Bank NV including all group companies included in the scope of consolidation. 'KBC Bank NV' refers solely to the non-consolidated entity. The 'Company annual accounts' section deals only with the non-consolidated entity.

Difference between KBC Bank and KBC Group

KBC Bank NV is a subsidiary of KBC Group NV. The KBC group's legal structure has one single entity – KBC Group NV – in control of several underlying companies, the most important of which are KBC Bank NV and KBC Insurance NV. All KBC Bank NV shares are owned by KBC Group NV. Where mention is made of KBC Group or the KBC group in this annual report, KBC Group NV is meant, including all group companies included in the scope of consolidation.

Forward-looking statements

The expectations, forecasts and statements regarding future developments that are contained in the annual report are based on assumptions and assessments we made when drawing up this report in early March 2025. By their nature, forward-looking statements involve uncertainty. Various factors could cause actual results and developments to differ from the initial statements.

Versions and translation

The Annual Report is available in Dutch and English versions. We have made every reasonable effort to avoid discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

Articles 3:6 and 3:32 of the Belgian Companies and Associations Code (CAC)

These articles specify the minimum content of company and consolidated financial statements required by law. This information has been incorporated into the different sections of the 'Report of the Board of Directors', which also contains additional, non-compulsory information. To avoid repetition, reference is sometimes made to information presented in other sections of this report. KBC Bank has combined the reports for the company and consolidated financial statements. Other reports and the www.kbc.com website referred to in certain sections do not form part of the annual report.

Sustainability statement

This is the first report to provide sustainability information in line with the new Corporate Sustainability Reporting Directive, which contains new EU rules that enhance and update social and environmental reporting, including business conduct. This information can be found in the 'Sustainability statement' section. We specifically note that, when we use terminology such as 'green' and 'sustainable' elsewhere in this annual report, these terms do not suggest in any way that what is described is already (fully) aligned with the EU Taxonomy.

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Ratios used

A list of the most important ratios and terms used in this document (including the alternative performance measures) can be found at the back of this report.

Publisher

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Table of Contents

REPORT OF THE BOARD OF DIRECTORS 5

GROUP PROFILE 6
OUR FINANCIAL REPORT 25
OUR BUSINESS UNITS 28
HOW DO WE MANAGE OUR RISKS? 34
HOW DO ME MANAGE OUR CAPITAL? 61
CORPORATE GOVERNANCE STATEMENT 65
SUSTAINABILITY STATEMENT 71

CONSOLIDATED FINANCIAL STATEMENTS 158

CONSOLIDATED INCOME STATEMENT 159
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 160
CONSOLIDATED BALANCE SHEET 162
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 163
CONSOLIDATED CASHFLOW STATEMENT 165
1.0 NOTES ON THE ACCOUNTING POLICIES 167
Note 1.1: Statement of compliance 167
Note 1.2: Summary of material accounting policies 168
Note 1.3: Critical estimates and significant judgements 184
Note 1.4: Climate-related information 184
2.0 NOTES ON SEGMENT REPORTING 186
Note 2.1: Segment reporting based on the management structure 186
Note 2.2: Results by segment 187
Note 2.3: Balance-sheet information by segment 190
3.0 NOTES TO THE INCOME STATEMENT 191
Note 3.1: Net interest income 191
Note 3.2: Dividend income 192
Note 3.3: Net result from financial instruments at fair value through profit or loss 192
Note 3.4: Net fee and commission income 193
Note 3.5: Other net income 194
Note 3.6: Insurance results 194
Note 3.7: Operating expenses 195
Note 3.8: Personnel 195
Note 3.9: Impairment (income statement) 196
Note 3.10: Share in results of associated companies and joint ventures 199
Note 3.11: Income tax expense 199
4.0 NOTES ON THE FINANCIAL ASSETS AND LIABILITIES ON THE BALANCE SHEET 202
Note 4.1: Financial assets and liabilities, breakdown by portfolio and product 202
Note 4.2: Financial assets and liabilities, breakdown by portfolio and quality 205
Note 4.3: Maximum credit exposure and offsetting 208
Note 4.4: Fair value of financial assets and liabilities – general 210
Note 4.5: Financial assets and liabilities measured at fair value – fair value hierarchy 212
Note 4.6: Financial assets and liabilities measured at fair value – transfers between levels 1 and 2 215
Note 4.7: Financial assets and liabilities measured at fair value – focus on level 3 215
Note 4.8: Derivatives 216
5.0 NOTES ON OTHER BALANCE SHEET ITEMS 220
Note 5.1: Other assets 220
Note 5.2: Tax assets and tax liabilities 220
Note 5.3: Investments in associated companies and joint ventures 221
Note 5.4: Property and equipment and investment property 222
Note 5.5: Goodwill and other intangible assets 223
Note 5.6: Insurance – balance sheet 224
Note 5.7: Provisions for risks and charges 224

Note 5.8: Other liabilities ... *227*
Note 5.9: Retirement benefit obligations ... *228*
Note 5.10: Parent shareholders' equity and additional tier-1 instruments ... *231*
6.0 OTHER NOTES ... 233
Note 6.1: Off-balance-sheet commitments and financial guarantees given and received ... *233*
Note 6.2: Leasing ... *234*
Note 6.3: Related-party transactions ... *235*
Note 6.4: Statutory auditor's remuneration ... *236*
Note 6.5: Subsidiaries, joint ventures and associated companies ... *237*
Note 6.6: Main changes in the scope of consolidation ... *238*
Note 6.7: Risk management and capital adequacy ... *239*
Note 6.8: Post-balance-sheet events ... *239*
Note 6.9: General information on the company ... *240*
STATUTORY AUDITOR'S REPORT ... 241

COMPANY ANNUAL ACCOUNTS ... 249

ADDITIONAL INFORMATION ... 371

RATIOS USED ... 372
EU-TAXONOMY – DETAILED TABLES ... 375
MANAGEMENT CERTIFICATION ... 421

Report of the Board of Directors

Group profile

Statement by the Chairman of the Board of Directors and the Chief Executive Officer

This annual report presents an overview of last year's achievements and initiatives, highlighting the key financial and non-financial results and strategic developments as well as the steps we have taken to further optimise the service we provide to our clients. We also share our vision for the future and set out how we are preparing for the challenges and opportunities that lie ahead.

Kate is becoming an increasingly important part of our digital strategy

Johan Thijs: "We have always been at the forefront of new digital developments, which we combine with the power of human interaction. One of the most visible examples of our digital approach is our personal digital assistant Kate, who is constantly enhanced to provide maximum convenience for our clients. We are pleased to say that Kate is a huge success. At year-end 2024, no fewer than 5.3 million clients had already used Kate, again marking a considerable increase from the year-earlier figure of 4.2 million clients. The number of cases resolved fully autonomously by Kate also continues to grow: at year-end 2024, this stood at roughly 69% in Belgium and 71% in the Czech Republic, compared to 63% and 66%, respectively, at year-end 2023.
By combining Kate and a few other concepts and building blocks previously launched, such as Digital First and Kate Coins, and incorporating them in ecosystems, we are able to offer our clients a new type of service, supporting them – through our distribution channels – every step of the way in their search for solutions to housing, mobility, healthcare and other issues, using our own products and services as well as those of our partners and suppliers. This enables our clients to save and earn money in and beyond the traditional banking and insurance environment. We summarise this next step in our digital strategy as 'S.T.E.M., the Ecosphere', with S.T.E.M. standing for 'Save Time and Earn Money'."
Koenraad Debackere: "We also receive external recognition for our continued successful efforts towards innovation and providing our clients with maximum convenience based on our strategy. We are particularly proud that independent international consulting firm SIA Partners named KBC Mobile the world's best banking app in 2024. Moreover, SIA Partners also awarded Bolero a top position in 2024 as one of the very best investment apps available today, and Euromoney named several banks of our group Best Digital Bank in their respective countries."

Sustainability is integral to our business model and strategy

Johan Thijs: "We believe that, as a financial institution, we are uniquely positioned to contribute to a sustainable and resilient future and to truly make a change in the daily lives of all our clients. We support our clients on their journey towards greater sustainability, we have defined concrete climate indicators for carbon-intensive sectors in our loan portfolio, which we monitor closely, and we joined various international initiatives related to climate change, the environment and sustainability. We also successfully issued a new green bond with a maturity of eight years for an amount of 750 million euros, marking the first issue under our updated Green Bond Framework. The proceeds are used towards energy-efficient buildings, renewable energy transactions and environmentally friendly transport."
Koenraad Debackere: "Our sustainability efforts are also appreciated by external parties, as is reflected in our excellent sustainability ratings, including our CDP score A and our inclusion on the Financial Times' list of Climate Leaders. This is the first year in which we also disclose sustainability information as required by the Corporate Sustainability Reporting Directive, or CSRD for short, which contains new EU rules on mainly social and environmental reporting that should help investors and stakeholders assess companies' sustainability performance and impact. Information about how KBC continues its sustainability efforts can also be found on our website, www.kbc.com, and in our Sustainability Report."

Focus as a success factor

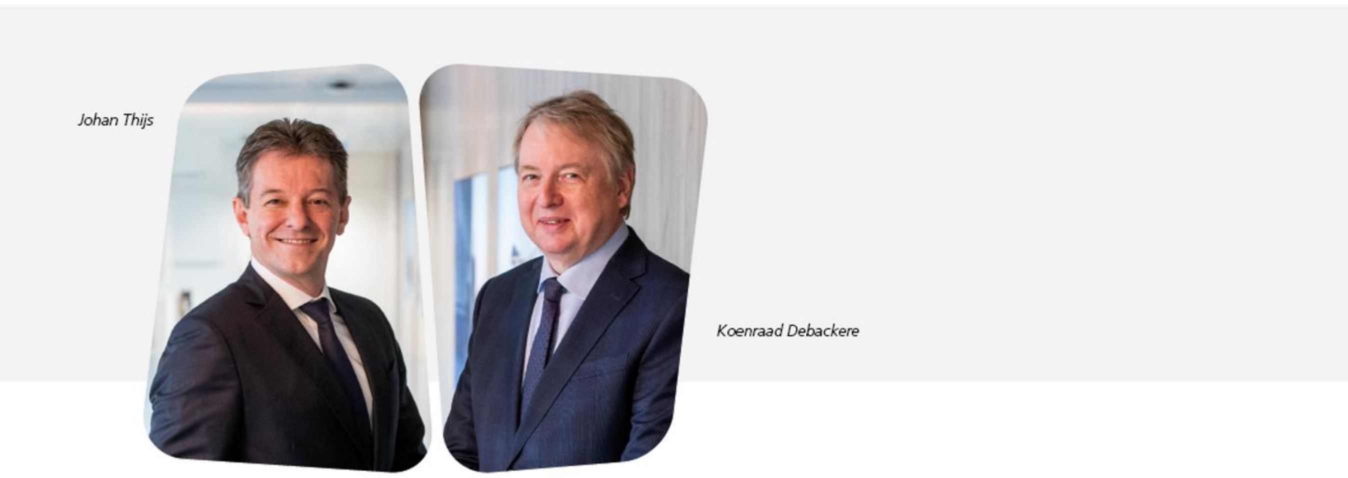
Koenraad Debackere: "Our core business remains bank-insurance – in collaboration with KBC Insurance – in a clear selection of five core markets. Having sold our Irish portfolios in 2023, our focus is now on Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. We view our presence in these countries as a long-term commitment that involves building sustainable relationships with our local clients. The goal is to know and understand those clients better, pick up signals effectively and respond to them proactively, offer tailored products and services, and focus on the sustainable development of the different communities in which we operate. We want to consolidate our presence there by means of organic growth and/or attractive acquisitions while taking into account strict strategic and financial criteria. Over the past few years, we achieved this in Bulgaria, where we acquired Raiffeisenbank Bulgaria, allowing us to significantly strengthen our position in this important home market. As a result, in 2024 we focused mainly on the continued operational integration of the new Bulgarian operations, in addition to the further settlement of our exit from Ireland."

Once again a strong performance in challenging conditions

Johan Thijs: "In 2024, we posted an excellent net result of 2.9 billion euros. Our income benefited from factors including higher net interest income and particularly strong net fee and commission income, whereas our trading and fair value income and other income dropped. Our lending went up by 5% and our customer deposits, excluding the volatile deposits at KBC Bank's branches abroad, grew by no less than 7%, supported by the successful initiatives to secure money released after the one-year Belgian State note matured. Although our impairment charges were somewhat higher, our credit cost ratio remained far below the long-term average. Our costs, excluding bank and insurance tax, remained roughly at the same level. Finally, just like last year, our results also benefited from one-off items relating to the sale of our Irish portfolios.
Our group's liquidity position remained particularly strong, as reflected in our long-term and short-term liquidity ratios, i.e. an NSFR of 139% and an LCR of 158%. We also maintained our very robust capital position, which resulted in a fully loaded common equity ratio of 14.4% at year-end 2024."

The economic environment in 2024 and beyond

Koenraad Debackere: "2024 was a year of distinct growth divergence around the globe. The most robust growth dynamics were seen in the US, supported by private consumption and government spending. By contrast, weak euro area growth suffered from cautious consumers and few budgetary incentives, with a European industrial policy still to take more shape. Its latest stimulus programme notwithstanding, China was unable to overcome the structural problem of overcapacity and deflationary trends. The disinflationary trend in the US and the euro area remained intact in 2024, despite persistent core inflation driven by services prices. Against that background, both the ECB and the Fed initiated the easing cycle for their key rates in 2024.
The prospect of trade disputes and geopolitical tensions impacts the growth and inflation expectations for 2025. The Fed is likely to respond more vigorously to inflation and implement a more moderate easing process, whereas the ECB is expected to assign more weight to the downward impact on growth than to potentially slightly higher inflation. The laborious budget drafting process in a number of euro area Member States is a point of concern for 2025, as it may give rise to higher risk premiums on their public debt.
Our strong performance in these challenging conditions is obviously testament to our solid foundations and future-oriented strategy but, most of all, it reflects the trust you, our dear client, employee or other stakeholder, have placed in us and for which we thank you sincerely."



Johan Thijs
Chief Executive Officer

Koenraad Debackere
Chairman of the Board of Directors

Area of operation and activities

KBC Bank caters mainly for retail, private banking, SME and mid-cap clients. Geographically, we focus on our core markets of Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. We have a limited presence elsewhere in the world, primarily to support corporate clients from our core markets. KBC Bank is wholly owned by KBC Group.

Network and personnel	
Bank branches (31-12-2024)	1 106
Belgium	429
Central and Eastern Europe (Czech Republic, Slovakia, Hungary and Bulgaria)	665
Rest of the world	12
Number of staff (2024 average in FTEs)	Around 28 000

Financial calendar

Financial communication is largely organised at KBC Group level. Financial information relating to KBC Bank is available at www.kbc.com > Investor Relations > Information on KBC Bank. The most up-to-date version of the financial calendar is available at www.kbc.com.

Financial calendar for KBC Group and KBC Bank	
FY 2024	KBC Group Annual Report for 2024, Sustainability Report for 2024 and Risk Report for 2024 available: 31 March 2025
	KBC Bank Annual Report for 2024 available: 31 March 2025
	AGM of KBC Bank: 23 April 2025
	AGM of KBC Group: 30 April 2025
1Q2025	Earnings release for KBC Group: 15 May 2025
2Q2025/1H2025	Earnings release for KBC Group: 07 August 2025
3Q2025/9M2025	Earnings release for KBC Group: 13 November 2025

Long-term credit ratings

The table shows the long-term and short-term credit ratings of KBC Bank NV. The credit ratings of KBC Group NV and the sustainability ratings of the group are set out in the KBC Group annual report.

Credit ratings for KBC Bank (31 December 2024)	Long-term debt ratings	Short-term ratings
Fitch	A+ (stable outlook)	F1
Moody's*	A1 (stable outlook)	P-1
Standard & Poor's	A+ (positive outlook)	A-1

Please refer to the respective credit rating agencies for definitions of the different ratings and methodologies.
* Long-term deposit rating of Aa3.

Our business model

The strategy, business model and management structure of KBC Bank is embedded in that of the KBC group. A summary is given below of the business model of the KBC group, where KBC Bank is essentially responsible for the banking business and KBC Insurance for the insurance business. For more detailed information, please see the KBC Group annual report.

How do we create sustainable value? (KBC Group)

As a banker, we see to it that our clients are able to save and invest in a well-informed manner and that we actively offer them sustainable investment products. In this way, every client can grow their assets in keeping with their personal wishes and risk profile, and call on our expertise to assist them. We use the deposits our clients entrust to us to provide loans to individuals, businesses and public authorities, thus keeping the economy turning. We also hold a portfolio of investments, which means we invest in the economy indirectly too. At the same time, we fund specific sectors and projects, such as the social profit sector and infrastructure projects that have a major impact on the domestic economy.

As an insurer, we enable our clients to operate free of worry and to limit their risks. We work hard every day to provide the best insurance cover at a fair price and we invest in a high-quality claims-handling service. We use our knowledge of the causes of accidents to develop accident prevention campaigns and we have a long-standing tradition of working with organisations involved in road safety, welfare and victim assistance.

We also offer our clients a variety of other services that are important to them in their everyday lives, including payments, cash management, trade finance, leasing, corporate finance, and money and capital market products. In this way too, we contribute to the economic system.

In all these activities, we seek to take account of the impact on society and the environment, which we translate into concrete targets. We have made a conscious choice to enhance our positive impact on society – where possible – by focusing on areas where we can make a difference as a bank-insurer. The areas in question include financial literacy, environmental awareness, entrepreneurship and the issue of longevity and health. In our business operations, we also prioritise areas such as cyber risk, anti-corruption measures, climate change and other environmental aspects.

> “ *We strive to make our clients' financial lives easier in a proactive manner, in which we go beyond pure banking and insurance products alone. The ultimate intention is to support them every step of the way in their search for solutions to housing, mobility, energy and other issues.*

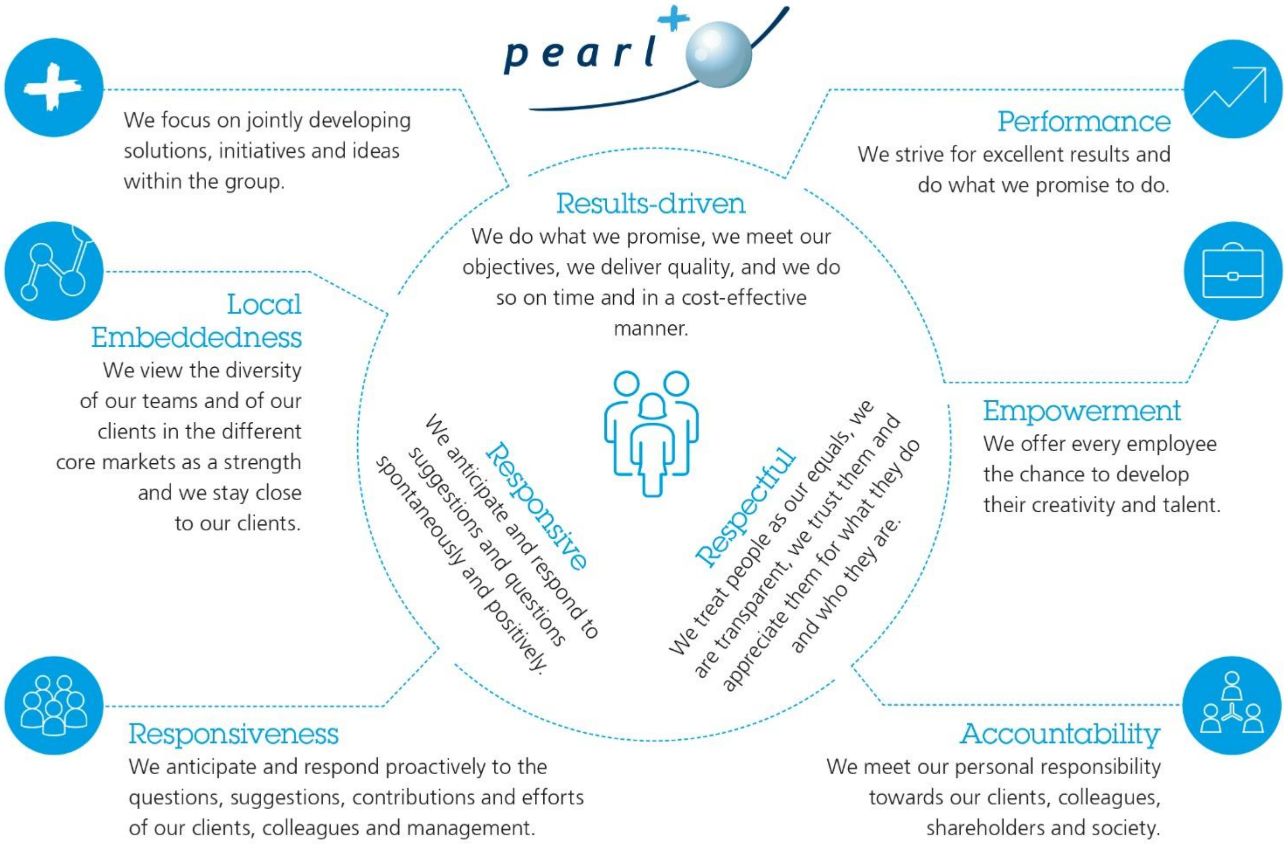
As a bank-insurer, we have a direct influence on climate change through our own energy consumption. More important, however, is the indirect influence that lending, holding an investment portfolio, providing investments to clients and insuring counterparties can have a on the climate. We ourselves also feel the impact of climate change. Examples include higher levels of claims under the insurance we provide relating to consequences of extreme weather conditions and the impact on our loans or investments when relevant counterparties suffer the negative consequences of climate change or the transition to a lower-carbon society. We carefully consider these factors, not only to reduce or prevent adverse consequences, but also to contribute actively by launching sustainable products and services. We closely track our performance in this regard, to which end we apply specific targets. For several years now, we have been expanding the scope of our Sustainable Finance Programme to include other environmental aspects, such as biodiversity and circularity.

What's more, as a major player in each of our core countries, we form part of the local economic and social fabric. We make an important contribution to employment in all our core markets and, as such, recognise that we have a significant impact on the lives of our staff. We encourage responsible behaviour on the part of our employees and offer them a fair reward for their work, thereby contributing to the welfare of the countries in which we operate.

What makes us who we are? (KBC Group)

We sum up our business culture in the acronym ‘PEARL+’, which stands for Performance, Empowerment, Accountability, Responsiveness and Local Embeddedness. The ‘+’ sign in PEARL+ symbolises our focus on the joint development and smart copying of solutions, initiatives and ideas so that they are easy to utilise and deploy throughout the group, enabling us to work more efficiently, respond more quickly to change and make full use of local skills and talents group-wide. We encourage all our employees to behave in a way that is responsive, respectful and results-driven. An explanation of what we mean is given in the diagram.

PEARL+ is a mindset, a working culture, shared by all our staff. We have appointed a dedicated PEARL manager to make sure that all our employees are thoroughly imbued with these values. The PEARL manager reports to our CEO. To embed this culture across the entire group and to ensure its success, we adopt not only a top-down but also a bottom-up approach to its implementation. This includes appointing hundreds of PEARL ambassadors in the workplace, who give concrete shape to PEARL and help other colleagues to apply it.



We have structured our group around three business units, which focus on local activities and contribute to sustainable earnings and growth. The units are Belgium, the Czech Republic and International Markets. A more detailed description is provided in the ‘Our business units’ section.

The Board of Directors is responsible for defining our group’s strategy, general policy and risk appetite. It is supported by several specialised committees: the Audit Committee, the Risk & Compliance Committee, the Nomination Committee and the Remuneration Committee. These committees are dealt with in the ‘Corporate governance statement’. Our Executive Committee provides the operational management of the group within the confines of the general strategy approved by the board. Besides the CEO, the Executive Committee includes the Chief Financial Officer (CFO), the Chief Risk Officer (CRO) and the Chief Innovation Officer (CIO) of the group, as well as the CEOs of the three business units.

What differentiates us from our peers? (KBC Group)

Our integrated bank-insurance model

We offer an integrated response to our clients' banking and insurance needs. Our organisation is similarly integrated, with most services operating at group level and the group also managed in an integrated style. 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.

Our digital approach

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 process and product development. In addition to a digital product range, therefore, we also offer our clients digital advice and develop all processes and products as if they had to be sold digitally. Artificial intelligence and data analysis will play an important part in digital sales and advice. Kate, our personal digital assistant, will feature prominently in this regard. Our experts naturally remain available at our branches and call centres to answer complex questions or provide advice at key life moments. The very success of our digital strategy allows us to free up more time to improve the advice we provide to clients.

Our strong geographical focus and local responsiveness

We focus on our core markets of Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. This selection of countries allows us to operate in a mix of mature and growth markets, taking advantage in the latter of the catch-up potential for financial services. We have a limited presence elsewhere in the world, including to support the activities of our corporate clients in our core markets. We want to build sustainable relationships with our local clients in our core countries. The goal is to know and understand our local clients better, pick up signals effectively and respond to them proactively, offer tailored products and services, and focus on the sustainable development of the different communities in which we operate. Where relevant, we facilitate collaboration among our core countries to avoid duplicating our efforts and to offer our clients the best solutions.

Our approach to sustainability

As a financial institution, we have a major direct and indirect impact on society. 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, which is geared towards the local economy and society, consists of financial resilience and three cornerstones: encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse social impact we might have.

Our shareholder structure

A special feature of the shareholder structure of KBC Group (of which KBC Bank is a wholly-owned subsidiary) is the core shareholder syndicate consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held roughly 42% of the shares at the end of 2024. These shareholders act in concert, thereby ensuring shareholder stability in the KBC group.

Our strengths

Unique bank-insurance model and innovative, data-driven digital strategy, which enables us to respond immediately to our clients' needs	Strong commercial banking and insurance franchises in all our business units	Successful track record of underlying business results	Solid capital position and strong liquidity	Firmly embedded in the local economies of our core countries	Strong focus on sustainability. Ambitious climate targets that we also use to guide our clients towards a more sustainable future

Our challenges

A macroeconomic environment characterised by geopolitical challenges	Impact of climate change on our and our clients' operations, and the use of opportunities related to the transition to a greener economy	Stricter regulation in areas like client protection, solvency, the environment, data and AI	Changing client behaviour, competition (including integrated financial solutions offered by non-financial players)	New technologies and cybercrime

In what environment do we operate? (KBC Group)

The world economy

2024 was a year of distinct growth divergence in the global economy, with real GDP growing by 2.8% in the US, by 0.7% in the euro area and by 4.8% in China. The substantial US growth dynamics were primarily driven by private consumption, underpinned by a robust labour market, and by government spending. In many ways, the growth composition in the euro area was the mirror image of the US economy. Domestic demand remained weak due to the high consumer savings ratio and the lack of incentives included in the fiscal policy. Meanwhile, China still suffered from the structural problem of overcapacity in 2024 and the associated deflationary trends.

The disinflationary trend in the US and the euro area continued in 2024, with US and euro area inflation amounting to 3.0% and 2.4%, respectively, although underlying core inflation (excluding food and energy prices) persisted due to services price inflation. The prospect of large-scale trade disputes in 2025 is weighing on the underlying disinflation path, as US import duties will have an inflationary effect on US price levels. The extent of the inflationary boost to the European economy will depend on the European policy response.

Against the background of declining inflationary pressure in 2024, both the Fed and the ECB started easing their key rates in 2024. The ECB commenced its easing cycle in June by lowering its deposit rate from 4% to 3.75%. More steps – of 25 basis points each – followed in September, October and December, leading to a year-end deposit rate of 3%. In January 2025, the ECB cut its deposit rate by another 25 basis points to 2.75%. The interest rate easing is likely to continue in 2025. In the second half of 2024, the ECB also started its net phase-out of the PEPP portfolio, and the ECB fully discontinued its reinvestments in 2025.

The Fed initiated its easing cycle a few months after the ECB, first lowering its key rate by 50 basis points in September and then further easing interest rates twice, in November and December, each time by 25 basis points. Consequently, the key rate ended 2024 at 4.375%. We expect the Fed to also introduce further easing measures in 2025, but they are likely to tred cautiously due to the inflationary impetus given by the more restrictive US trade policy expected in 2025.

In 2024, the divergence between the US and the euro area in terms of both economic growth dynamics and monetary policy prompted a rising long-term interest rate differential between the US and Germany on balance. The considerable increase in the interest rate differential that started in the run-up to the US elections firmly strengthened the dollar against the euro.

A key risk for 2025 is the escalation of trade disputes and geopolitical tensions. The laborious process of drafting the 2025 budget in a number of euro area Member States is also a major point of concern for 2025, as it carries a risk of higher risk premiums on their public debt.

Information on each business unit and country can be found in the 'Our business units' section.

Main challenges

The main challenges facing us are, of course, the economic situation, intensifying competition and technological change, regulation, and cyber and ICT risks. The way in which we are dealing with them is set out below.

What are our main challenges? (KBC Group)

Climate change, global health risks and geopolitical and economic challenges

Our financial performance is obviously impacted by the global economy, as well as by the financial markets and the demographic trends. The coronavirus pandemic and the recent extreme weather conditions demonstrated that climate change and public health risks, too, can have a significant impact. And geopolitical developments, such as the war in Ukraine, can also have major implications for the economy and hence our results.

How are we addressing them?

- ✓ We ensure in our long-term planning/scenario that our capital and liquidity positions are capable of withstanding a negative scenario.
- ✓ We calculate the impact of changes in key parameters and estimate the impact of material events as effectively as possible.
- ✓ If it turns out that the models are not capturing the increased credit risk resulting from specific events, we will set aside additional reserves based on management's assessment.
- ✓ Where necessary (in response to the coronavirus crisis, for example), we take the measures needed to secure business accessibility and continuity.
- ✓ We have translated our environmental and climate change strategy into specific targets and have committed ourselves to several relevant international initiatives. We provide a detailed report on sustainability.
- ✓ We constantly adjust our product and service offering by, for instance, responding to demand for sustainable products. We also want to be a partner for our clients in their transformation to a more sustainable future.
- ✓ We aim to diversify our income sources to include more fee business, for example, alongside interest income.

Shifting client behaviour and competition

We face strong competition (from traditional players, online banks, fintechs, bigtechs, and so on), technological changes and shifting client behaviour. All this is influencing clients' expectations in terms of speed, digital interaction, proactivity and personalisation. The development of AI, and generative AI in particular, also fuels expectations and competition in the field of AI-driven assistants.

How are we addressing them?

- ✓ The creative input and diversity in terms of training and background of our employees is exceptionally important when it comes to equipping ourselves to deal with competition and technological change.
- ✓ We can draw on an immense volume of data, which – subject to clients' consent –enables us to understand more clearly what clients want. Our integrated model enables us to gain better insights and to offer our clients more comprehensive solutions than pure banks or insurers can. Meanwhile, we are closer to our clients than bigtech companies are, for instance.
- ✓ We have a process in place to ensure that the business side receives approval efficiently for new product and service launches. The process also includes a thorough examination of the potential risks. We regularly review all our existing products, so that they can be adapted to take account of evolving client needs or changing circumstances.
- ✓ Research and development have been performed at a variety of group companies as part of a programme to develop new and innovative digital solutions in a more data-driven financial organisation (see 'Our business units').
- ✓ In order to monitor our clients' satisfaction and our market position, we apply a structured approach to data collection and analysis. We actively monitor trends and analyse the market. We also consistently send out client surveys to keep track of their satisfaction with our products and services and the level of our service.
- ✓ Where possible, applications are copied across the group's different core markets. We are also open to partnerships with fintech firms and sector peers.
- ✓ In addition to innovation and digitalisation, we are working hard to simplify and automate products and processes (straight-through processing). Our digital assistant Kate is a great example of one of our solutions aimed at ensuring maximum convenience for our clients.

Regulation

The following trends and regulations will have a significant impact in the years ahead:

- ✓ Sustainability: EU measures to mobilise financial resources for sustainable growth including by means of tailored reporting (CSRD and Article 8 of the Taxonomy Regulation) and by means of obligations regarding due diligence and preparing and implementing a transition plan for climate change mitigation (CS3D);
- ✓ Digitality: EU initiatives related to the impact of new technologies on the financial services sector (Digital Operational Resilience Act, Cyber Resilience Act, AML directive (digital assets), Markets in Crypto Assets Regulation, proposals for regulations on Financial Data Access, the digital euro and the European Digital Identity);
- ✓ Artificial intelligence: the EU intends to regulate the sale, development and application of AI systems at the European level by means of a risk-based approach;
- ✓ Prudential supervision: transposition of Basel IV into the Capital Requirements Regulation (CRR3) and Capital Requirements Directive (CRD6); revision of Solvency II; further developments related to the reform of the Crisis Management & Deposit Insurance Framework; further developments related to the draft Directive on recovery and resolution planning for insurance undertakings;
- ✓ Payment transactions: a regulation for instant credit transfers in euro, revision of the legal framework for payment services (PSR) and a proposal for a Directive (PSD3) applicable to payment and electronic money institutions that focuses on prudential aspects;
- ✓ Financial markets and products: reform of the European Market Infrastructure Regulation, proposal for a Directive on distance marketing of financial services; EU Green Bonds Standards Regulation; developments related to the EU Listing Act, which amends, for example, the Prospectus Regulation and the Market Abuse Regulation; further expansion of the Capital Markets Union.

How are we addressing them?

- ✓ We are making thorough preparations for the new regulations: details of the new regulations are kept in a database and specialised teams keep close track of the trends and rules, and propose the necessary responses in terms of the group's capital planning, for instance.
- ✓ We participate in working groups at sector organisations, where we analyse draft texts.
- ✓ A special team focuses on contacts with government and regulators.
- ✓ We produce memorandums and provide training courses for the business side.
- ✓ We study the impact of regulations on client behaviour and, where appropriate, adjust our products and processes to take account of shifts in that behaviour; we likewise study the impact on transformation and innovation projects.

Cyber risks and data protection

Following trends in the digital landscape, cyberattacks pose a constant threat in a rapidly digitalising world. Developments based on artificial intelligence increase the number of potential cyberattacks and introduce new ways of launching cyberattacks. Our focus at KBC is on ensuring both our clients and our entities optimum protection against cybercrime.

How are we addressing them?

- ✓ We raise our employees' awareness of cyber risks by providing training in areas like phishing, smishing ('SMS phishing') and vishing ('voice phishing'), and cyber fraud in general. We use simulation tests to check whether employees respond appropriately to various scenarios.
- ✓ We work to achieve highly secure and reliable ICT systems and data protection procedures.
- ✓ We are making every effort to collect threat intelligence and apply several tools that allow us to anticipate and respond to different cyber threats such as DDoS attacks and ransomware as quickly and accurately as possible.
- ✓ Our group-wide Competence Centre for Information Risk Management & Business Continuity tracks all risks relating to data protection, cybercrime and operational ICT. The team informs and assists local entities, tests KBC's defence mechanisms and provides training.
- ✓ We are members of the Belgian Cyber Security Coalition – a knowledge and consultative platform consisting of around 50 public and private-sector enterprises and academics.
- ✓ We also have our entities' cyber risks and defence mechanisms evaluated by internal and external security experts.

Market conditions in our core countries in 2024 (KBC Group)

	Belgium	Czech Republic	Slovakia	Hungary	Bulgaria
Market environment in 2024[1]					
Change in GDP (real)	1.0%	1.0%	2.1%	0.6%	2.2%
Inflation (average annual increase in consumer prices)	4.3%	2.7%	3.2%	3.7%	2.6%
Unemployment rate (% of the labour force at year-end; Eurostat definition)	5.8%	2.6%	5.3%	4.3%	3.8%
Government budget balance (% of GDP)	-4.4%	-2.8%	-5.8%	-4.8%	-2.9%
Public debt (% of GDP)	104.1%	43.3%	58.2%	73.8%	24.3%
Forecast growth in real GDP in years ahead					
2025	0.7%	2.1%	1.9%	2.3%	2.1%
2026	0.9%	2.3%	2.5%	3.9%	2.4%
KBC's position in each core country[2]					
Main brands	KBC, CBC, KBC Brussels	ČSOB	ČSOB	K&H	UBB, DZI
Network	429 bank branches 283 insurance agencies Online channels	198 bank branches Insurance sold through various channels Online channels	98 bank branches Insurance sold through various channels Online channels	193 bank branches Insurance sold through various channels Online channels	176 bank branches Insurance sold through various channels Online channels
Recent acquisitions or disposals[3] (2022-2023-2024)	–	–	–	–	Acquisition of Raiffeisenbank Bulgaria (2022)
Clients (millions, estimate, KBC Group)	4.0	4.3	0.8	1.6	2.2
- Of which KBC Bank	3.8	3.8	0.6	1.0	1.5
Loans and advances to customers (in billions of EUR, KBC Group)	124	38	12	7	11
Deposits from customers (excluding debt securities) (in billions of EUR, KBC Group)	146	51	9	10	14
Market share (estimate, KBC Group)					
- banking products	21%	20%	12%	11%	19%
- investment funds	27%	24%	8%	11%	14%
- life insurance	13%	9%	4%	4%	25%
- non-life insurance	9%	9%	5%	7%	13%
Contribution to net profit in 2024 (in millions of EUR, KBC Bank)	1 443	752	101	334	263

1 Data based on estimates in early March 2025 and hence different from year-end 2024 data in Note 3.9 in the 'Consolidated financial statements' section.
2 Market shares and client numbers: based on own estimates. For bank products: average market share for loans and deposits. The number of bank branches excludes self-service branches and the 12 KBC Bank branches established in the rest of Europe, the US and Southeast Asia. The market shares are based on the latest available data (e.g., from the end of September 2024).
3 See Note 6.6 in the 'Consolidated financial statements' section for more details.

Our employees, capital, network and relationships (KBC Group)

As a financial group, we draw on many different types of capital, including our employees and our capital base, but also our brands, reputation and capacity to innovate, our relationships with all our stakeholders, our branches, agencies and electronic networks, and our ICT infrastructure.

Our employees

This is the first year in which we report on our employees in line with the Corporate Sustainability Reporting Directive, or CSRD for short, which contains new EU rules that enhance and update social and environmental reporting by large and listed companies. As required, we disclose the information in a separate 'Sustainability statement' section elsewhere in this annual report.

In order to avoid repeating issues already addressed in the 'Sustainability statement' section, in this section we focus on our values in relation to our employees, how we give them the opportunity to expand their skills and competences – which are essential in implementing our strategy – and how management can contribute to this. Finally, we will also discuss the results of employee surveys and awards. We also refer to our Sustainability Report at www.kbc.com for more details and additional information about our employees.

Our values group-wide are the same and are founded on our PEARL+ business culture. The 'E' in PEARL+ stands for 'Empowerment', referring to our commitment to give every employee the space they need to develop their talent and creativity and to deploy it towards accomplishing our business strategy. The '+' in PEARL+ stands for co-creation across national borders and 'smart copying' between us. In this way, we can benefit even more from the wealth and diversity in our group.

Through the group-wide 'Team Blue' initiatives, we actively promote our PEARL+ culture and unite employees from different countries, to make them proud of their team and their company and enable them to draw on each other's experience. These initiatives include the Team Blue Challenges, the Group Diversity Days and the Group Inspiration Days.

In the autumn of 2024, we launched the latest Team Blue Challenge, called 'Team Blue loves your dreams'. We put our goal of 'making clients' dreams come true and protecting them every day' into practice by rolling up our sleeves for social non-profit organisations that could use some help with their projects, thereby strengthening the bond between employees while giving back to society.

The world is changing at an accelerating pace, as are our client's expectations. KBC aims to be nothing less than the benchmark in this new world. A rapidly evolving environment calls for dynamic and creative employees who are able to respond quickly to their surroundings and the new world of work. By assigning the right person with the right skills to the right job at the right time, we make sure that employees continue to develop and grow in lockstep with KBC. To this end, we are committed to a learning culture, in which learning forms an integral part of our everyday activities and is based on skills. All employees have a personal skills profile that helps them focus on the skills that are needed to improve the performance of their duties and increase their contribution to KBC's strategy. To achieve all this in a smart way, we use an AI-driven learning and talent platform that goes by the name of StiPPLE. It offers learning content that is tailored not only to the relevant skills but also the appropriate skill level. Through progression reviews held with the manager, StiPPLE helps them focus on the right performance and development targets. StiPPLE simultaneously serves as an integrated marketplace for internal job openings that matches available jobs with qualified internal candidates. Employees can also gain insight into the jobs that best match their profile and the skills they can still develop to achieve their further career ambitions. We are also supported by My Kate, every employee's personal, digital assistant who, based on the right prompts at the right time, supports employees in their KBC journey by recommending learning opportunities and initiating actions that improve their performance and benefit their career. Lastly, we also introduced career counselling for employees to help them gain a better understanding of their personal talents and interests, as well as their career options within KBC.

Good managers are key when it comes to bringing out the best in our employees and implementing the KBC strategy successfully. We therefore invest in the training and education of all our managers, guided by the PEARL+ values as our compass. We provide junior managers with intensive training and offer optional digital and classroom training to experienced managers who wish to learn more about crucial skills and competences. We also provide intensive coaching and training to groups of managers who take on a leading role in specific transformations. In Belgium, we continue to organise 'SAMEN Werkt!' ('Working TOGETHER Works!') sessions to promote teamwork, in which we inspire and motivate formal and informal leaders through company-wide challenges. To enable them to pursue a common vision, senior managers from across the group take part in the 'KBC University', an ambitious development programme. We are also actively working on a separate policy for top talent management, in which we identify future senior managers and fast-track them to face tomorrow's challenges.

We keep close track of our employees' opinions by means of group-wide employee surveys. We conducted two surveys in 2024, with a global response rate of 84% in the second half of the year. In Belgium, the survey response rate was 81% in March and 82% in October. In the survey conducted in the second half of the year, 74% of our employees group-wide reported feeling engaged with KBC (Belgium 82%, Czech Republic 74%, Slovakia 75%, Hungary 61%, Bulgaria 63%).
Employee engagement is defined as pride in working for the company, motivation to be in the current role, and a sense of connection with KBC. In 2024, it was precisely this sense of connection that rose to 82% in Belgium and to 73% at group level, as employees are proud of the stability of KBC as a company and of its innovative approach. Apart from engagement, the surveys

also gauge the support for and impact of the KBC strategy among our employees, as well as other aspects of PEARL+, such as a sense of autonomy and empowerment. The outcome of the survey reveals, for example, that 80% of our employees throughout the group recognise how their job helps to put the KBC strategy into practice.

The surveys have also resulted in a number of measures, including initiatives to support managers in their coaching roles. Managers can access their results and choose to implement specific measures as necessary.

All our efforts translate into externally validated HR awards for the entire group. In early 2025, several group entities were again certified as Top Employers 2025: KBC (for the fifth time in a row) and CBC (for the fourth time in a row) in Belgium, K&H in Hungary (for the third time in a row) and our shared service centres in the Czech Republic and Bulgaria (both for the third time in a row).

More detailed information about the number of persons employed and the composition of the workforce is provided in our 'Sustainability statement' (section 3.1.2).

Our capital

Our activities are only possible if we have a solid capital base. At year-end 2024, KBC Group's total equity came to 24.3 billion euros and its capital was represented by 417 544 151 shares. At year-end 2024, KBC Bank's total equity was 20.4 billion euros.

KBC Group is the sole shareholder of KBC Bank. KBC Group shares are held by a large number of shareholders in a number of countries. A group of shareholders consisting of MRBB, Cera, KBC Ancora and the Other core shareholders constitute KBC Group's core shareholders. A shareholder agreement was concluded between these core shareholders in order to ensure shareholder stability and guarantee continuity within the group, as well as to support and co-ordinate its general policy. To this end, the core shareholders act in concert at the General Meeting of KBC Group NV and are represented on its Board of Directors. The current agreement applies for a ten-year period with effect from 1 December 2024. According to the most recent notifications, the core shareholders own 42% of our shares between them. More information on the KBC Group's shareholder structure can be found in the KBC Group annual report.

A major part of our activities involves transforming deposits and other forms of funding into loans. For that reason, funding through deposits and debt securities is an important raw material for our group. We have therefore developed a strong retail/mid-cap deposit base in our core markets. We also regularly issue debt instruments, including via KBC IFIMA, KBC Bank and KBC Group NV.

Our network and our relationships

Alongside staff and capital, our network and relationships are especially important to our activities. An overview of our network can be found under 'Market conditions in our core markets'.

Our social and relationship capital comprises all relationships with our clients, shareholders, government, regulators and other stakeholders, enabling us to remain socially relevant and to operate as a socially responsible business. This theme is dealt with in depth under 'Our role in society' in the 'Our strategy' section and in our Sustainability Statement.

Key intangible resources

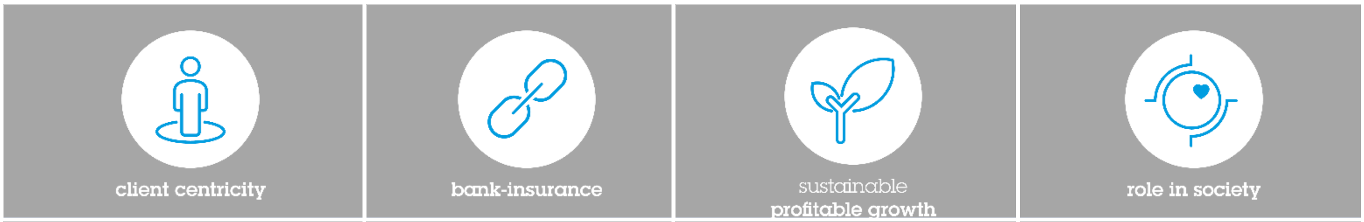
The legislation requires that the annual report contain information about the key intangible resources and how the business model of the company fundamentally depends on such resources and how such resources are a source of value creation for the company.
We refer to 'How do we create value?' in this section for a general description of our value creation. Key intangible resources in our business model include the values, loyalty, knowledge, motivation and responsible behaviour of our employees, our corporate culture, our capacity to innovate (incl. regarding software and AI) and our relationships with various stakeholders (our clients in particular, but also our suppliers, investors, etc.).

We have incorporated that information into several sections of this annual report. The most relevant sections are:
- 'What makes us who we are?' (PEARL+), 'What are our main challenges?' (changing client behaviour and competition) and 'Our employees, capital, network and relationships' in the 'Our business model' section
- 'The client is at the centre of our business culture' and 'Our role in society' in the 'Our strategy' section
- 'Main features of the internal control and risk management systems' in the 'Corporate governance statement' section
- The 'Sustainability statement' section, especially sections 1.3.2, 1.3.3.2, 3.1, 3.2 and 4.1

Our strategy

The strategy, business model and management structure of KBC Bank is embedded in that of the KBC group. A summary is given below of the strategy of the KBC group, where KBC Bank is essentially responsible for the banking business and KBC Insurance for the insurance business. For more detailed information, please see the KBC Group annual report.

The core of our strategy for the future (KBC Group)



PEARL+: jointly developing solutions, initiatives and ideas within the group.

Within a stringent risk, capital and liquidity management framework

Our strategy rests on the following principles:

- We place our clients at the centre of everything we do.
- We look to offer our clients a unique bank-insurance experience.
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth.
- We assume our role in society and local economies.
- We implement our strategy within a strict risk, capital and liquidity management framework.

As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group.

-> *More information on PEARL+ is provided in the 'Our business model' section.*

The client is at the centre of our business culture (KBC Group)

Access to financial services and solid financial advice for all sections of society contributes to economic development and forms the basis for financial and social integration.

As a bank-insurer, we are committed to financial literacy and by means of solid and transparent advice we aim to help our clients make the right decisions. We take initiatives to promote financial literacy. For example, by introducing the option to receive financial and economic news through KBC Mobile we contribute to awareness-raising and financial education. We also expect our employees to communicate with our clients in an accessible, clear, understandable and transparent manner.

For a few years now, we have 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 our clients' questions and expectations. For clients who so desire, we will use the available data in an intelligent and appropriate manner.

This is why we are transitioning from an omnichannel distribution model towards a digital-first distribution model. The human factor remains important in both models and our staff and branches are at the disposal of our clients. In a digital-first distribution model, digital interaction with clients will form the initial basis. We therefore aim over time to provide all relevant commercial solutions via mobile applications. In addition to a digital product range, we will offer our clients digital advice and develop all processes and products as if they were sold digitally.

Kate – our 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 in their mobile app to ensure maximum convenience. If the client accepts a proposal, the solution will be offered and processed completely digitally.

Employees in the branch network and contact centres continue to function as a beacon of trust for our clients. Our employees also support and encourage the use of digital processes and monitor this use, supported by artificial intelligence, data and data analysis.

To guarantee our clients maximum ease of use and to be able to offer a growing number of possibilities via Kate, we also changed our internal processes, the way we supply our products and services, and how we organise ourselves internally. At the same time, this requires a further change in mentality and in-service training for our staff. For instance, Kate automates certain administrative acts and answers questions, enabling employees to address other issues, saving valuable time which our employees can use to connect with clients and speak with them about anything that might be on their minds.

A few years ago, we launched our own banktech, DISCAI, which globally markets our trailblazing artificial intelligence applications that have been developed in-house. The first application focused on the fight against the growing problem of money laundering, which is becoming more and more complex. DISCAI responds to this market demand by entering into strategic collaborations with specialist partners such as Harmoney. These partnerships enable us to offer powerful end-to-end solutions that combine AI-based warning systems with advanced case and process management platforms, allowing us to help financial institutions effectively and efficiently combat financial crime.

Digitality in practice (KBC Group)	2024	2023
Share of banking products sold through digital channels	55%	52%
Share of insurance products sold through digital channels	29%	26%
Growth in mobile app users	+9%	+13%
Number of clients who have already used Kate	5.3 million	4.2 million
The proportion of cases resolved fully autonomously by Kate (E2E) (Belgium/Czech Republic)	69% / 71%	63% / 66%

Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from us, such as a home loan, home insurance or saving spare change, and when purchasing products from specific commercial partners. They can then use those Kate Coins to save money by exchanging them for additional benefits. For instance, KBC clients can exchange Kate Coins when purchasing an investment plan, a prepaid card, personal accident insurance or family insurance, and enjoy a cashback. KBC clients can also spend their Kate Coins at a number of commercial partners. The partners themselves determine the conditions and timing of their offer. In KBC Mobile, clients can check out 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.

Last year, we took the next step by introducing ‘S.T.E.M., the Ecosphere’, with S.T.E.M. standing for Save Time and Earn Money. By combining a number of concepts and building blocks previously launched, such as Digital First, Kate and Kate Coins, and incorporating them in ecosystems, we are able to offer our clients a new type of service, supporting them – through our distribution channels – every step of the way in their search for solutions to housing, mobility, healthcare and other issues, using our own products and services as well as those of our partners and suppliers. This enables our clients to save and earn money in and beyond the traditional banking and insurance environment.

Digitalisation also comes with the obligation to use the available data in a responsible manner. We therefore make sure we process data in accordance with the GDPR and all privacy rules, and that processes are in place to ensure this for each new service we launch. In doing so, we take into account the key data protection principles of purpose limitation (i.e. not using data for any purpose other than that for which it was collected), data minimisation (i.e. not collecting more data than is required for the intended purpose) and transparency (i.e. being transparent regarding the data collected and used). The latter is related to our privacy policy, which is published by each entity of our group through the appropriate channels in order to ensure that all individuals whose personal data is processed are properly informed. We make every effort to secure and protect data against unwanted or unauthorised access, loss or damage, to not retain any personal data once it is no longer required for the purpose for which it was collected, and to keep all personal data accurate and up to date.

We have documented all the rights of the data subjects and protect this from any infringements on fundamental human rights resulting from our access to data. Because privacy and data protection are not only objective concepts, defined by law, they are highly subjective ones too. We therefore want to let our clients decide how we use their data and how Kate can use this data. In the process, we aim to communicate in a transparent way and offer our clients a clear privacy overview, in which they can adjust their choices at any moment.

Since putting the interests of our clients at the heart of everything we do is the cornerstone of our strategy, we keep a close eye on their situation. We continuously survey our clients and organise regular debates with client panels. A specific dialogue is likewise maintained with NGOs, and a stakeholder debate also organised on a regular basis. We closely monitor our reputation and communicate this analysis to all the departments and individuals concerned, so they can take appropriate action.

The most important Key Performance Indicators (KPIs) relating to the client being put at the heart of everything we do, are set out in the KBC Group annual report.

We offer our clients a unique bank-insurance experience (KBC Group)

As a bank-insurer, we put our clients at the heart of what we do by offering them an integrated range of products and services. Our integrated model offers the client the benefit of a comprehensive, relevant and personalised one-stop service that allows them to choose from a wider, complementary and optimised range of products and services. It offers the group 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, synergies and heightened interaction opportunities with and a more complete understanding of our clients.

As stated earlier, we do everything we can to integrate our channels (bank branches and insurance agencies, contact centres, self-service terminals, the website, our home banking application and mobile apps). Because we are both a bank and an insurer, we can commit ourselves completely to this integrated approach and seamless service.

We have developed a unique bank-insurance cooperation concept within our group, a model that goes much further than a bank that sells insurance products. It is all about complete back-office and support-service integration, which delivers operational and commercial optimisation for both the client and for KBC itself. The way we work means, for instance, that we only need one communications department, one marketing department, one risk control department, and so on. It is only the underlying product factories that operate independently, as these are specific professions.

In addition to operating as a single business, we pursue a digital-first, lead-driven and AI-led organisation. This means fully integrated front and back-end applications designed according to the ‘digital first’ principle. We are firmly committed to becoming data and AI-led in all our core countries, at their own pace. Kate (see previous section) is the key element within a data-led organisation of this kind. Our experts naturally remain available at our branches and call centres to answer complex questions or provide advice at key life moments.

We offer not only our own bank and insurance products and services through our mobile apps, but also non-financial products and services. For ‘bank-insurance+’, these solutions are designed to help our clients save money (e.g., suggesting that they switch to a cheaper energy supplier), earn money (e.g., discounts using Kate Coins in Belgium), making everyday payments easier (e.g., paying automatically for parking) or supporting business activities. We work with third parties to provide these solutions. S.T.E.M., the Ecosphere takes this to the next level. We will not only offer non-financial products and services, but we will integrate them into the full client journey to ensure that we can offer our clients a new and more comprehensive one-stop-shop value proposition.

Our bank-insurance model is already enabling us to achieve various commercial synergies. In Belgium, for instance, just over eight out of ten clients who agreed home loans with KBC Bank in 2024 also took out mortgage protection cover with KBC Insurance, while more than nine out of ten purchased home insurance. At ČSOB in the Czech Republic, five to six out of ten clients who took out home loans in 2024 also purchased home insurance from the group. To give another example, across the group at year-end 2024, about 76% of active clients held at least one of the group’s banking products and one of its insurance products, while roughly 23% even held at least two banking and two insurance products (three banking and three insurance products in Belgium). The number of bank-insurance clients of this type grew by 3% (one banking and one insurance product) and 1% (two banking and two insurance products, and three banking and three insurance products in Belgium) in 2024 respectively.

We use a number of Key Performance Indicators (KPIs) to track the success of our bank-insurance performance, The most important Key Performance Indicators (KPIs) relating to bank-insurance are set out in the KBC Group annual report.

We focus on sustainable and profitable growth (KBC Group)

Developing long-term relationships with our clients is crucial if we are to secure our long-term future. We do not pursue high short-term returns that come with excessive risks but rather focus on sustainable and profitable growth in the long run.

Sustainable and long-term thinking also means concentrating on the local economies of our core markets of Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. We view our presence in these countries as a long-term commitment and want to consolidate our presence there by means of organic growth or attractive acquisitions, in line with clear and strict criteria.

Arising merger and acquisition opportunities beyond our core markets may be assessed (for approval of the Board of Directors) obviously taking into account very strict strategic, financial, operational and risk criteria.

Recent examples of acquisitions: more details are provided in the ‘Our business units’ section and in Note 6.6 of the ‘Consolidated financial statements’.

Growth in 2024, by business unit (KBC Group)	Loans and advances to customers*	Deposits from customers*	Sales of life insurance	Sales of non-life insurance
Belgium	+4%	+10%	+30%	+7%
Czech Republic	+7%	+2%	+9%	+12%
International Markets	+9%	+5%	+1%	+15%
Total	+5%	+7%	+25%	+10%

* Excluding foreign-exchange effects. For deposits, excluding deposits at KBC Bank's foreign branches, which are driven by short-term cash management opportunities.

We want to be in a position to deliver all our products and services in a top class manner. In the case of our core activities, we will retain production in-house, but for peripheral activities, we will mostly look to outsourcing or partnerships with (or in some cases acquisition of) specialists, including start-ups. In Belgium, for instance, we collaborate with a start-up that makes renovation estimates of buildings for our clients and that refers clients to the allowances and grants available to them. This is plainly not a core business of ours, but – besides advancing the level of client satisfaction and ensuring maximum convenience for our clients – it does help us to gain an understanding of our clients in order to improve our core business. If we have access to the details of these transactions – and subject to clients' consent – we can generate added value for our clients by proposing better solutions based on analysis, thereby saving them money or making their lives easier.

As a diversified income base fosters sustainable and profitable growth, we want to generate more revenue from the fee business (commissions) and insurance activities, alongside our interest income.

Stringent risk management in everything we do is an absolute precondition in terms of guaranteeing sustainability. For more information on this, see 'We aim to achieve our ambitions within a stringent risk management framework'.

The most important Key Performance Indicators (KPIs) relating to sustainable and profitable growth are set out in the KBC Group annual report.

Our role in society (KBC Group)

This is the first year in which we provide detailed sustainability information in line with the Corporate Sustainability Reporting Directive, or CSRD for short. We disclose the information in a separate 'Sustainability statement' section in this annual report.

In this section, we avoid repeating issues already addressed in the 'Sustainability statement' section. That is why we mainly focus on our sustainability strategy in this section.

Our sustainability strategy has been created to help us fulfil our role in society and to create value for all our stakeholders. The essence of the strategy is found in financial resilience and a strict risk management system that allows us to do business in a sustainable way. Our sustainability strategy is also underpinned by three important pillars: maximising the positive impact of our products and services on society and the environment, minimising or preventing potential negative impacts, and promoting responsible behaviour among all our employees.

We also publish a separate Sustainability Report (available at www.kbc.com). To avoid repetition, you will find references to sustainability topics that are addressed in the 'Sustainability statement' section and in our Sustainability Report below.

Since 2019, we have also mapped our material topics with the Sustainability Accounting Standards Board (SASB). We aim to publish a separate SASB disclosure at www.kbc.com for 2024.

Sustainability information (KBC Group)	
'Sustainability statement' section (in this annual report), main topics	
•	Our sustainability governance
•	Our sustainability strategy, including SDGs and business model
•	Our double materiality assessment
•	EU Taxonomy information
•	Where relevant, the strategy, impact, risk and opportunity management, metrics, and our targets related to:
	- Climate change, water and marine resources, and biodiversity and ecosystems
	- Own workforce, and consumers and end-users
	- Business conduct
Sustainability Report (www.kbc.com), main topics	
•	2024 in a nutshell
•	Our sustainability strategy
•	Our employees
•	Our responsibility (business ethics, information security and cyber risk, privacy and data protection, etc.)
•	Sustainable business operations
•	Sustainability-related data
•	Methodological background
•	Principles for Responsible Banking
•	Principles for Sustainable Insurance

Aiming to encourage responsible behaviour on the part of all our employees

Our stakeholders' trust depends entirely on responsible behaviour on the part of every employee. We therefore expect all our employees to behave responsibly, which means this theme comes high on our agenda every year.

The basis of responsible behaviour is integrity, which requires honesty, fairness, transparency and confidentiality, as well as a healthy awareness of risk. Integrity and ethical values are also reflected in our 'Code of Conduct for KBC Group Employees'.

Given the difficulty of defining responsible behaviour, rather than drawing up guidelines for such behaviour we set out the underlying principles. These are presented in the 'Compass for Responsible Behaviour' section. Responsible behaviour is especially relevant for a bank-insurer when it comes to appropriate advice and sales. We pay particular attention, therefore, to training (including testing) and awareness. We developed an online training course to clarify the importance of responsible behaviour and provide a framework to help our employees take difficult decisions when faced with dilemmas. The online training course has also been incorporated into the onboarding programme for new staff. In 2023, a new initiative in the form of a mandatory webinar was launched to raise awareness of responsible behaviour, which had been completed by nearly all our employees at the end of June 2024. An internal website, accessible to all employees, also went live in late 2024. On this website, employees can read which responsible behaviour is expected of them and why, and conveniently search all material available on this topic.

We communicate transparently on our rules and policy guidelines, which are published at www.kbc.com.

Aiming to enhance our positive impact on society

We want to enhance our positive impact on society to which end we are focusing on four areas in which we, as a bank-insurer, can create added value: financial literacy, entrepreneurship, environmental awareness and longevity and/or health. Specific examples of initiatives in every area are provided in the 'Our business units' section.

Environmental awareness

We reduce our direct and indirect ecological footprint through a diverse range of initiatives and objectives.
We develop products and services that can make a positive contribution to the environment.

Financial literacy

We help clients make the right choices through sound and transparent advice, and clear communication.
We improve general public knowledge of financial concepts and products. For instance, we aim to promote financial literacy among young people to enhance their knowledge of more complex financial products such as home loans.

Entrepreneurship

We contribute to economic growth by supporting innovative ideas and projects.

Longevity and health

We focus on longevity in Belgium and the Czech Republic, adapting our range of products and services to the fact that people live longer. We focus on health in Bulgaria, Slovakia and Hungary, developing products, services and projects geared towards improving health, healthcare and quality of life.

Limiting any negative impact we might have on society

We apply strict sustainability rules to our business activities in respect of human rights, the environment, business ethics and sensitive or controversial social themes. In the light of constantly changing societal expectations and concerns, we review our sustainability policies at least every two years. A complete list and details of our sustainability policies can be found in our Sustainability Report and our Sustainability Framework at www.kbc.com.

The 'Sustainability statement' section provides more in-depth information about several sustainability policies, including on the following topics:

- Environment
- Energy
- Investments
- Biodiversity
- Mining
- Code of conduct for employees
- Whistleblowers
- Remuneration
- Diversity and inclusion
- Human rights
- Integrity
- Ethics and fraud
- Tax
- Anti-corruption and anti-bribery
- Anti-money laundering
- Dealing Code
- Suppliers
- Data protection

A selection of the most important Key Performance Indicators (KPIs) relating to sustainable and profitable growth are set out in the KBC Group annual report.

We aim to achieve our ambitions within a stringent risk management framework (KBC Group)

Risk management is an integral part of our strategy and our decision-making process.

- We perform risk scans to identify all key risks.
- We define our risk appetite in a clear manner.
- We translate that into strict limit tracking per activity and business unit.
- We monitor the risk profile of existing and new products via a product approval process.
- We challenge the results of the periodic planning process via stress tests.
- We have installed independent chief risk officers in all relevant parts of our organisation.

Although the activities of a large financial group are exposed to risks that only become apparent in retrospect, we can currently identify a number of major challenges for our group. These are set out under 'In what environment do we operate?' in the 'Our business model' section. As a bank-insurer, we are also exposed to the typical risks for the sector, which are listed in the following table. A description of each type of risk can be found in the 'How do we manage our risks?' section.

Sector-specific risks (KBC Group)	How are we addressing them?
Credit risk	• Existence of a robust management framework • Recording impairment charges, taking risk-mitigating measures, optimising the overall credit risk profile, reporting, stress testing, etc. • Limit systems to manage concentration risk in the loan portfolio, etc.
Market risk in non-trading activities	• Existence of a robust management framework • Basis Point Value (BPV), sensitivity of net interest income, sensitivity per risk type, stress tests, limit tracking for crucial indicators, etc.
Non-financial risk (operational risk, compliance risk, reputational risk, business risk, strategic risk)	• Existence of a robust management framework • Group key controls, risk scans, Key Risk Indicators (KRIs), etc. • Risk scans and monitoring of risk signals • Strict acceptance policy, stress tests, monitoring, etc.
Market risk in trading activities	• Existence of a robust management framework • Historical VaR method, BPV and basis risk limits, 'greeks' and scenario limits for products with options, stress tests, etc.
Liquidity risk	• Existence of a robust management framework • Drawing up and testing emergency plans for managing a liquidity crisis • Liquidity stress tests, management of funding structure, etc.
Technical insurance risks	• Existence of a robust management framework • Underwriting, pricing, claims reserving, reinsurance and claims handling policies, etc.
Climate-related and other ESG risks	• These risks have been integrated into the existing risk management frameworks (see above).

The most important Key Performance Indicators (KPIs) relating to solvency and liquidity are set out in the KBC Group annual report.

Our financial report

- We review the consolidated results in this section of the annual report. A review of the non-consolidated results and balance sheet is provided in the 'Company annual accounts' section.
- The overall impact on the net result of fluctuations in the exchange rates of the main non-euro currencies was – on balance – limited.
- Information on financial instruments, hedge accounting and the use thereof is provided in the 'Consolidated financial statements' section (Notes 1.2, 3.3, and 4.1–4.8 among others) and in the 'How do we manage our risks?' section.
- For information on significant post-balance-sheet events, see Note 6.8 of the 'Consolidated financial statements'.
- All KBC Bank shares are owned by KBC Group.

Consolidated income statement

Consolidated income statement, KBC Bank (simplified, in millions of EUR)	2024	2023
Net interest income	5 142	5 044
Dividend income	21	18
Net result from financial instruments at fair value through profit or loss[1]	80	219
Net fee and commission income	2 608	2 387
Net other income	89	578
Total income	7 940	8 246
Operating expenses	-4 544	-4 624
Total operating expenses excluding bank and insurance tax	*-3 951*	*-3 966*
Bank tax	*-592*	*-657*
Impairment	-241	-180
on financial assets at amortised cost and at fair value through other comprehensive income[2]	*-202*	*18*
Share in results of associated companies and joint ventures	80	-4
Result before tax	3 236	3 439
Income tax expense	-367	-608
Result after tax	2 869	2 831
Result after tax, attributable to minority interests	-1	-1
Result after tax, group share	2 869	2 832
Ratio of 'result after tax' to 'average total assets'	0.9%	0.9%
Cost/income ratio (excl. bank and insurance tax)	50%	48%
Credit cost ratio	0.10%	0.00%

1 Also referred to as 'Trading and fair value income'
2 Also referred to as 'Loan loss impairment'

Key consolidated balance sheet and solvency figures

Key consolidated balance sheet, solvency and liquidity figures, KBC Bank (in millions of EUR)	2024	2023
Total assets	335 629	312 334
Loans and advances to customers	190 250	181 702
Securities (equity and debt instruments)	62 924	56 746
Deposits from customers (excluding debt securities)	229 634	218 241
Total equity	20 423	19 945
Common equity ratio (Basel III, fully loaded)	14.4%	14.7%
Liquidity coverage ratio (LCR)	158%	159%
Net stable funding ratio (NSFR)	139%	136%

- The organic growth figures for the volume of loans and deposits have been adjusted for exchange rate effects, intragroup transactions (between KBC Bank and KBC Group, and between KBC Bank and KBC Insurance) and, if applicable, changes in the scope of consolidation. More information on this matter can be found in Note 6.6 of the 'Consolidated financial statements' section.

Analysis of the result

Net interest income

Our net interest income amounted to 5 142 million euros in 2024, up 2% on the year-earlier figure. This was mainly attributable to a combination of a higher commercial transformation and ALM result, a more or less stable result from lending activities (with the positive impact of volume growth being offset by the negative impact of margin pressure in a few core markets) and the negative impact of a number of items, such as higher costs related to the minimum required reserves held with central banks, lower interest income from the dealing room, higher wholesale funding costs, lower interest income from short-term cash management activities, slightly lower interest income from time deposits and lower net interest income as a result of the sale of the remaining portfolios in Ireland.
Our loans and advances to customers amounted to 190 billion euros and rose by 5%, increasing by 4% at the Belgium Business Unit, 7% at the Czech Republic Business Unit and 9% at the International Markets Business Unit (with growth in each of the three countries). Our total deposit volume (deposits from customers, excluding debt securities) stood at 230 billion euros and rose by 7% (excluding deposits in KBC Bank branches abroad, which are driven by short-term cash management opportunities). Deposit growth amounted to 2% at the Czech Republic Business Unit, 5% at the International Markets Business Unit and 10% at the Belgium Business Unit. The growth at the Belgium Business Unit was partly due to successful initiatives following the release of money on the maturity date of the one-year Belgian State Note in early September 2024. Thanks to our proactive, multi-phased and multi-product offer to clients, the total inflow of client money (deposits, savings certificates, funds, insurance, bonds, etc.) after the maturity date of the state note amounted to roughly 6.5 billion euros, exceeding the 5.7-billion-euro outflow to the state note a year earlier by 0.8 billion euros.

The net interest margin came to 2.09% compared to 2.05% in 2023. It amounted to 1.94% at the Belgium Business Unit, 2.42% at the Czech Republic Business Unit and 3.25% at the International Markets Business Unit.

Net fee and commission income

Our net fee and commission income came to 2 608 million euros in 2024, a growth of 9% on the year-earlier figure. This was mainly the result of higher fees for our asset management services (management fees in particular, mostly related to the increase in assets under management; see below) and, to a lesser extent, higher fees for our banking services. The latter was primarily due to higher payment transaction fees, network income and securities-related fees.

At the end of 2024, our total assets under management at KBC Group level came to approximately 276 billion euros, 13% more than a year earlier, due to higher asset prices (+10 percentage points), combined with net inflow (+3 percentage points). Most of these assets at year-end 2024 were managed at the Belgium Business Unit (245 billion euros) and the Czech Republic Business Unit (19 billion euros).

Other income

Other income came to an aggregate 190 million euros, as opposed to 815 million euros a year earlier. In 2024, this included:

- 80 million euros in 'trading and fair value income', down on the year-earlier figure by 139 million euros, largely due to the negative change in the market value of derivatives used for asset/liability management purposes;
- dividend income of 21 million euros, in line with the amount of 18 million euros a year earlier;
- net other income of 89 million euros, a 489-million-euro decrease on the year-earlier level, which mainly benefited from the positive impact of the finalisation of the sale of the Irish portfolios in February 2023 (+0.4 billion euros; see Note 6.6 in the 'Consolidated financial statements' section for more information). A positive impact from that sale was also seen in 2024, which is recognised under 'Income tax expense' (see below).

Operating expenses

Our operating expenses excluding bank tax came to 3 951 million euros in 2024, roughly the same level as in 2023, and included more or less stable staff expenses, with, among other things, the negative impact of indexation and wage drift being offset by the positive impact of lower FTE staff numbers as well as little change in the other cost components. Bank tax amounted to 592 million euros, a 10% drop that was primarily due to the lower contribution to the resolution fund.

The cost/income ratio excluding bank tax came to 50% in 2024, compared to 48% in 2023.

Impairment

Our total impairment (on both loans and other assets) came to 241 million euros in 2024.

There was a net increase of loan loss impairment totalling 202 million euros, compared to a net reversal of 18 million euros a year earlier. The 2024 figure includes an increase in impairment on the loan portfolio of 336 million euros, partly offset by a reversal of part of the reserve for geopolitical and macroeconomic uncertainties (134 million euros; see Note 3.9 in the 'Consolidated financial statements' section). As a result, at year-end 2024 an amount of 117 million euros was left in the reserve for geopolitical and macroeconomic uncertainties. For the group as a whole, the credit cost ratio amounted to 0.10% for 2024 (0.16% excluding the change in the reserve for geopolitical and macroeconomic uncertainties), as opposed to 0.00% for 2023 (0.07% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties).

The proportion of (stage 3) impaired loans (see the 'Glossary of financial ratios and terms' for a definition) in our loan portfolio was 2.0% at year-end 2024, compared to 2.1% in 2023. The proportion of impaired loans more than 90 days past due came to 1.0%, the same figure as in 2023.

Other impairment charges came to 39 million euros in 2024, compared to a year-earlier figure of 198 million euros. In 2024, these mainly involved software and the extension of the interest rate cap in Hungary. In 2023, this included impairment in connection with goodwill on a ČSOB subsidiary in the Czech Republic, the extension of the interest rate cap in Hungary, software, and property and equipment in Ireland as a result of the sale transaction.

Other items

In 2024, the 'Share in results of associated companies and joint ventures' (80 million euros) benefited from a one-off gain of 79 million euros (see Note 3.10 in the 'Consolidated financial statements' section).
Our income tax expense came to 367 million euros in 2024, compared to a year-earlier figure of 608 million euros. This figure includes a positive one-off impact of 318 million euros as a result of the imminent liquidation of Exicon (the remaining activities of KBC Bank Ireland).

Analysis of the balance sheet

Loans and deposits

Our core business is to attract deposits and use them to provide loans. This explains the importance of the figure for loans and advances to customers on the assets side of our balance sheet (190 billion euros at year-end 2024). Loans and advances to customers grew by 5%, with 4% growth at the Belgium Business Unit, 7% at the Czech Republic Business Unit, and 9% at the International Markets Business Unit (with growth in all countries). The main lending products at group level were again term loans (90 billion euros) and mortgage loans (77 billion euros).

On the liabilities side, our customer deposits grew by 7% to 230 billion euros (growth rate excluding the deposits at KBC Bank's foreign branches). This figure included a 10% increase at the Belgium Business Unit (supported by the successful initiatives following the release of money on the maturity date of the one-year Belgian State Note in early September 2024), 2% growth at the Czech Republic Business Unit and 5% growth at the International Markets Business Unit. The main deposit products at group level were again demand deposits (111 billion euros), savings accounts (74 billion euros) and time deposits (43 billion euros). Debt securities issued accounted for 42 billion euros, 1% less than the previous year. More information on this matter can be found in Note 4.1 of the 'Consolidated financial statements' section.

Securities

We also hold a portfolio of securities, which totalled 63 billion euros at year-end 2024, roughly 11% up on the year-earlier figure. The securities portfolio comprised 2% shares and 98% bonds At year-end 2024, 86% of these bonds consisted of government paper, the most important being Czech, Belgian, French, Slovak and Hungarian. A list of these bonds is provided in the 'How do we manage our risks?' section.

Other assets and other liabilities

Other important items on the assets side of the balance sheet were loans and advances to credit institutions and investment firms (2.4 billion euros, down 12% on the year-earlier figure, reverse repos (21.3 billion euros, down 17% on the year-earlier figure), derivatives (positive mark-to-market valuation of 4.9 billion euros, down 1% on the year-earlier figure), and cash, cash balances with central banks and other demand deposits with credit institutions (46.8 billion euros, up 36% on the year-earlier figure, partly owing to the increase in repos on the liabilities side of the balance sheet).
Other significant items on the liabilities side of the balance sheet were the repos (21.1 billion euros; up 15.8 billion euros on its year-earlier figure, due mainly to higher demand in the market along with more attractive margins), derivatives (negative mark-to-market valuation of 5.0 billion euros, down 15% on the year-earlier level due to foreign exchange contracts) and deposits from credit institutions and investment firms (12.9 billion euros, down 14% year-on-year, partly due to the repayment of the remaining TLTRO III balance).

Equity

On 31 December 2024, our total equity came to 20.4 billion euros. This figure included 18.6 billion euros in parent shareholders' equity and 1.9 billion euros in additional tier-1 instruments. Total equity rose by 0.5 billion euros compared to the end of 2023. The increase was due to the combined effect of the recognition of the profit for the financial year (+2.9 billion euros), the payment of dividend to KBC Group (-1.8 billion euros), slightly lower revaluation reserves (-0.1 billion euros), a net decrease in additional tier-1 instruments (-0.4 billion euros) and a number of minor items. For more details, see 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section.

On 31 December 2024, our common equity ratio (Basel III) stood at 14.4% (fully loaded), compared to 14.7% in 2023. Detailed calculations of our solvency indicators are given in the 'How do we manage our capital?' section. The group's liquidity position remained excellent, as reflected in an LCR ratio of 158% and an NSFR ratio of 139%, well above the minimum requirement of 100%.

Our business units

Our group's management structure centres on three business units: 'Belgium', 'Czech Republic' and 'International Markets'. The latter is responsible for the other core countries in Central and Eastern Europe (Slovakia, Hungary and Bulgaria).

- The Belgium Business Unit comprises the activities of KBC Bank NV and its Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group and KBC Securities.
- The Czech Republic Business Unit comprises all KBC's activities in the Czech Republic. These consist primarily of the activities of the ČSOB group (under the ČSOB Bank, ČSOB Postal Savings Bank, ČSOB Hypoteční banka, ČSOB Stavební spořitelna and Patria brands).
- The International Markets Business Unit comprises the activities conducted by entities in the other Central and Eastern European core countries, namely ČSOB Bank in Slovakia, K&H Bank in Hungary, and UBB in Bulgaria.
- Besides financial reporting for three business units, we also report on a separate Group Centre. This centre includes the operating results of the group's holding-company activities, certain costs related to capital and liquidity management, costs related to the holding of participating interests and the results of the remaining companies and activities in the process of being run down.

Belgium

The economic context

Belgian economic growth slowed to 1.0% in 2024. Real GDP growth was underpinned by domestic demand, while net exports and, in particular, changes in stocks weighed on growth. As was the case in many other European countries, 2024 was another tough year for the industry. Activity in the sector decreased by 1% in real terms on average, whereas in services and construction activity was up 1.3% and 1.0%, respectively. The persistently poor performance of households' housing investments kept the residential construction subsector in a deadlock in 2024. In the housing market the more moderate price dynamics continued, with house prices still recording an average increase of 3.1% for the full year.

Net job creation came to a halt in the course of the year. The unemployment rate remained fairly stable between 5.5 and 6.0%. The job vacancy rate declined, but still indicated tight labour supply. The withdrawal of energy support measures drove Belgian inflation – measured according to the Harmonised Index of Consumer Prices – upwards to 4.3% on average. Core inflation (excluding energy and non-processed food), however, fell back to 3.8% on average. Public finances deteriorated further on account of higher, largely ageing-related, spending. The ten-year rate of Belgian linear bonds (OLOs) rose to 3.2% in June 2024, fell back to 2.6% in early December and ended the year at 3.0%. The yield spread with the corresponding German Bund had fallen back to around 50 basis points in the spring of 2024, but climbed back up to around 60 basis points in the second half of the year.

Specific objectives (KBC Group)

- We put the client at the heart of all the products and services we develop and at the centre of everything we do. Our focus here is on a 'digital first' approach with a human touch, and investing in the seamless integration of our various distribution channels. We are working on the further digitalisation of our banking, insurance and asset management services and exploiting new technologies and data to provide our clients with more personalised and proactive solutions when appropriate.
- Our digital assistant 'Kate' features prominently in this regard. Kate allows us to help our clients save time and earn money, in which Kate Coins play a vital role.
- To support these activities, we are also fully engaged in introducing end-to-end straight-through processing into all our commercial processes, making full use of all technological capabilities such as (generative) artificial intelligence. This is how

we increase our efficiency, which allows us to invest in a strong network (bank branches, insurance agencies, KBC Live) boasting more expertise.

- We work tirelessly on the ongoing optimisation of our bank-insurance model in Belgium.
- We aim for further growth of bank-insurance at CBC in specific market segments and expansion of our accessibility in Wallonia, again with a strong focus on 'Digital First with a human touch'.
- We collaborate with partners through 'eco-systems' that enable us to offer our clients comprehensive solutions – on every step of their journey. We are also integrating a range of partners into our own mobile app and making our products and services available in the distribution channels of third parties.
- We express our commitment to Belgian society by leading the way in the sustainability revolution. We are making our banking, insurance and asset management products more sustainable to create financial leverage in achieving global climate targets. We aim to be more than a provider of pure bank-insurance services – as a partner in the climate transition, we are working with other partners on developing housing and mobility solutions. We also continue to focus on financial literacy, entrepreneurship and population ageing.

A few achievements in 2024 (KBC Group)

In line with our strategy, we continue to invest in our digital systems, with the emphasis on solutions aimed at making our clients' lives easier. One of our main focus points is the further development of Kate, our digital assistant. Kate has been consulted by over 2.1 million clients since her launch. What's more, the number of cases resolved fully autonomously by Kate also continues to grow: this stood at roughly 69% at year-end 2024, compared to 63% at year-end 2023. More information about Kate can be found in 'The client is at the centre of our business culture'.
We offer both financial and non-financial applications online. One of our latest developments in banking is a feature that allows KBC clients to pay for purchases in a single scan with their meal vouchers and bank account linked to Payconiq in KBC Mobile. This improves the payment experience for consumers and retailers alike. The new feature is gradually being rolled out to more retailers. KBC has already integrated the Wero application in KBC Mobile. Similar to Payconiq in Belgium, this will gradually enable person-to-person transfers within Europe without needing to know the account number (a mobile phone number or an e-mail address will suffice). KBC Mobile now also allows you to search past transactions up to 10 years back, add a widget of your favourite services to your login screen, set your device to discrete mode, and find information about the sustainability of your investments.
We also keep expanding our range of non-financial applications, focusing on areas including mobility (public transport tickets, parking apps, ride-sharing, etc.), housing and energy (finding and selling homes with Immoscoop, requesting certificates and inspections through the 'De Immowinkel', working out the cost of a home renovation with Setle, etc.), leisure (receiving financial and economic news), and so on and so forth. There were close to 2 million users of our mobile app at year-end 2024 – a further 7% increase year-on-year. And we are obviously incredibly proud that independent international consulting firm Sia Partners named KBC Mobile the best banking app in the world in 2024.
Our experts naturally remain available at our bank branches and insurance agencies, as well as at KBC Live, to answer complex questions or provide advice at key life moments. We are able to offer this service thanks to the success of our digital strategy, which allows us to free up more time to improve the advice we provide to our clients. That is why we are committed to improving the availability of our experts and are also continuously exploring ways to further optimise our accessibility. Take the 'KBC Belmobiel' – which involves the provision of services at home in Flanders – for example: mobility-challenged and less digitally adept retail customers who have difficulty visiting a branch and banking on a desktop or mobile device can receive a home visit from an experienced KBC staff member. The visit can only take place when requested and is by appointment only. This service enables KBC to ensure extensive local presence, including in areas without any KBC Bank branches.

Overall, the Belgium Business Unit's loan portfolio rose by 4%. Our deposits (excluding the more volatile deposits in our network of KBC Bank branches abroad) were up 10%, due in part to the successful recovery of core customer money after the Belgian state note issued last year had reached maturity. The total inflow of core customer money (deposits, savings certificates, funds, insurance, bonds, etc.) after the Belgian state note's maturity date amounted to approximately 6.5 billion euros, exceeding last year's 5.7-billion-euro outflow to the state note by 0.8 billion euros. Assets under management (funds, asset management, etc.) rose by 13% in 2024 due to both net inflow and the increase in asset prices in 2024. Sales of non-life insurance went up 7% in 2024, with growth in virtually all insurance classes, and sales of life insurance even rose by 30%, owing to both non-unit-linked and unit-linked products.

Our bank-insurance model is delivering numerous commercial synergies. In 2024, for instance, more than nine out of ten clients who agreed home loans with KBC Bank also purchased home insurance with KBC Insurance, and just over eight out of ten clients took out mortgage protection cover. There was a further increase of 2% in the number of clients who hold at least one KBC banking product and one KBC insurance product (i.e. bank-insurance clients) in 2024, while the number of clients with at least three banking and three insurance products from KBC (i.e. stable bank-insurance clients) even went up by 4%. At year-end 2024, bank-insurance clients accounted for 77% of the business unit's active clients (clients with a current account into which their income is regularly paid); stable bank-insurance clients made up 30% of active clients.

We took a variety of initiatives to stimulate entrepreneurship in recent years. One of our most important initiatives, Start it @KBC, turned 10 in September 2024. Over the past 10 years, Start it @KBC has supported over 1 600 start-ups. In Start it @KBC's early years, the mission and operations of some 40% of our start-ups were focused on sustainability; this has since doubled to around 80%. The number of women starters also saw a strong increase during that period, rising from 22% to 39%.

As regards environmental awareness, we remain committed to reducing our own footprint, but we also aim to actively assist our clients in their transition. We encourage them through incentives, for instance in the form of adjusted mortgage rates based on their home's EPC rating, either in the home's current state or after renovations and within a certain time frame. We also provide our clients with information and support regarding sustainable construction and renovation. For example, we collaborate with partners who can provide our clients with bespoke energy advice, and we advise our clients on grant schemes.
In 2024, we successfully issued a new green bond for an amount of 750 million euros, marking the first issue under our updated Green Bond Framework. The proceeds are used towards energy-efficient buildings, renewable energy transactions and environmentally friendly transport. Over 100 different investors participated in this issue, which enables KBC to continue to actively support the financing of environmentally sustainable economic activities.
We also remain committed to enhancing financial skills and knowledge among young people as well as educating them on poor financial choices and how to avoid getting into financial difficulty. Our Get-a-Teacher teaching pack offers free lessons to secondary schools, colleges and universities and helps young people navigate the world of finance. We are also specifically focussing on improving young people's skills and knowledge regarding home loans.
In 2024, we also committed ourselves to supporting The Warmest Week, whose theme was 'Loneliness'. We all crave connection and the warmth and comfort of connecting with others. A lack of connection can soon take a toll on our well-being, leading to feelings of loneliness and isolation. Bringing people together is a simple cure for loneliness. That is why we are fully committed to The Warmest Week – standing together against loneliness.

Czech Republic

The economic context

In 2024, the Czech economy started to recover from the negative effects of the energy crisis and increased by 1.0%. This recovery was driven by private consumption and public spending, while weak foreign demand hampered growth. The average annual inflation based on the Harmonised Index of Consumer Prices (according to the Eurostat definition) fell from 12.1% in 2023 to 2.7% in 2024, due to lower inflation from food, energy and non-energy goods, whereas services price inflation remained at a high level. While the unemployment rate remained virtually unchanged in 2024 (2.6% in December 2024), the labour market cooled somewhat. Industry surveys indicate fewer labour shortage problems and the number of vacancies has continued to fall.
Despite the negative impact of the floods in the autumn, the budget deficit hovered around the limit of 3% (2.8%) of GDP in 2024. The Czech National Bank responded to the significant decline in inflation by lowering its key rate further, from 6.75% to 4.0%, in 2024. Another rate cut followed in February 2025, bringing it down to 3.75%. The relatively swift easing cycle and higher global economic risks put downward pressure on the Czech koruna. As a result, the koruna weakened against the euro for the second consecutive year and ended 2024 above 25 korunas per euro.

Specific objectives

- To retain our reference position in banking and insurance services by offering our retail, SME and mid-cap clients a hassle-free, no-frills client experience, both through our digital channels and in person.
- To further increase the active client base and further strengthen our market position, especially in insurance, investment services and home loans.
- To cultivate and nurture strong relationships with our clients by offering them 'beyond banking' products and services.
- To continue the further digitalisation and to introduce new and innovative products and services, including open bank-insurance solutions aimed at boosting the financial well-being of our clients.
- To use data and AI to proactively offer personalised solutions, including via Kate, our personalised digital assistant.
- To concentrate on rolling out straight-through processing and further simplifying our products, our head office, and our distribution model, in order to enable us to operate even more cost-effectively.
- To further strengthen our corporate culture, with a strong focus on results, our clients, our ability to adapt and on cooperation.
- To become the reference in advisory services in terms of climate change and sustainable lending and investments. To also express our social engagement by focusing on themes including financial literacy, entrepreneurship, cybersecurity and population ageing.

A few achievements in 2024 (KBC Group)

In the Czech Republic, too, the focus was on investing in the further expansion of our digital systems, with the aim of developing solutions intended to make our clients' lives easier and helping them save time and earn money. In the past few years we also gradually added even more services to our smartphone apps, focusing in particular on Kate, our personalised digital assistant. Kate has been consulted by over 1.5 million clients since her launch. What's more, the number of cases resolved fully autonomously by Kate also continues to grow: this stood at roughly 71% at year-end 2024, compared to 66% at year-end 2023. And in mid-2024, we also launched the Kate Coin in the Czech Republic. More information about Kate can be found in 'The client is at the centre of our business culture'.
A great deal of attention is also devoted to the expansion and further improvement of our other mobile banking applications. For example, clients can now also use the Smart Banking app to take out a new insurance policy providing extended warranty and purchase protection, get an overview of their shopping cards, read articles and news items, connect to their Patria wallet, and so on. There were already 1.5 million mobile users at year-end 2024 – 12% more than in 2023.
In 2024, ČSOB also introduced the electronic signature for signing mortgage contracts at all branches. The electronic signature ensures a better client experience, promotes sustainability by reducing paper usage, and significantly cuts down processing time. This innovation was awarded Computerworld magazine's 'IT Product of the year 2024'. ČSOB also rewards clients who choose it as their primary bank for their financial needs, for example by providing them with benefits in the form of a bonus rate on savings accounts and certain investments, a mortgage rate discount, a bonus on a new building saving scheme and a new pension saving scheme, and discounts on various types of insurance. Kate plays an active role in this process.
On the insurance front, we note the success of our cyber risk insurance: since its launch in 2020, we have already sold 340 000 of these insurance policies. Simultaneously, ČSOB is investing heavily in cybersecurity training.
The Czech Republic was hit by storm Boris in September 2024, causing severe disruption including heavy flooding in the southern and eastern parts of the country. This affected close to 9 000 of our group's clients. Our insurer ČSOB Pojišťovna immediately sent technicians to the affected areas, extended helpline opening hours and accelerated advance payments and claims processing. Roughly 70% of claims reported were settled within a month of the disaster. To support clients affected by the storm, ČSOB also provided loan repayment deferrals of up to six months.

As in previous years, we again recorded substantial growth in lending in 2024, as our loans and advances to customers went up by 7%. Our customer deposits went up by 2%. Sales of non-life insurance increased by 12% in 2024 (with growth in virtually all insurance classes) and sales of life insurance went up by 9% (mainly hybrid products). We adjusted these growth figures for foreign-exchange effects. Assets under management grew by 11% due to net inflow and an increase in asset prices.

Our bank-insurance model is delivering numerous commercial synergies. For example, around five to six out of ten ČSOB group clients who took out home loans with the bank in 2024 also purchased home insurance from the group. The number of clients who hold at least one banking product and one insurance product from the group (i.e. bank-insurance clients) made up 83% of the business unit's active clients (clients with a current account into which their income is regularly paid) at year-end 2024, while the number of clients with at least two banking and two insurance products from the group (i.e. stable bank-insurance clients) made up 17% of active clients.

We once again took a number of initiatives in terms of our social engagement, focusing on environmental awareness, financial literacy, entrepreneurship and population ageing.
Following the flood disaster (see above), ČSOB immediately launched a public fundraising campaign for charities. ČSOB doubled public donations, bringing the total amount in support for the areas affected to CZK 40 million. In addition, ČSOB donated CZK 5 million through a special grant under its 'ČSOB Helps the Regions' programme.
As a leader in ESG, ČSOB aims to enable its SME clients to meet the changing expectations in society as well as the changing EU ESG requirements even better and more efficiently. This was one of the drivers behind the joint venture entered into between KBC and Czech start-up Digital & Legal s.r.o. ('Green0meter') to advise Czech SMEs on their journey to becoming more sustainable.
Regarding the initiatives to stimulate entrepreneurship, Start it @ČSOB continues to be the most important initiative. A great example of this is YoungLink, an app that uses network analysis to identify and understand classroom social dynamics, enabling early detection of bullying and other risky behaviours. Identifying relationships among students gives school psychologists, teachers and parents insight into the social environment of the classroom and the individual's resilience to negative behaviour.
Financial literacy also remains one of our main focus areas. Financial education in schools has been an important topic for us since 2016. ČSOB employees visit schools and give young people tips on how to manage their money based on real-life examples. The programme consists of different components, such as responsible lending, household budget management and complex financial products. We also organise other events on financial literacy. For example, we organised financial advice days for seniors throughout the Czech Republic. Besides financial literacy, we also covered topics such as cybersecurity, powers of attorney and wills.

International Markets

The economic context

Growth in both Slovakia and Bulgaria outperformed euro-area growth again in 2024. The Hungarian economy on the other hand was faced with another technical recession from the second quarter of the year with two consecutive quarters of negative growth, but rebounded into positive territory in the fourth quarter. On balance, annual real GDP growth stood at 2.1% in Slovakia, 2.2% (estimate) in Bulgaria and 0.6% in Hungary.
Inflation in the Central European economies converged somewhat towards that of the euro area in 2024 (2.4%), but still remained above it. This was mainly driven by the dependence on energy imports and the weakness of the Hungarian forint. Inflation in Slovakia, Hungary and Bulgaria stood at 3.2%, 3.7% and 2.6%, respectively.
Falling inflation allowed the National Bank of Hungary (NBH) to lower its key rate further, from 10.75% to 6.50%, at year-end 2024. While further moderate easing is on the horizon for 2025, the NBH will have to take into account inflation trends and the exchange rate of the Hungarian forint. 2024 was a year of trend weakening for the Hungarian forint, as a result of the recession of the Hungarian economy and increased risk factors such as trade conflicts and geopolitical shocks.

Specific objectives

- The group strategy presents a number of opportunities for all countries in the business unit, viz.:
  - The further development of unique ‘Bank-insurance+’ propositions.
  - To continue digitally upgrading our 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 us to proactively offer relevant and personalised solutions.
  - To selectively continue expanding our client base and market position with a view to securing a top-three position in banking and insurance.
  - To use data to proactively offer personalised solutions. Our digital assistant Kate, who was launched a couple of years ago, has advanced significantly and in 2025 the innovation will continue at an accelerated pace with the introduction of Kate Coins and Sustainable Mobility Ecospheres.
  - To implement a socially responsible approach in all countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health, and to be a pioneer for sustainability in all countries.
- Country-specific:
  - In Bulgaria, UBB successfully completed the migration of all clients and products of the former Raiffeisen Bank, concluding the technical merger between the two banks. Both UBB and DZI are market leaders and in the top two in each of their targeted client and product segments. Further focus is now on expanding our franchise, promoting our banking and insurance business and on digital innovation.
  - In Hungary we are focusing on vigorous client acquisition for the bank, to become the undisputed leader in the area of innovation, and to substantially expand our insurance activities, 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 we aim to maintain our robust growth in strategic products (i.e. current accounts, mortgages, consumer finance, business loans, 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.

A few achievements in 2024 (KBC Group)

We saw rapid growth in the use of our digital channels in Slovakia, Hungary and Bulgaria in recent years. In the past few years we also gradually added even more services to our smartphone apps, focusing in particular on Kate, our personalised digital assistant, which was launched in Slovakia, Hungary and Bulgaria in 2022. In these three countries combined, close to 1.7 million clients have already used Kate since her launch. Moreover, the number of cases resolved fully autonomously by Kate in each of these three countries grew to more than 60% at year-end 2024. More information about Kate can be found in ‘The client is at the centre of our business culture’.
A great deal of attention was also devoted to the further improvement of our other mobile banking applications. For example, UBB in Bulgaria successfully introduced the innovative InResto functionality in UBB Mobile, which allows clients to automatically save and invest their spare change. In turn, K&H is the first in the Hungarian market to offer pension insurance sales taking place in mobile from start to end. The range of non-financial services was also expanded. In Slovakia, for example, ČSOB clients can now also use their banking app to buy electronic road vignettes for different countries, and in Hungary a new mobility service was added that allows clients to pay for certain parking services through the mobile app. In fact, the latter option is also already available in Slovakia. Thanks to these continuous innovations, the number of users of our mobile banking apps increased substantially again in 2024: by around 8% in Slovakia, 11% in Hungary and 7% in Bulgaria, totalling nearly 1.7 million users for the three countries of the business unit combined. The share of digital sales in total sales also showed further growth again: based on the key banking products, this accounted for roughly two-thirds of the total sales in Slovakia, half of the total sales in Hungary and a little over a third of the total sales in Bulgaria. In Bulgaria, both UBB Bank and DZI Insurance achieved the highest Net Promoter Scores of all local banks and insurers, respectively.

As in previous years, we again posted strong organic growth in the volume of banking and insurance products and asset management in 2024. For the business unit as a whole (excluding exchange rate effects), in 2024 customer deposits grew by roughly 5% and loans and advances to customers grew by 9%. In each of the three countries, deposit growth and growth in loans and advances stood at 3% and 3%, respectively, in Slovakia, at 8% and 9%, respectively, in Hungary, and at +5% and +15%, respectively, in Bulgaria. Sales of non-life insurance went up 15% in 2024 (with solid growth in all three countries), and sales of life insurance rose by 1%. And owing to strong net inflow and an increase in asset prices, assets under management grew by no less than 20%.

Our focus on bank-insurance delivers many commercial synergies. For instance, home insurance was sold in conjunction with around nine out of ten home loans taken out in each of the three countries. For the business unit as a whole, there was a further increase of 6% in the number of clients who hold at least one banking product and one insurance product from the group companies (i.e. bank-insurance clients) in 2024, while the number of clients with at least two banking and two insurance products from the group companies (i.e. stable bank-insurance clients) even went up by 11%. At year-end 2024, bank-insurance clients accounted for 68% of the business unit's active clients (clients with a current account into which their income is regularly paid); stable bank-insurance clients made up 22% of active clients.

We once again took a number of initiatives in terms of our social engagement, focusing on financial literacy, environmental responsibility, entrepreneurship and health, a few of which are highlighted below.
Together with Sofia University, we organised a master class in Bulgaria for young entrepreneurs from the Kardzhali region, one of the poorest regions in the country. As part of the project, finance and academic experts help young entrepreneurs in the region set up their own business.
In addition, UBB collaborated with SIS, the Coca-Cola Foundation and Cleantech Bulgaria to develop sustainability programmes for SMEs. We launched two initiatives in 2024: an e-learning platform with courses on topics including sustainability, sustainable finance, circular economy and sustainability strategies, and an intensive programme for SMEs and NGOs seeking to integrate sustainability in their business models.
Following ČSOB Czech Republic, we launched a Green0Meter pilot project in Slovakia. As part of this pilot project, we invited 150 clients to test the platform, which included a free calculation of their Scope 1 and 2 emissions. The full rollout of the platform is scheduled for early 2025.
Additionally, ČSOB Poisťovňa was the first insurance company in Slovakia to introduce a product specifically for solar panels. This insurance covers general risks, natural disasters and the cost of supplying power from alternative sources in the event of an unscheduled interruption of the power supply from the panels.
In Hungary, we offer our agricultural clients a free greenhouse gas calculator – a unique tool in the market, with modules for calculating emissions from both crops and livestock. It gives our clients insight into their environmental impact and proposes steps they can take to reduce it. We have organised the 'K&H Family Business Club' four times a year every year, since 2015. This club is open to family business owners and their families. Each edition focuses on challenges and topics relating specifically to family businesses.
Furthermore, we are also represented in the start-up community in Bulgaria, Hungary and Slovakia. We remain committed to supporting women entrepreneurs as well as to promoting various sustainability themes in these countries, too.

How do the business units contribute to the group result?

See 'Note 2.2: Results by segment' in the 'Consolidated financial statements' section.

How do we manage our risks?

Mainly active in banking, insurance, and asset management, we are subject to a number of industry-specific risks including credit risk, interest and exchange rate risk, liquidity risk, operational risk and other non-financial risks. ESG-related risks are not considered in isolation but identified as key risks which manifest themselves through these risk areas. Furthermore, integrated risks occur when the aforementioned risks accumulate and possibly reinforce each other. Continuous and holistic risk management is in place to actively identify, manage and assess the material risks KBC is exposed to. This section outlines our risk governance model and the most significant risks we encounter and how these are managed. More detailed information is available in the KBC Risk Report.

Our statutory auditors have audited the information in this section that forms part of the IFRS financial statements.
This information is marked with Audited

Introduction

Sound risk management is the result of a strong risk culture, adequate resources (sufficient and skilled people, data and tooling), an effective organisation and a qualitative design and implementation of strict governance and effective risk management processes, which are aligned to and transform in sync with the external context, the KBC business model and its various activities, processes and so on.

KBC and the financial sector as a whole operate in a rapidly changing environment characterised by volatility, uncertainty, complexity and ambiguity:

- The financial industry is undergoing a major transition, with the digital transformation bringing new opportunities (e.g., the opportunity to embed artificial intelligence (AI), big data analysis and automation technologies in our operations to make our interactions with our clients instant, straight-through and friction-free) and challenges (including in the areas of cyber risk, ethical AI and new digital competitors).
- At the same time, the financial sector plays a crucial role in the transition to a greener and more sustainable economy: financial institutions not only need to reflect on their own activities, taking into account all new regulations, but also have a crucial role in helping their clients to make the transition towards a more sustainable world.
- On top of this, the industry continues to face major macroeconomic, financial and geopolitical challenges and instability, whereas regulatory and supervisory pressure and uncertainty continue to be extremely challenging.

KBC responds to these key challenges with its data-driven digital strategy, aiming to create ecosystems that help our clients to save time and money by combining financial and non-financial services, and with its ambition to contribute to a more sustainable world.

The risk and compliance functions (which together form the ‘CRO Services’) support KBC in achieving these strategic objectives, contribute to its resilience and agility, provide management and the Board with insights supporting risk-conscious decision-making and inform them about the risks KBC is facing. Priorities for risk management are defined in the KBC Risk Strategy. This strategy finds its origin in the KBC Risk Appetite, the Corporate Strategy and the Pearl Culture, and sets the bar for risk management throughout KBC. To remain in sync with the changing business environment and the KBC Corporate Strategy, the risk, compliance and actuarial functions regularly assess and update their strategy, considering all relevant elements (e.g., top risks), including the ‘external supervisory view’ and upcoming regulatory changes. In this way, we continuously adapt and further strengthen KBC’s Risk Management Framework and its underlying risk management processes.

KBC has a strong corporate culture which guides the actions of our KBC colleagues in all their activities and which is also reflected in the way risks are managed and decided on throughout the entire organisation. The vision of KBC’s Risk Management is to put risk in the hearts and minds of all staff to help KBC create sustainable growth and earn its clients’ trust. To maintain and grow trust, it is important that we behave responsibly in everything we do, across all layers of the organisation. This means that the mindset of all KBC staff should extend beyond regulations and compliance. These aspects are captured via the ‘risk culture’, which encompasses the collective mindset and the shared set of norms, attitudes and values that shape the everyday behaviour of our employees in terms of awareness, management and control of risks. The strong risk culture is reflected, for example, by business proposals which include a thorough assessment of the risks involved, and by the thoughtful consideration in the decision-making process of the challenge and opinions on these proposals, made by the risk function.

The strategy of the risk, compliance and actuarial functions is based on three key pillars:

- Support the business: we support, advise and challenge the business both in its everyday activities (‘business as usual’) and in its transformation, aiming to help it keep KBC’s control environment up to standards and respect KBC’s risk appetite at all times.
- Transform ourselves: in sync with the KBC Corporate Strategy and business we become more digital, data-driven and straight-through. By being more efficient and effective in our business-as-usual processes, we create room to develop approaches for new risks. Moreover, we extend and improve our risk and compliance framework for an increasingly digital, interconnected and sustainable future.
- People: we attract and nurture talent, building an engaged workforce of the future as an enabler of transformation and the execution of our business as usual. We ensure that our people have a clear view of KBC’s strategic direction, how KBC’s transformation impacts their job and how they contribute to KBC’s strategy.

Managing risks in 2024

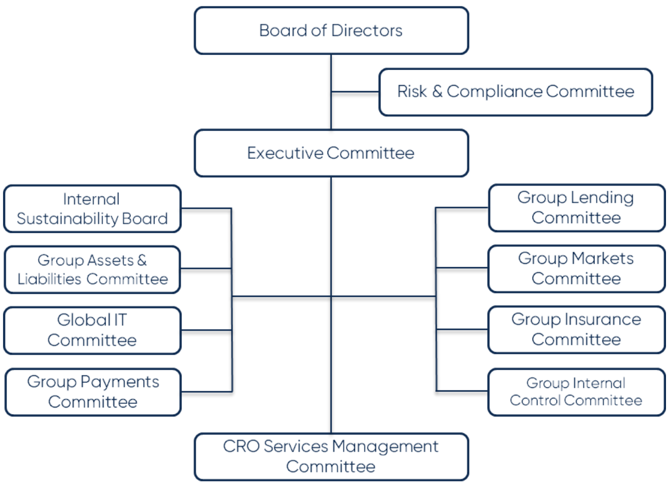
In 2024, geopolitical risks increased further, as evidenced by the continuing Russia-Ukraine conflict, the conflict in Gaza/Israel and the Middle East, tensions between the US and China, etc. Furthermore, a significant number of elections, including in the US, added to the geopolitical uncertainty. These events put additional pressure on economic competitiveness in Europe, causing significant challenges for the economy and financial markets in general, and for the financial sector in particular (including in the areas of credit risk, market risk, liquidity risk, and operational risk).

Regulatory developments (including in relation to capital requirements, operational resilience and the new DORA requirements regarding third parties, anti-money laundering regulations, GDPR and ESG) also remained a dominant theme for the sector, as did enhanced consumer protection. Digitalisation (with technology, including AI, as a catalyst) presents both opportunities and threats to the business model of traditional financial institutions. More specifically, cyber risks (reinforced by the use of AI and deepfake technologies) have become one of the main threats over the past few years and are fuelled by international conflicts, such as the war in Ukraine.

Lastly, climate and environmental-related risks are becoming increasingly prevalent. This was evidenced by storm Boris, which caused abundant rainfall for several days in September, leading to severe floods in Central and Eastern Europe. The damage in KBC home countries was the largest in the Czech Republic, but Slovakia and – albeit to a lesser extent – Hungary were also hit. KBC is fully aware of the risks posed by the possible effects of environmental change on its business model and continues to assess this (see the Sustainability Statement in this report and the KBC Risk Report 2024).

Risk governance Audited

Our risk governance model includes the following main elements:



- The Board of Directors (Board), supported by the Risk & Compliance Committee, decides on the risk appetite – defining the group's overall risk playing field and the risk strategy – and supervises KBC's risk exposure in relation to this risk appetite. It is also accountable for having robust governance arrangements in place to ensure that all material risks of KBC Group are managed appropriately and for promoting a sound, consistent group-wide risk culture.
- The Risk & Compliance Committee (RCC) is an advisory committee that advises on topics for which the Board is accountable, such as the group's risk appetite, the monitoring of risk exposure compared to the group's risk appetite and the supervision of the implementation, efficiency and effectiveness of the Enterprise Risk Management Framework.
- The Executive Committee (ExCo) is the management committee responsible for integrating risk management, operating in alignment with decisions taken by the Board related to risk appetite, strategy, and performance goals.
- The ExCo is supported by the CRO Services Management Committee (CRO Services MC), risk committees (right-hand side of the figure) and business committees (left-hand side of the figure).

We manage our risks using the 'Three Lines of Defence' model:

- Risk-aware business people act as the first Line of Defence for conducting sound risk management. This involves allocating sufficient priority and capacity to risk topics, performing the right controls in the right manner and making sure that the risk self-assessment of the business side is of a sufficiently high standard.
- In line with regulations, independent control functions, at both group and local level, act as (part of) the second Line of Defence:
    1. The risk function develops, imposes and monitors consistent implementation of the Enterprise Risk Management Framework, describing the processes, methods and approaches to identify, measure and report on risks and to define the risk appetite. To strengthen the voice of the risk function and to ensure that the decision-making bodies of the business entities are appropriately challenged on matters of risk management and receive expert advice, KBC has deployed independent Chief Risk Officers (CROs) throughout the group. Risk departments at group (Group Risk, Group Credit Risk Directorate and Model & Model Risk Management Division) and local level (present in the main entities in our home countries) support the CROs and work closely together. Close collaboration with the business is assured since the independent CROs are present in management committees and take part in the local decision-making process, while their independence is achieved through a functional reporting line to the Group CRO. If necessary, they can exercise a right of veto.

2. The compliance function's prime objective is to prevent KBC from running a compliance risk (i.e. incurring loss or damage – regardless of its nature – due to non-compliance with applicable laws, regulations or internal rules) that falls either within the scope of the compliance function or within the areas assigned to it by the ExCo (as described in the Integrity Charter). The compliance function is characterised by its specific status (as provided for by law and regulations and described in the Compliance Charter), its place in the organisation chart (Group Compliance, hierarchically under the CRO) and the associated reporting lines (reporting to the RCC and even to the Board in certain cases).

- Internal audit acts as the third Line of Defence. It is responsible for giving reasonable assurance to the Board that the overall internal control environment is effective, and that effective policies and processes are in place and applied consistently throughout the group.

More information on risk management can be found in our Risk Report, which is available at www.kbc.com.

Components of a sound risk management

Risk management refers to the coordinated set of activities to proactively identify and manage the risks that KBC faces. It helps KBC to achieve its objectives and to realise its strategy.

The KBC Enterprise Risk Management Framework (ERMF), approved by the Board, defines the risk governance, including the Three Lines of Defence, and sets clear rules and procedures on how risk management should be performed throughout the group. It refers to a set of minimum standards and risk methods, processes and tools that must be translated into all risk-type-specific Risk Management Frameworks (RMFs) and that all entities must adhere to. The ERMF and risk-type-specific RMFs not only detail how KBC manages risks in business as usual, but also in times of change (small and big transformations) and crisis situations, up to the most stressful situations (like recovery and resolution). They also aim to keep KBC compliant with regulatory requirements. Moreover, they cover risks originating from KBC's own operations as well as from the value chain (e.g., the provision of products and services to clients, and outsourcing activities).

In order to continuously safeguard their relevance, the ERMF and risk-type-specific RMFs are annually reviewed, in addition to a formal annual assessment of the quality of their implementation. In our risk taxonomy, environmental, social and governance risks are identified as key risks related to KBC's business environment which manifest themselves through (all) other traditional risk areas, such as credit risk, technical insurance risk, market risk, operational and reputational risk. As such, ESG is not considered in isolation, but firmly embedded in all aspects and areas of KBC's ERMF and underlying processes. For more information on how ESG risk management is performed throughout the group, we refer to the Sustainability Statement in this report and to the KBC Risk Report 2024.

The risk management process consists of risk identification, risk measurement, setting and cascading risk appetite, risk analysis, reporting, response and follow-up.

Risk identification

Risk identification is the process of systematically and proactively discovering, assessing and describing risks, both within and outside KBC, that could negatively impact the group's strategic objectives today and in the future. Not only the sources of risk are analysed, but also their potential consequences and – in a later step – materiality.

For the purpose of risk identification, KBC has set up robust and solid processes, at both the strategic and operational level, to uncover all material risks to which KBC is exposed. These include:

- The Risk Scan, which is a strategic group-wide exercise aimed at identifying and assessing the top risks for KBC, i.e. the risks that keep managers 'awake at night' because they can severely undermine KBC's business model, financial stability and long-term sustainability. The identified top risks are inputs for the yearly financial planning process and for several risk management exercises, including for defining the priorities of the risk function, risk appetite setting and stress testing.
- The New and Active Products Process (NAPP), which is a group-wide, formalised process to identify and mitigate product-related risks, both for KBC and for its clients. Within the group, no products, client-facing processes or services can be created, purchased, changed or sold without approval in line with NAPP governance. The risk department also conducts periodic assessments of the impact of the expanded and/or updated product and service offering on the group's risk profile.
- Risk signals, which are continuously collected at all levels of the organisation (group and local). The internal and external environments are constantly scanned, using all possible sources of information, to detect events or changes that can potentially impact the group, either directly or indirectly. Risk signal reporting provides management with a summary of the identified risks, their potential impact and possible remedial actions.
- Deep dives and challenges (e.g., in-depth or case studies, detailed risk assessments, ethical hacking, etc.) are performed to gain additional insights into the risk profile or into potential (future) vulnerabilities for KBC and/or to test the strength and maturity of the control environment (i.e. a check on whether the risk requirements and controls imposed by the ERMF are properly implemented).

Risk measurement

KBC defines risk measurement as 'the action to come to a quantitative expression of a risk, or a combination of risks, on a portfolio of instruments/exposures by applying a model or methodology'. Once risks have been identified, certain attributes of the risk can be assessed, such as impact, probability of occurrence, size of exposure, etc. This is done with the help of risk measures, which allow us to assess the materiality of risks, to monitor them over time (with a frequency that is appropriate for the risk type) and to assess the impact of risk management actions.

Risk measures (including the calculation method used) are designed to measure a specific risk or multiple risks at the same time and can be either internally developed or imposed by the regulator. An overview of the extensive set of risk measures in use in KBC (both regulatory and internally defined) is provided in the ERMF and risk-type-specific frameworks.

In order to ensure that risk measures are and remain fit for use and are of high quality, they are subject to strict and robust processes, including adequate documentation and strong governance. Regular reviews and the use of the 'four-eyes principle', including independent internal validation where appropriate, further enhance the accuracy and reliability of these risk measures. All requirements that relate to these processes are documented in the KBC Risk Measurement Standards (RMS).

Setting & cascading risk appetite

Therefore, KBC does not aim to eliminate all the risks involved (risk avoidance) but instead seeks to identify, control and manage them in order to make optimal use of its available capital (i.e. risk-taking as a means of creating value).

KBC's tolerance for risk is captured via its 'risk appetite'. This risk appetite expresses – both qualitatively and quantitatively – how much and which types of risk we want to take and within which boundaries they should be managed. The ability to accept risk is limited by financial constraints (available capital and liquidity buffers, borrowing capacity, etc.), non-financial constraints (strategic ability, skills, legal constraints, etc.) and regulatory restrictions (e.g., regulatory floors on capital and liquidity ratios). The willingness to accept risk depends on the interests of the various stakeholders. A key component in defining risk appetite is therefore an understanding of the expectations of the organisation's key stakeholders.

Risk appetite is made explicit via the 'risk appetite statement' (RAS), which is decided at both group and local level. The RAS reflects the view of the Board and the ExCo on the acceptable level and composition of risks, ensuring coherence with the desired return and allowing the group to implement its corporate strategy within a clear risk playing field. The high-level risk appetite objectives, which are annually reviewed and reconfirmed by the Board, are further detailed for each separate risk type via qualitative and quantitative statements and via a risk appetite label, which can be Low, Medium or High. The long-term risk appetite is monitored based on a set of risk measures for which risk thresholds are defined. Lastly, risk appetite is translated into risk-type-specific group limits/targets (annually approved by the Board), which are further cascaded down to the entities (annually approved by the ExCo).

As the risk appetite defines the playing field for the business, the risk appetite process is firmly embedded in the financial planning cycle. The Board annually approves the preliminary risk appetite as input into the planning cycle. The financial planning is approved by the Board after a final check has been performed to determine whether the preliminary risk appetite is respected throughout the planning horizon. To ensure that the risk profile remains within the risk appetite when executing the financial plan, the risk appetite is translated into concrete early warning levels and limits. Furthermore, for some indicators, we also set recovery and resolution triggers which, if breached, trigger the activation of the Recovery/Resolution Plan.

Risk analysis, reporting & follow-up

Risk analysis and reporting aim to give management an increased level of transparency by ensuring a comprehensive, forward-looking and ex-post view of the development of the risk profile versus the risk appetite and of the context in which KBC operates.

This is done via reports that are tailored to the needs of the recipients and recognise the different information needs of the Board, the RCC, the ExCo, top management and other levels of the organisation, helping them to understand the potential issues and to take the relevant actions. In addition to internal reporting, external reports are also prepared for the different stakeholders of KBC, in particular clients, shareholders, debt holders, supervisory authorities, regulators and rating agencies.

The ExCo, the RCC and the Board receive periodic and ad hoc updates on KBC's risk landscape through comprehensive internal risk reporting. This includes the 'Integrated Risk Report' (IRR), which is submitted to these committees eight times per year. This holistic risk report consists of risk signals considered material for the group, allowing us to take timely action if and as needed, and of an overview, for all risk types, of the development of various risk measures versus the risk appetite via the 'health check' dashboard. The IRR is complemented with ad hoc reporting when required. For instance, at least twice a year, it is supplemented with a detailed climate risk dashboard and an information risk management dashboard.

The main external reports to the supervisory authority include the ICAAP (Internal Capital Adequacy Assessment Process), ILAAP (Internal Liquidity Adequacy Assessment Process) reports. These provide a holistic and substantiated underpinning of the opinion of the Board and the ExCo on the adequacy of KBC's capital and liquidity. For this purpose, we have internal economic capital models in place to complement the existing regulatory capital models. These allow us to assess our capital adequacy from an internal perspective, in addition to the regulatory perspective. These reports are complemented by an annual FICO (Financial Conglomerate) report which zooms in on additional risks that could be triggered by KBC being a Financial Conglomerate and on their mitigation. In the context of crisis management regulation, the Recovery Plans of KBC Group, KBC Bank and KBC Insurance are created to prepare the possible responses in case of (strong) adverse financial circumstances and to allow KBC to act more rapidly and effectively in a crisis situation. In case all mitigating actions in business as usual and in crisis management mode fail, the Resolution Plan is activated, which describes the strategy for rapid and orderly resolution in the event of material financial distress and failure of KBC.

Stress testing

Stress testing is an important tool to support our risk management and decision-making processes by simulating the potential negative impact of specific events and/or movements in risk factors on KBC's (financial) condition, so that we can better prepare for these situations or adjust our risk exposure proactively.

For this purpose, KBC has developed a comprehensive set of stress tests, ranging from plausible to exceptional and even extreme events or scenarios, both at the level of individual risk types and across risk types (integrated stress tests). Integrated stress testing is an important tool to assess to what extent KBC's capital is adequate to cover its risks, whether profit generation is sustainable, etc., under various conditions. It complements stress testing per risk type as it looks at the interaction and combined impact of stress across multiple risk types, including interaction and feedback loops between stresses on financial indicators. The stress testing mix reflects an appropriate balance of different severities of stress, stress testing methodologies, etc., both at integrated and risk-type-specific level. It is kept relevant and up to date via a yearly review.

The outcome of some of the main integrated stress tests is used in important risk management processes and reporting, including ICAAP, ILAAP, and recovery and resolution planning. As part of the annual ICAAP, ILAAP processes, KBC simulates a once-in-20-years stress event to check and demonstrate that it is able to meet the regulatory capital and liquidity requirements and internal risk appetite targets even under such stressed conditions. Stress tests designed in the context of recovery planning are even more severe and bring KBC to the brink of default. In such scenarios, KBC needs to demonstrate its recovery capacity (in terms of both depth and speed of capital-increasing and risk-reducing actions). Finally, stress testing in the context of resolution prepares KBC for situations when the group is no longer viable and authorities need to step in to either save (via bail-in mechanisms) or liquidate the group.

On top of stress testing performed on KBC's own initiative (at group and/or local level), the regulator and supervisory authority can also impose stress tests (e.g., biannual EBA Stress Test, annual EIOPA stress tests, ECB cyber stress test).

> *More information on risk management can be found in our Risk Report, which is available at www.kbc.com.*

Credit risk

Managing credit risk Audited

Credit risk is the risk related to non-payment or non-performance by a contracting party, due to that party's insolvency or lack of willingness to pay or perform, or to events or measures taken by the political or monetary authorities of a particular country.

In the area of credit risk, the ExCo is supported by the Group Lending Committee (GLC), which manages KBC's credit risk and the resulting capital requirement in the area of lending. The governance, rules and procedures on how credit risk management should be performed throughout the group are outlined in the Credit Risk Management Framework (CRMF). Its implementation is monitored by Group Credit Risk (GCRD) and its Credit Risk Competence Centre. GCRD works in close cooperation with the local CROs and local risk departments, which are responsible for the local implementation of the CRMF. Business entities are consulted for those areas of the CRMF that impact business processes and/or governance.

The building blocks for managing credit risk Audited

- **Risk identification**: several risk identification exercises as described in the 'Components of sound risk management' section apply to the credit risk management context (such as the collection of risk signals). A vital part of the credit risk identification process is capturing credit risk signals, both at transactional and portfolio level. Both the internal and external environment are scanned for events or developments that have already occurred or could occur and which directly or indirectly have or could have a significant impact on credit quality. In addition, thematic and sectoral deep dives are performed to gain further insights into credit risk.

  New and upcoming prudential (capital) credit risk regulation, product or client-specific regulation and legislation is followed up at group or local level to ensure that these are promptly implemented in KBC's policies and instructions.

  A specific risk identification process is the leading indicator process designed to identify emerging credit risks that could lead to impairment. The main objective is to have a reliable estimate of impairment for the current quarter at an early stage, thus avoiding surprises. It is part of the quarterly reporting round on loan and bond impairment.

- **Risk measurement**: credit risk measurement involves a quantitative expression of a credit risk on a portfolio of instruments/exposures by applying a model or methodology. A minimum group-wide set of credit risk measurements is defined and can be complemented with local measurements.

  Central to this is the risk class, with a ranking being made based on the Probability of Default (PD) and the Loss Given Default (LGD). The latter reflects the estimated loss that would be incurred if an obligor were to default. In order to determine the risk class, we have developed various rating models for measuring how creditworthy borrowers are and for estimating the expected loss of various types of transactions. A number of uniform models throughout the group (models for governments, banks, large companies, etc.) are in place, while others have been designed for specific geographic markets (SMEs, private individuals, etc.) or types of transaction. We use the same internal rating scale throughout the group.

  We use the output generated by these models to split the non-defaulted loan portfolio into internal rating classes ranging from 1 (lowest risk) to 9 (highest risk) for the PD. We assign PD 10 to PD 12 to a defaulted obligor. PD class 12 is assigned when either one of the obligor's credit facilities is terminated by the bank, or when a court order is passed instructing repossession of the collateral. PD class 11 groups obligors that are more than 90 days past due (in arrears or overdrawn), but that do not meet PD 12 criteria. PD class 10 is assigned to obligors for which there is reason to believe that they are unlikely to pay (on time), but that do not meet the criteria for classification as PD 11 or PD 12. 'Defaulted' status is fully aligned with the 'non-performing' and 'impaired' statuses. Obligors in PD classes 10, 11 and 12 are therefore referred to as 'defaulted' and 'impaired'. Likewise, 'performing' status is fully aligned with the 'non-defaulted' and 'non-impaired' statuses.

  Impairment losses are recorded according to IFRS 9 requirements (calculated on a lifetime expected credit loss (ECL) basis for defaulted borrowers and on a 12-month or lifetime ECL basis for non-defaulted borrowers, depending on whether there has been a significant increase in credit risk and a corresponding shift from 'Stage 1' to 'Stage 2'). Specific collective IFRS 9 models are used for this purpose, except for material defaulted borrowers, which are assessed individually to estimate ECL.

  Together with 'probability of default' and 'exposure at default', measures such as 'expected loss' and 'loss given default' form the building blocks for calculating the regulatory capital requirements for credit risk, as KBC has opted to use the Internal Ratings-Based (IRB) approach for most of its portfolios. Since the end of 2023, the following entities and portfolios switched to the Standardised approach due to model simplification: the entities ČSOB in Slovakia, K&H, the sovereign portfolios in the entire KBC Group and some immaterial portfolios in the Belgium Business Unit and ČSOB in the Czech Republic. Apart from the above-mentioned exceptions, the main group entities in Belgium and the Czech Republic continue to adopt the IRB Advanced approach, while non-material entities as well as the entire International Markets Business Unit adopt the Standardised approach.

- **Setting and cascading risk appetite**: the KBC Risk Appetite Statement defines the amount of credit risk KBC is able and willing to accept in pursuit of its strategic objectives. Credit risk appetite is made tangible by assigning credit risk limits and early warning levels to a limited set of credit risk (signal) indicators, which are valid for one year.

  Primary credit risk limits are decided by the Board of Directors or the Executive Committee. These entail limits on Expected Loss (EL), Stressed Credit Loss (SCL) and Credit Risk-Weighted Assets (RWA) and, for new home loan production, Loan-to-Value (LTV) and Debt-Service-To-Income (DSTI). These limits are supplemented by a portfolio limit system (PLS) framework to constrain concentration risk on counterparty groups or authorities and other credit risk limits set at group or local level that include sector and activity limits and limits on risks, such as counterparty credit risk for professional transactions or issuer risk.

- The risk playing field is also determined by group-wide risk boundaries defined in Credit Risk Standards, which aim to align the risk management of specific credit-risk-related topics throughout the group by defining restrictions and/or recommendations.
- **Risk analysis, reporting, response and follow-up:** the loan portfolio is analysed on a continuous basis. In addition to portfolio analyses performed by the business, the local and group credit risk departments analyse the credit risk profile of the loan portfolio in order to obtain an independent view of the evolution of credit risk. The results of the analyses are reported to the appropriate risk committees. It is the responsibility of both line management and the risk committees to respond, i.e. to keep or bring risks in line with the risk appetite. Corrective action plans can be taken to avoid (further) credit risk, reduce it (mitigation), transfer the risk or accept it.
- **Stress testing**: stress testing is a core component of sound credit risk management and is performed at local and group level.

Credit risk exposure in the banking activities arising from lending and investing

Credit risk arises in both the banking and insurance activities of the group. As regards the banking activities, the main source of credit risk is the bank's loan portfolio. It includes all the loans and guarantees that KBC has granted to individuals, companies, governments and banks. Debt securities are included in the investment portfolio if they are issued by companies or banks. Government bonds are not included in the investment portfolio. Furthermore, the table does not take into account the credit risk related to the trading book (issuer risk) and the counterparty credit risk related to derivative transactions. We describe these items separately below.

The loan and investment portfolio as defined in this section differs from 'Loans and advances to customers' in Note 4.1 of the 'Consolidated financial statements' section. For more information, please refer to the 'Glossary of financial ratios and terms'.

Note that, as regards the table below, more detailed breakdowns are available in KBC's quarterly reports (at www.kbc.com) and (as regards stages) in Note 1.2 of the 'Consolidated financial statements' section.

Loan and investment portfolio

Total loan portfolio	31-12-2024	31-12-2023
Total loan portfolio (in billions of EUR)		
Amount outstanding and undrawn	263	258
Amount outstanding	211	203
Loan portfolio breakdown by business unit (as a % of the outstanding portfolio)		
Belgium[1]	65%	65%
Czech Republic	19%	19%
International Markets	16%	15%
Group Centre	0%	1%
Total	100%	100%
Loan portfolio breakdown by counterparty sector (as a % of the outstanding portfolio)		
Private individuals	*41%*	41%
Finance and insurance	*5%*	6%
Governments	*3%*	3%
Corporates	*51%*	50%
Services	*11%*	*11%*
Distribution	*8%*	*8%*
Real estate[6]	*7%*	*7%*
Building and construction	*5%*	*5%*
Agriculture, farming, fishing	*3%*	*3%*
Automotive	*3%*	*3%*
Food Producers	*2%*	*2%*
Other (sectors < 2%)	*13%*	*13%*
Total	100%	100%
Loan portfolio breakdown by region (as a % of the outstanding portfolio)[2]		
Belgium	*55%*	*55%*
Czech Republic	*19%*	*18%*
Slovakia	*6%*	*6%*
Hungary	*4%*	*4%*
Bulgaria	*6%*	*5%*
Rest of Western Europe	8%	8%
Rest of Central and Eastern Europe	0%	0%
North America	1%	1%
Asia	1%	1%
Other	1%	1%
Total	100%	100%
Loan portfolio breakdown by risk class (as a % of the outstanding portfolio, based on internal rating scale)		
Unimpaired		
PD 1 (lowest risk, default probability ranging from 0.00% up to, but not including, 0.10%)	*24%*	*24%*
PD 2 (0.10% – 0.20%)	*14%*	*14%*
PD 3 (0.20% – 0.40%)	*12%*	*13%*
PD 4 (0.40% – 0.80%)	*17%*	*17%*
PD 5 (0.80% – 1.60%)	*14%*	*13%*
PD 6 (1.60% – 3.20%)	*10%*	*8%*
PD 7 (3.20% – 6.40%)	*5%*	*4%*
PD 8 (6.40% – 12.80%)	*2%*	*1%*
PD 9 (highest risk, ≥ 12.80%)	*1%*	*1%*
Unrated	*0%*	*0%*
Impaired		
PD 10	*0.9%*	*1.1%*
PD 11	*0.3%*	*0.2%*
PD 12	*0.8%*	*0.8%*
Total	100%	100%
Loan portfolio breakdown by IFRS 9 ECL Stage[3] (as a % of the outstanding portfolio)		
Stage 1 (no significant increase in credit risk since initial recognition)	90%	80%
Stage 2 (significant increase in credit risk since initial recognition – not credit impaired) incl. POCI[4]	8%	18%
Stage 3 (significant increase in credit risk since initial recognition – credit impaired) incl. POCI[4]	2%	2%
Total	100%	100%

Impaired loan portfolio	31-12-2024	31-12-2023
Impaired loans (PD 10 + 11 + 12; in millions of EUR or %)		
Impaired loans[5]	4 171	4 221
Of which more than 90 days past due	2 178	2 051
Impaired loans by business unit (as a % of the impaired loan portfolio)		
Belgium[1]	65%	63%
Czech Republic	13%	13%
International Markets	13%	13%
Slovakia	*5%*	*4%*
Hungary	*2%*	*4%*
Bulgaria	*6%*	*6%*
Group Centre	9%	10%
Total	100%	100%
Impaired loans by sector (as a % of impaired loan portfolio)		
Distribution	20%	19%
Private individuals	15%	16%
Real estate[6]	11%	13%
Services	10%	9%
Automotive	10%	9%
Building and construction	8%	7%
Chemicals	5%	2%
Agriculture, farming, fishing	3%	4%
Other (sectors <2%)	17%	21%
Total	100%	100%
Loan loss impairment (in millions of EUR)		
Impairment for Stage 1 portfolio	201	168
Impairment for Stage 2 portfolio, incl. POCI[4] (cured)	340	502
Impairment for Stage 3 portfolio, incl. POCI[4] (still impaired)	1 979	1 888
Of which impairment for impaired loans that are more than 90 days past due	*1 492*	*1 459*
Credit cost ratio		
Belgium Business Unit[1]	0.19%	0.06%
Czech Republic Business Unit	-0.09%	-0.18%
International Markets Business Unit	-0.08%	-0.06%
Slovakia	*-0.14%*	*-0.07%*
Hungary	*-0.27%*	*-0.14%*
Bulgaria	*0.14%*	*0.00%*
Group Centre	1.58%	0.07%
Total	0.10%	0.00%
Impaired loans ratio		
Belgium Business Unit[1]	2.0%	2.0%
Czech Republic Business Unit	1.3%	1.4%
International Markets Business Unit	1.6%	1.8%
Slovakia	*1.5%*	*1.4%*
Hungary	*1.2%*	*1.9%*
Bulgaria	*2.0%*	*2.2%*
Group Centre	38.3%	36.2%
Total	2.0%	2.1%
Of which more than 90 days past due	*1.0%*	*1.0%*
Coverage ratio		
Loan loss impairment / impaired loans	47%	45%
Of which more than 90 days past due	*69%*	*71%*
Loan loss impairment / impaired loans (excl. mortgage loans)	50%	47%
Of which more than 90 days past due	*71%*	*74%*

[1] Also includes the small network of KBC Bank branches established in the rest of Europe, the US and Southeast Asia (with a total outstanding portfolio of 7 billion euros at year-end 2024).

[2] A more detailed breakdown by country is available in KBC's quarterly reports (at www.kbc.com).

[3] For more information on stages, see Note 1.2 of the 'Consolidated financial statements' section.

[4] Purchased or originated credit impaired assets; gross amounts, as opposed to net amounts in the accounting treatment.

[5] Figures differ from those appearing in Note 4.2 of the 'Consolidated financial statements' section, due to differences in scope. The 50-million-euro decrease between 2024 and 2023 breaks down as follows: +39 million euros at the Belgium Business Unit, -5 million euros in the Czech Republic, +21 million euros in Slovakia, -59 million euros in Hungary, +6 million euros in Bulgaria, and -52 million euros for the rest (due to closed sale of KBC Ireland).

[6]Real estate = Income producing commercial real estate to 3rd parties

The ‘Loan portfolio breakdown by IFRS 9 ECL Stage (as a % of the outstanding portfolio)’ and ‘Loan loss impairment’ sub-sections in the above table have been broken down further as follows:

			31-12-2024					31-12-2023
Loan portfolio breakdown by IFRS 9 ECL stage	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan portfolio by country/business unit								
Belgium	57.9%	5.3%	1.3%	64.5%	51.1%	12.3%	1.3%	64.7%
Czech Republic	17.9%	1.2%	0.3%	19.4%	16.1%	2.9%	0.3%	19.3%
International Markets	14.1%	1.3%	0.3%	15.6%	12.5%	2.7%	0.3%	15.4%
Slovakia	*5.6%*	*0.3%*	*0.1%*	*5.9%*	*5.0%*	*0.9%*	*0.1%*	*6.1%*
Hungary	*3.4%*	*0.5%*	*0.0%*	*4.0%*	*3.0%*	*1.0%*	*0.1%*	*4.1%*
Bulgaria	*5.1%*	*0.4%*	*0.1%*	*5.7%*	*4.4%*	*0.7%*	*0.1%*	*5.2%*
Group Centre	0.3%	0.0%	0.2%	0.5%	0.4%	0.0%	0.2%	0.6%
Total	90.2%	7.8%	2.0%	100.0%	80.1%	17.9%	2.1%	100.0%
Loan portfolio by sector								
Private individuals	*38.8%*	*1.7%*	*0.3%*	*40.8%*	36.4%	4.1%	0.3%	40.8%
Finance and insurance	*5.3%*	*0.1%*	*0.0%*	*5.3%*	5.8%	0.2%	0.0%	6.0%
Governments	*2.5%*	*0.3%*	*0.0%*	*2.9%*	2.4%	0.2%	0.0%	2.7%
Corporates	43.6%	5.8%	1.6%	51.0%	35.4%	13.4%	1.7%	50.5%
Total	90.2%	7.8%	2.0%	100.0%	80.1%	17.9%	2.1%	100.0%
Loan portfolio by risk class								
PD 1–4	64.5%	2.2%	0.0%	66.7%	64.5%	5.1%	0.0%	69.7%
PD 5–9	25.7%	5.6%	0.0%	31.3%	15.5%	12.7%	0.0%	28.3%
PD 10–12	0.0%	0.0%	2.0%	2.0%	0.0%	0.0%	2.1%	2.1%
Total	90.2%	7.8%	2.0%	100.0%	80.1%	17.9%	2.1%	100.0%
Total (in millions of EUR)	190 193	16 538	4 171	210 903	162 474	36 258	4 221	202 953

			31-12-2024					31-12-2023
Impairment broken down by IFRS 9 ECL Stage	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Impairment by country/business unit								
Belgium	4.2%	6.7%	45.7%	56.5%	2.6%	9.3%	40.0%	51.9%
Czech Republic	1.6%	3.9%	9.6%	15.1%	1.6%	5.5%	9.9%	16.9%
International Markets	2.2%	2.9%	9.7%	14.8%	2.4%	4.8%	9.5%	16.7%
Slovakia	*0.5%*	*0.9%*	*3.6%*	*5.0%*	*0.5%*	*2.0%*	*3.4%*	*6.0%*
Hungary	*0.7%*	*0.7%*	*1.3%*	*2.7%*	*1.0%*	*1.2%*	*1.7%*	*3.9%*
Bulgaria	*1.0%*	*1.3%*	*4.8%*	*7.1%*	*0.9%*	*1.6%*	*4.4%*	*6.9%*
Group Centre	0.0%	0.0%	13.6%	13.6%	0.0%	0.0%	14.4%	14.4%
Total	8.0%	13.5%	78.5%	100.0%	6.6%	19.6%	73.8%	100.0%
Impairment by sector								
Private individuals	1.4%	3.7%	8.9%	14.1%	1.1%	4.4%	6.5%	12.0%
Finance and insurance	0.2%	0.2%	1.3%	1.6%	0.2%	0.2%	1.8%	2.2%
Governments	0.0%	0.1%	0.2%	0.3%	0.2%	0.6%	1.4%	2.2%
Corporates	6.4%	9.5%	68.2%	84.1%	5.0%	14.5%	64.1%	83.5%
Total	8.0%	13.5%	78.5%	100.0%	6.6%	19.6%	73.8%	100.0%
Impairment by risk class								
PD 1–4	1.6%	0.7%	0.0%	2.3%	1.2%	1.1%	-	2.3%
PD 5–9	6.4%	12.8%	0.0%	19.1%	5.4%	18.5%	-	23.9%
PD 10–12	0.0%	0.0%	78.5%	78.5%	-	-	73.8%	73.8%
Total	8.0%	13.5%	78.5%	100.0%	6.6%	19.6%	73.8%	100.0%
Total (in millions of EUR)	201	340	1 979	2 519	168	502	1 888	2 559

Forbearance measures

Forbearance measures consist of concessions towards a borrower facing, or about to face, financial difficulties. They may involve lowering or postponing interest or fee payments, extending the term of the loan to ease the repayment schedule, capitalising arrears, declaring a moratorium or providing debt forgiveness.

A client with a loan qualifying as forborne will in general be assigned a PD class that is worse than before the forbearance measure was granted, given the increased risk of default. When that is the case, the client's unlikeliness to pay is also assessed (according to specific 'unlikely to pay' criteria). In accordance with IFRS 9 requirements, a facility tagged as 'forborne' is allocated to 'Stage 2' (if the client/facility is classified as 'non-defaulted') or to 'Stage 3' (if the client/facility is classified as 'defaulted').

KBC applies criteria that are consistent with the corresponding EBA standards to move forborne exposures from 'defaulted' to 'non-defaulted' status and to remove the forbearance status. If a client/facility has been assigned 'defaulted' status (before or at the time forbearance measures are granted), the client/forborne facility (depending on whether defaulted status is assigned at client or facility level) must remain defaulted for at least one year. Only upon strict conditions can the client/facility be reclassified as 'non-defaulted'. A forborne facility with a 'non-defaulted' status will be tagged as 'forborne' for at least two years after the forbearance measure has been granted, or after the client/facility becomes non-defaulted, and can only be removed when strict extra criteria have been met (non-defaulted, regular payments, etc.). As a forbearance measure constitutes an objective indicator (i.e. impairment trigger) that requires assessing whether impairment is needed, all forbearance measures are subject to an impairment test.

On-balance-sheet exposures with forbearance measures: gross carrying value (in millions of EUR) Audited	Opening balance	Loans which have become forborne	Loans which are no longer considered to be forborne	Repayments	Write-offs	Other[1]	Closing balance
2024	2 303	545	- 683	-334	-16	28	1 843
2023	2 939	642	-1 001	-361	-20	103	2 303

On-balance-sheet exposures with forbearance measures: Impairment (in millions of EUR)	Opening balance	Existing impairment on loans which have become forborne	Decrease in impairment because loans are no longer forborne	Increase in impairment on forborne loans	Decrease in impairment on forborne loans	Other[2]	Closing balance
2024	387	71	-61	100	-93	-4	400
2023	428	63	-55	86	-122	-13	387

[1] Includes foreign-exchange effects for loans granted in currencies other than the local currency, changes in the drawn/undrawn portion of facilities, increases in the gross carrying value of existing forborne loans and additions or disposals through business combinations.

[2] Includes the use of impairment in respect of write-offs and additions or disposals through business combinations.

Forborne loans	As a % of the outstanding portfolio	Breakdown by PD class (as a % of the entity's portfolio of forborne loans)			
		PD 1–8	PD 9	PD 10 (impaired, less than 90 days past due)	PD 11–12 (impaired, 90 days and more past due)
31-12-2024					
Total	1%	33%	6%	42%	20%
By client segment					
Private individuals[1]	1%	63%	3%	27%	7%
SMEs	1%	29%	15%	33%	23%
Corporations[2]	1%	17%	2%	56%	26%
31-12-2023					
Total	1%	33%	8%	46%	14%
By client segment					
Private individuals[1]	1%	64%	3%	25%	8%
SMEs	1%	30%	12%	42%	16%
Corporations[2]	1%	13%	8%	63%	16%

[1] 84% of the forborne loans total relates to mortgage loans in 2024 (86% in 2023).

[2] 19% of the forborne loans relates to commercial real estate loans in 2024 (32% in 2023).

Other credit risks

Trading book securities. These securities carry an issuer risk (potential loss should the issuer default). We measure exposure to this type of risk on the basis of the market value of the securities. Issuer risk is curtailed through the use of limits both per issuer and per rating category.

Government securities in the investment portfolio of banking entities. We measure exposure to governments in terms of nominal value and book value. Such exposure relates mainly to EU states. We have put in place limiting caps for both non-core and core country sovereign bond exposure. Details on the exposure of the combined banking and insurance activities to government bonds are provided in a separate section below.

Counterparty credit risk of derivatives transactions. The amounts shown in the table below are the group's pre-settlement risks, which are measured using the internal model method for interest rate and foreign exchange derivatives in the Belgium Business Unit. For inflation, equity and commodity derivatives, pre-settlement risks are calculated as the sum of the (positive) current replacement value ('mark-to-market' value) of a transaction and the applicable add-on. This calculation is also used for measuring pre-settlement risks for interest rate and foreign exchange derivatives in the other business units.
Risks are curtailed by setting limits per counterparty. We also use close-out netting and collateral techniques. Financial collateral is only taken into account if the assets concerned are considered eligible risk mitigants for regulatory capital calculations.

Other credit exposure

(in billions of EUR) Audited	31-12-2024	31-12-2023
Issuer risk[1]	0.05	0.05
Counterparty credit risk of derivatives transactions[2]	4.1	4.2

[1] Excluding a nominative list of central governments, and all exposure to EU institutions and multilateral development banks.

[2] After deduction of collateral received and netting benefits.

Market risk in non-trading activities

Managing market non trading risk Audited

In the area of market risk in the non-trading activities, the ExCo is supported by the Group Asset and Liability Committee (GALCO), which is to provide assistance in the area of (integrated) balance sheet management at group level. The governance, rules and procedures and how asset and liability risk management is performed throughout the group are outlined in the Non-Trading Market Risk Management Framework. Its implementation is monitored by the Market Non-Trading Risk Competence Centre of Group Risk. Within the risk function, the ALM & Liquidity Risk Council, chaired by the CRO Markets & Treasury, aims to establish, facilitate, promote and support the solid and efficient integration of all tasks assigned to the local and group risk departments covering ALM and liquidity risks.

Market risk relates to changes in the level or in the volatility of prices in financial markets. The process of managing our structural exposure to market risks in the non-trading activities covers interest rate risk, gap risk, basis risk, option risk (such as prepayment risk), currency risk, equity price risk, real estate price risk, credit spread risk and inflation risk. 'Structural exposure' encompasses all exposure inherent in our commercial activity or in our investments (banking and insurance). Trading activities are therefore not included. This process is also known as Asset/Liability Management (ALM).

The building blocks for managing market risk in non-trading activities Audited

- **Risk identification**: all risk identification exercises described in the 'Components of sound risk management' section apply to the non-trading market risk management context (such as the Risk Scan, the NAPP and the collection of risk signals). Within the Framework, deep dives (in-depth analyses) are performed to identify specific risks related to the market (non-trading) activities and their materiality. Additionally, the key risk drivers for ALM risk for KBC are determined and updated annually and regulatory developments are monitored on a continuous basis.
- **Risk measurements**: a common rulebook, which supplements the framework for technical aspects, and a shared group measurement tool ensure that these risks are measured consistently throughout the group through, among others:

  Basis Point Value (BPV) for interest rate risk;

  gap analysis for interest rate risk, related to repricing mismatches between assets and liabilities and inflation risk;

  economic sensitivities for currency risk, equity price risk and real estate price risk.

  Measures are complemented by stress tests, covering back testing of pre-payments, net interest income results under various scenarios, or the impact on regulatory capital stemming from interest, spread or equity risk residing within the banking books.
- **Setting and cascading risk appetite**: we pursue a medium risk appetite for non-trading market risk. Limits cover all material market risks resulting from the ALM activities, being interest rate risk, equity risk, real estate risk and foreign exchange risk.
- **Risk analysis, reporting, response and follow-up**: besides regulatory reporting, structural reporting to the GALCO is performed. The reporting process includes a sign-off process to ensure data and processing accuracy.

Market risk in the non-trading activities consists of different risk sub-types. These are outlined below, including more details and figures.

Interest rate risk and gap risk

We manage the interest rate risk positions separately for the banking and insurance activities.

The main technique used to measure interest rate risks is the 10 Basis Point Value (BPV) method, which measures the extent to which the value of the portfolio would change if interest rates were to go up by ten basis points across the entire swap curve (negative figures indicate a decrease in the value of the portfolio).

Impact of a parallel 10-basis-point increase in the swap[1] curve for the KBC Bank

Impact on value[2] (in millions of EUR)	2024	2023
Total	-55	-45

[1] In accordance with market standards, sensitivity figures are based on a risk-free curve (swap curve).

[2] Full market value, regardless of accounting classification or impairment rules.

For the banking activities, two other methodologies to measure interest rate sensitivity, which are comparable across institutions, are the outlier stress test (SOT) on Economic Value of Equity (EVE) and the outlier stress test (SOT) on Net Interest Income (NII), both calculated according to the guidelines of the European Banking Authority.

For the SOT on EVE, six different scenarios are applied to the banking books (material currencies) every quarter. 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, the SOT EVE came to -5.20% of tier-1 capital at year-end 2024. This is well below the -15% threshold, which is monitored by the European Central Bank and indicates that the overall interest rate sensitivity of KBC's balance sheet is limited.

The SOT EVE is complemented by the SOT NII, which measures the impact of two scenarios (parallel up and down) on NII, assuming a constant balance sheet. The impact of the worst-case scenario on NII is also set off against tier-1 capital. According to this measure, the interest rate sensitivity of KBC is limited, too: it came to -1.55% at year-end 2024, compared to the 5% outlier threshold used by the supervisory authority.

We also use other techniques to measure potential imbalances in terms of our interest rate position, such as gap analysis, the duration approach, scenario analysis and stress testing. Information regarding the Gap table, detailing mismatches between assets and liabilities by time bucket, is provided in the Risk Report.

Credit spread risk

We purchase bonds with a view to acquiring interest income. Their selection is largely conservative and based on criteria such as credit risk rating, risk/return measures and liquidity characteristics.

We manage the credit spread risk for, *inter alia*, the sovereign bond portfolio by monitoring the extent to which the value of the sovereign bonds would change if credit spreads were to go up by 100 basis points across the entire curve. In addition to the sovereign portfolio, KBC holds a non-sovereign bond portfolio (banks, corporations, supranational bodies). More details regarding the bond portfolio components can be found in the Risk Report.

Exposure to bonds at year-end 2024, carrying value (in millions of EUR) Audited

	At amortised cost	At fair value through other comprehensive income (FVOCI)	Held for trading	Total	For comparison purposes: total at year-end 2023	Economic impact of +100 basis points[1]
Sovereign	39 803	9 725	3 353	52 880	*49 106*	-2 297
Of which[2]:						
Czech Republic	10 895	1 275	1 755	13 925	*14 611*	-640
Belgium	6 268	1 863	833	8 964	*7 702*	-431
France	3 521	1 176	109	4 805	*3 534*	-178
Slovakia	3 456	515	307	4 278	*3 726*	-207
Hungary	2 368	1 153	50	3 571	*2 867*	-98
Non-sovereign[3]	6 384	863	1 657	8 917	*6 850*	-183

[1] Theoretical economic impact in fair value terms of a parallel 100-basis-point upward shift in the spread over the entire maturity structure. Only a portion of this impact is reflected in profit or loss and/or equity. Figures relate to non-trading positions in bonds for the banking business (impact on trading book exposure was quite limited and amounted to -57 million euros, at year-end 2024)
[2]Top 5 largest sovereign portfolio's.

[3]An immaterial portfolio held at Fair Value To Profit and Loss is included in the Non-Sovereign Total.

Equity risk

We define equity risk as the risk due to changes in the level or in the volatility of equity prices. KBC holds equity portfolios for several purposes. The vast majority of the equity portfolio is held as an economic hedge for long-term liabilities of the insurance company. A limited tactical portfolio (99 million euros) aims to contribute to the financial objectives through dividend payouts and capital gains. Smaller equity portfolios are also held by other group entities, where the portfolios are of a strategic nature, such as participations in relation to the execution of KBC's business model. The sectoral repartition of the portfolio is included in the Risk Report.

Equity portfolio of the KBC Bank	31-12-2024	31-12-2023
In billions of EUR	0.24	0.23
of which unlisted	0.23	0.22

Impact of a 25% drop in equity prices, impact on value

(in millions of EUR)	2024	2023
Total	-60	-59

Non-trading equity exposure	Net realised gains (in income statement)		Net unrealised gains on year-end exposure (in equity)	
(in millions of EUR)	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Total	0	-	22	19

Real estate risk

We define real estate risk as the risk due to changes in the level or in the volatility of real estate prices. Real estate that is exclusively used by KBC and its subsidiaries for their own activities are excluded here. The group's real estate businesses hold a limited real estate investment portfolio. The real estate exposure is viewed as a long-term hedge against inflation risks and as a way of optimising the risk/return profile of these portfolios.

Impact of a 25% drop in real estate prices, impact on value

(in millions of EUR)	2024	2023
Total	-116	-94

Inflation risk

We define inflation risk as the risk due to changes in the level or in the volatility of inflation rates. Inflation can impact a financial company in many ways, for instance via changes in interest rates or operational costs. Inflation in general therefore is not easily quantifiable as a market risk concept. However, certain financial products or instruments have a direct link with inflation and their value is directly impacted by a change in market expectations. KBC Bank uses inflation-linked bonds as an opportunity to diversify its asset portfolio.

The banking business holds a portfolio of inflation-linked bonds with a sensitivity to inflation (BPI) of 5.6 million euros (a 0.10% move in inflation expectations) at the end of 2024.

Foreign exchange risk

We define foreign exchange risk as the risk due to changes in the level or in the volatility of currency exchange rates. We pursue a prudent policy as regards our non-trading currency exposure. Material foreign exchange exposure in the ALM books of banking entities with a trading book is transferred via internal deals to the trading book, where it is managed within the allocated trading limits. The foreign exchange exposure of banking entities without a trading book and of insurance and other entities has to be hedged, if material. However, non-euro-denominated equity holdings in the insurance portfolio are not hedged, as foreign exchange volatility is considered part of the investment return.

KBC focuses on stabilising the common equity ratio against foreign exchange fluctuations.

Impact of a 10% decrease in currency value*

(in millions of EUR)	31-12-2024	31-12-2023
CZK	-217	-209
HUF	-74	-85
BGN	-100	-93
USD	-3	6

* Exposure for currencies where the impact exceeds 10 million euros

Hedge accounting

Assets and liabilities management uses derivatives to mitigate interest rate and foreign exchange risks. The aim of hedge accounting is to reduce the volatility in P&L resulting from the use of these derivatives.

KBC decided not to apply hedge accounting to credit and equity risks. When the necessary criteria are met, it is applied to remove the accounting mismatch between the hedging instrument and the hedged item. For more information about hedge accounting, please see 'Notes on the accounting policies' in the 'Consolidated financial statements' section.

Risk categories applying to hedge accounting

Interest rates

Hedging derivatives are used to mitigate an interest rate risk that arises from a difference in the interest rate profile of assets and their funding liabilities. The hedge accounting status of a hedge can be associated with either the asset or the liability item.

Interest rate derivatives can be designated as:

- Hedges of the fair value of recognised assets or liabilities. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is also recognised in profit or loss.
- Hedges of the cashflow of recognised assets and liabilities which are either certain or highly probable forecasted transactions. The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognised in the cashflow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised directly in profit or loss.

KBC uses macro hedge accounting strategies for homogeneous portfolios of smaller items, where the frequency of occurrence or the relatively small size of the average operation renders the one-to-one relationship sub-optimal. This is the case for *inter alia* mortgages, loans to SMEs or customer deposits. Macro hedge strategies may be dynamic and undergo frequent changes based on balancing the portfolio ('open portfolio hedge'), among other things.

The micro hedge designation is used when large individual assets or liabilities are hedged. Typical assets are large corporate loans and bond acquisitions for which only the credit spread profile is relevant. Liabilities can include KBC's own issues. Micro hedges are either fair-value or cashflow based.

Foreign exchange

KBC has strategic investments denominated in non-euro currencies. The net asset value of significant participations is partly funded in the local currency by deposits and foreign exchange derivatives, to ensure stability of the common equity ratio. By using hedges of net investments in foreign operations, the foreign exchange component is reported in equity until realisation (unwinding of funding due to liquidation, dividend payments or other decreases in net asset value).

KBC also has a limited portfolio of foreign-currency-denominated bonds that are funded through euro proceeds. These bonds are hedged by cross-currency interest rate swaps to create a synthetic EUR fixed-rate interest income. Cashflow hedge accounting (micro-hedge) is performed to mitigate foreign exchange volatility.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, as well as through periodic prospective and retrospective effectiveness assessments, to ensure that a relevant relationship between the hedged item and the hedging instrument exists and remains valid.

Effectiveness testing

For interest rates, several prospective and retrospective tests are performed to ensure the relationship between the hedged item and the hedging instrument qualifies for the hedge accounting strategy.
Prospective tests are mostly based either on a sensitivity analysis (verifying if the basis point value of the hedged portfolio relative to the hedging instrument stays within the 80-125% interval) or volume tests (if the principal amount of hedge-eligible items exceeds the notional volume of hedging instruments expected to be repriced or repaid in each specified time bucket).
For macro cashflow hedges, extensive forward-looking analyses assess the sufficient likelihood that the future volume of hedged items will largely cover the volume of hedging instruments. A hedge ratio – measuring the proportion of a portfolio that is hedged by derivatives – is calculated for each hedging strategy.
The retrospective effectiveness test of the hedge relationship is periodically carried out by comparing the change in fair value of the portfolio of hedging instruments relative to the change in fair value of the hedged eligible items imputable to the hedged risk over a given period (the ratio of fair value changes remains within the 80-125% interval).
For foreign exchange hedging, effectiveness is ensured by adjusting the sum of the nominal amount of the funding deals and foreign exchange derivatives to the targeted hedge amount of the strategic participations. For foreign-currency-denominated bonds swapped into euro, the start date, maturity date and coupon dates are also matched.

Sources of hedge ineffectiveness

Ineffectiveness for interest rate swaps may occur due to:

- differences in relevant terms between the hedged item and the hedging instrument (it can include discrepancies in interest curves and in periodicity);
- a reduction in volume of the hedged item that would fall under the volume of hedging instruments for any time bucket;
- the credit value adjustment on the interest rate swap not being matched by the loan. However, hedging swaps are fully collateralised or traded through clearing houses and the credit value adjustment is limited.

Regarding the hedge of the net investment in foreign currency, the interest rate component from the hedging instruments can be a source of inefficiency. The counterparty risk on the hedging instrument, even if collateralised, can also be a source of inefficiency.

Discontinuation of hedge accounting

Hedge accounting strategies failing the effectiveness tests are discontinued. A de-designated hedging instrument can be re-designated in a new hedge relationship. Effective hedge accounting strategies may also be discontinued for technical or strategic reasons. Any impact on profit and loss arising from hedge ineffectiveness and discontinuation is reported to the GALCO.

Capital sensitivity to market movements

Available capital can be impacted by changes in the value of balance sheet items (e.g., sovereign and corporate bonds and equity) booked at fair value through other comprehensive income or fair value through profit or loss. This impact can be negative when the market is stressed, which can be triggered by a number of market parameters, including swap rates or bond spreads that increase or equity prices that fall. At KBC, we use this capital sensitivity as a common denominator to measure the vulnerability of the banking book to different market risk shocks.

CET1 sensitivity to main market drivers KBC Bank (as % points of CET1 ratio)	31-12-2024	31-12-2023
+100-basis-point parallel shift in interest rates	-0.1%	-0.1%
+100-basis-point parallel shift in spread	-0.4%	-0.2%
-25% in equity prices	-0.2%	-0.1%

The table shows that the sensitivity of capital to market movements is limited. The sensitivity to spread volatility has increased over the past year as KBC has opted to increase the part of its bond portfolio that is booked at fair value through other comprehensive income. However, the majority of the portfolio is deemed to be held to maturity and is therefore booked at amortised cost. Those positions do not impact capital unless they are liquidated before maturity. Note that KBC holds material amounts of liquid assets (see the liquidity section) to absorb unexpected funding outflows. If these are not sufficient, KBC can still enter into repo agreements to access liquidity rather than having to realise losses on the bonds.

Liquidity risk

Managing liquidity risk Audited

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

In the area of liquidity risk, the ExCo is supported by the Group Asset and Liability Committee (GALCO), which provides assistance in the area of (integrated) balance sheet management at group level, including liquidity and funding. The governance, rules and procedures and how asset and liability risk management is performed throughout the group are outlined in the Liquidity Risk Management Framework. Its implementation is monitored by the Liquidity Risk Competence Centre of Group Risk. Within the risk function, the ALM & Liquidity Risk Council aims to establish, facilitate, promote and support the solid and efficient integration of all tasks assigned to the local and group risk departments.

The building blocks for managing liquidity risk Audited

- **Risk identification**: all risk identification exercises described in the 'Components of sound risk management' section apply to the liquidity risk management context (such as the Risk Scan, the NAPP and the collection of risk signals).
- **Risk measurement**: identified liquidity risks are measured by means of both regulatory metrics such as the Liquidity Coverage Ratio (158% in 2024) and the Net Stable Funding Ratio (139%), and internal metrics on, for example, the funding mix and concentration and the composition of the liquid asset buffer. In the maturity analysis table below, KBC's structural liquidity risk is illustrated by grouping the assets and liabilities according to the remaining term to maturity (using the contractual maturity date). The difference between the cash inflows and outflows is referred to as the 'net funding gap'.
- **Setting and cascading risk appetite**: the GALCO monitors the development of the liquidity risk profile in relation to the limits. KBC's low risk profile for liquidity risk is illustrated by the fact that KBC is well above the thresholds for regulatory and internal liquidity measures. The GALCO decides on and periodically reviews a framework of limits, early warning levels and policies on liquidity risk activities that is consistent with the group's risk appetite.
- **Risk analysis, reporting, response and follow-up**: to mitigate day-to-day and intraday liquidity risk, group-wide trends in funding liquidity and funding needs are monitored continuously by the Group Treasury and Risk function. A Liquidity Contingency Plan drafted by the Group Treasury function is in place to address possible liquidity crisis situations and is tested at least annually.
- **Stress testing**: liquidity stress tests assess KBC's liquidity contingency risk by measuring how the liquidity buffer of the group's bank and insurance entities changes under extreme stress scenarios. This buffer is based on assumptions regarding liquidity outflows and liquidity inflows resulting from actions to increase liquidity. The liquidity buffer has to be sufficient to cover liquidity needs over (i) a period that is required to restore market confidence in the group following a KBC-specific event, (ii) a period that is required for markets to stabilise after a general market event and (iii) a combined scenario, which takes a KBC-specific event and a general market event into account. This information is fed into the Liquidity Contingency Plan.

Moreover, KBC has an Internal Liquidity Adequacy Assessment Process (ILAAP) in place to ensure it has robust strategies, policies, processes and systems for identifying, measuring, managing and monitoring liquidity risk and funding positions over all appropriate time horizons, in order to maintain adequate levels of liquidity buffers.

Maturity analysis Audited

The table below shows the maturity analysis of the total inflows and outflows. Note that the structural liquidity gap shown in the table does not include the concept of a Liquid Asset Buffer (i.e. the fact that KBC can monetise its liquid bonds at all times via repo or pledging to central banks). Rather, in this table, cash-generating capacity from bonds is only visible at final maturity of the bond. As a result, the net funding gaps shown in the first buckets in the table are a clear overestimation of the risk as in practice KBC would monetise its Liquid Asset Buffer (95 billion euros at year-end 2024 (or 101 billion euros 12-months average over 2024), of which 53 billion euros in unencumbered central bank eligible assets and the remainder in cash and withdrawable central bank receivables) to address these net outflows.

At year-end 2024, KBC had 53 billion euros' worth of unencumbered central bank eligible assets, 44 billion euros of which in the form of liquid government bonds (83%). The remaining available liquid assets were mainly covered bonds (14%). Most of the liquid assets are expressed in our home market currencies. The funding from non-wholesale markets was accounted for by stable funding from core customer segments in our core markets.

Liquidity risk (excluding intercompany deals)[1] (in billions of EUR)	<= 1 month	1–3 months	3–12 months	1–5 years	> 5 years	On demand	Not defined	Total
31-12-2024								
Total inflows	7	14	29	105	119	7	55	336
Total outflows	66	25	19	26	7	163	30	336
Professional funding	22	0	0	1	0	8	0	32
Customer funding	26	14	16	13	6	154	0	229
Debt certificates	15	10	3	13	1	0	0	43
Other	3	0	0	0	0	0	30	33
Liquidity gap (excl. undrawn commitments)	-59	-11	10	79	112	-155	25	0
Undrawn commitments	-	-	-	-	-	-	-49	-49
Financial guarantees	-	-	-	-	-	-	-11	-11
Net funding gap (incl. undrawn commitments)	-59	-11	10	79	112	-155	-35	-60
31-12-2023								
Total inflows	4	12	27	100	115	7	47	312
Total outflows	49	30	20	26	6	152	29	312
Professional funding	10	3	1	0	0	4	0	18
Customer funding	24	14	14	13	5	148	0	218
Debt certificates	11	13	5	13	1	0	0	43
Other	4	0	0	0	0	0	29	33
Liquidity gap (excl. undrawn commitments)	-45	-18	7	74	108	-145	18	0
Undrawn commitments	-	-	-	-	-	-	-48	-48
Financial guarantees	-	-	-	-	-	-	-11	-11
Net funding gap (incl. undrawn commitments)	-45	-18	7	74	108	-145	-41	-59

[1] Cashflows include interest rate flows consistent with internal and regulatory liquidity reporting. Inflows/outflows that arise from margin calls posted/received for MtM positions in derivatives are reported in the 'Not defined' bucket. 'Professional funding' includes all deposits from credit institutions and investment firms, as well as all repos. Instruments are classified on the basis of their first callable date. Some instruments are reported at fair value (on a discounted basis), whereas others are reported on an undiscounted basis (in order to reconcile them with Note 4.1 of the 'Consolidated financial statements' section). Due to the uncertain nature of the maturity profile of undrawn commitments and financial guarantees, these instruments are reported in the 'Not defined' bucket. The 'Other' category under 'Total outflows' contains own equity, short positions, provisions for risks and charges, tax liabilities and other liabilities.

Funding information

We have a strong retail/mid-cap deposit base in our core markets, resulting in a stable funding mix. A significant portion of the funding is attracted from core customer segments and markets.

Funding mix	Information	31-12-2024	31-12-2023
Funding from customers[1]	Demand deposits, term deposits, savings deposits, other deposits, savings certificates and debt issues placed in the network	77%	80%
Debt issues placed with institutional investors	IFIMA debt issues, covered bonds, tier-2 issues, KBC Group NV senior debt	8%	10%
Net unsecured interbank funding	Including TLTRO	3%	4%
Net secured funding[2]	Repo financing	0%	-7%
Certificates of deposit	–	5%	6%
Total equity	Including AT1 issues	7%	7%
Total		100%	100%
in billions of EUR		302	273

[1] Some 86% of this funding relates to private individuals and SMEs at year-end 2024.

[2] Negative on account of KBC carrying out more reverse repo transactions than repo transactions.

Market risk in trading activities

KBC's strategic objectives in undertaking trading activities are to offer sound and appropriate financial products and solutions to its clients in order to help them manage their risks and access capital, and to engage in certified market-making activities. In addition to the small (long or short) positions that occur during our certified market-making activities, our focus on client-driven, client-facilitation-related business leaves us with some residual market risks, which are necessary to enable us to fulfil our intermediary role towards clients.

Traditionally, the focus of our trading activities is on interest-rate instruments, while activity on the foreign exchange markets and in relation to equity is limited. In order to ensure the tradability of these positions, the following principles apply:

- Trading activity is limited to linear and non-linear interest-rate, foreign-exchange and equity products, as well as to bonds, bond futures and government debt;
- Commodity-related products are only allowed on a back-to-back basis.

These activities are carried out by our dealing rooms in our home countries as well as via a minor presence in the UK and Asia.

Managing market trading risk Audited

In the area of market risk in the trading activities, the ExCo is supported by the Group Markets Committee (GMC), which advises on risk monitoring and capital usage with respect to trading activities. The governance, rules and procedures on how trading risk management should be performed throughout the group are outlined in the Trading Market Risk Management Framework.

Market risk relates to changes in the level or in the volatility of prices in financial markets. Market risk in trading activities is the potential negative deviation from the expected value of a financial instrument (or portfolio of such instruments) in the trading book due to changing interest rates, exchange rates, equity or commodity prices etc.

The building blocks for managing market trading risk Audited

- **Risk identification**: all risk identification exercises described in the 'Components of sound risk management' section apply to the trading market risk management context (such as the Risk Scan, the NAPP and the collection of risk signals). Furthermore, we analyse the results of value and risk calculations, market developments, ESG risk assessments, industry trends, new modelling insights, changes in regulations, etc.
- **Risk measurement**: we measure trading risk via a number of parameters including nominal positions, concentrations, Basis Point Value (BPV) and other sensitivities and scenario analysis. However, the primary tool we use for measuring and monitoring market risk exposures in the trading book is the Historical Value-at-Risk (HVaR) method, which gives an estimate of the amount of economic value that might be lost on a given portfolio due to market risk over a defined holding period, with a given confidence level.
- **Setting and cascading risk appetite**: the risk appetite for market risk in trading activities is set at low and is overseen by the GMC via a risk limit framework consisting of a hierarchy of limits and early warning indicators. These are defined down to trading desk level and, in addition to HVaR, include a series of concentration limits, basis-point-value limits and (stress) scenario limits.
- **Risk analysis, reporting, response and follow-up**: in addition to the more proactive elements described under 'Risk identification', this involves compiling the necessary external and internal reports, issuing advice on business proposals, and monitoring and advising on the risks attached to the positions. The GMC, which meets every month, receives an extensive Core Report as well as periodic and ad hoc memos and reports. The GMC also receives a dashboard halfway between the monthly meetings whose frequency is increased (up to daily, if needed) depending on market circumstances.
- **Stress testing**: in addition to the risk limit framework, we conduct extensive stress tests on our positions on a weekly basis. The stress tests are discussed at GMC meetings to enable the members to gain an insight into potential weaknesses in the positions held by the group.

Market risk profile Audited

Our Approved Internal Model is used to calculate the vast majority of market risk regulatory capital. Regulatory capital for business lines not included in the Approved Internal Model is measured according to the Standardised approach. The tables below show the Management HVaR (using our Approved Internal Model and a 99% confidence interval, one-day holding period) for the residual trading positions at all the dealing rooms of KBC that can be modelled by HVaR and the breakdown per risk type.

Market risk (Management HVaR) (in millions of EUR)	2024	2023
Average for 1Q	7	7
Average for 2Q	5	6
Average for 3Q	5	6
Average for 4Q	4	7
As at 31 December	4	8
Maximum in year	10	10
Minimum in year	3	4

Breakdown by risk factor of trading HVaR (Management HVaR; in millions of EUR)	Average for 2024	Average for 2023
Interest rate risk	4.9	6.3
FX risk	0.5	0.9
Equity risk	1.9	2.1
Diversification effect	-2.0	-2.8
Total HVaR	5.2	6.5

Non-financial risks

Operational risk

Managing operational risk

Operational risk is the risk of inadequate or failed internal processes, people and systems or from sudden man-made or natural external events.

In the area of operational risk, the ExCo is supported by the Group Internal Control Committee (GICC) to strengthen the quality and effectiveness of KBC's internal control system. The governance, rules and procedures on the performance of operational risk management throughout the group are outlined in the Operational Risk Management Framework. The framework is fully aligned with the Basel requirement for Operational Resilience and the EU Digital Operational Resilience Act (DORA) – Regulation (EU) 2022/2554. Its implementation is coordinated and monitored by the Operational Risk Competence Centre of Group Risk, which consists of risk experts at both group and local level. The Competence Centre cooperates with other expert functions covering the nine operational risk sub-types: Information Technology, Information Security, Business Continuity, Process, Third-Party and Outsourcing, Model, Legal, Fraud, and Personal and Physical Security risk..

The building blocks for managing operational risks

- **Risk identification**: KBC identifies its operational risks based on various sources, such as following up on legislation, using the output of the New and Active Products Process (NAPP), performing risk scans, analysing key risk indicators and performing independent control monitoring activities and root cause analysis of operational incidents, near misses and losses. A structured repository of operational risks and related mitigating controls is in place, with a review process ensuring that the repository remains in line with new or emerging operational risk sub-types. Risk self-assessments on the operational business lines are performed by the first Line of Defence with the aim of identifying additional local risks and possible operational control gaps. Dynamic trigger-based risk assessments are executed based on the continuous screening of both internal and external risk events. On top of that, risk signals are collected by regular proactive scanning of the environment in order to identify external or internal (cyber) trends which could negatively impact our company in a direct or indirect way.
- **Risk measurement**: uniform group metrics and scales are in place to determine individual (inherent and residual) operational risk levels in the business lines and to underpin the risk profile of an entity in a comprehensive and integrated way across operational risk sub-types and across KBC and its entities.

  In addition, KBC closely monitors the maturity of its internal control environment in a data-driven way. This allows us to frequently assess and report on maturity and take action when necessary. Once a year, these insights also serve as input for the regulatory required Internal Control Statement (ICS), which evaluates how well KBC is in control of and manages its operational risks.

  To determine the degree of assurance that a control measure mitigates a particular risk as expected, we measure the 'control effectiveness' via several metrics such as employee phishing campaign click rates, website vulnerability patching speeds and the number of processing errors.
- **Setting and cascading risk appetite:** overall, KBC strives for a low operational risk environment in a business-as-usual situation. However, in case of projects that introduce a large-scale transformation (such as mergers and acquisitions), the level is increased to 'the lower end of medium' whilst maintaining strict boundaries. The operational risk appetite is set at the overarching level as well as at the level of each operational risk sub-type (see below). The current operational risk profile in relation to the operational risk appetite is discussed quarterly as part of the Operational and Compliance Risk Report to the GICC.
- **Risk analysis, reporting, response and follow-up:** operational risk analysis and reporting aim to give a transparent and comprehensive, forward-looking and ex-post view on the development of the risk profile and the context in which KBC operates. Structural reporting to the GICC (via the Operational and Compliance Risk Report), to the Board, the RCC and the ExCo (via the Integrated Risk Report) takes place on a quarterly basis, and to the Global IT Committee (GITCO) on a monthly basis. The maturity of the internal control environment is reported once a year to the ExCo, the RCC and the Board and to the NBB, the FSMA and the ECB via the annual Internal Control Statement. These are complemented by regular or ad hoc reports that provide additional details on the aforementioned reports.
- **Stress testing**: stress testing in the context of operational risk is done by using scenarios with a potential negative impact on KBC's (financial) position in order to prepare the KBC entities for (extreme) crisis situations. These scenarios describe specific operational risk events ranging from plausible to exceptional or even extreme and/or movements in operational risk loss impacts. Stress testing enables KBC entities, for example, to deal with local cyber crises and handle major incidents. To ensure that Information Security and Information Technology risks are effectively mitigated, a number of challenges are performed throughout the group on a regular basis, such as technical cyber resilience and readiness testing, detailed investigations, employee phishing tests, crisis simulations and other incident drills.

Dedicated focus to manage our major operational risks:

Information risk management

Information risk management encompasses the risks of information security and information technology, driven by an ever changing cyber threat landscape. Information security risk is one of the most material risks that financial institutions face today, driven by factors such as geopolitical tensions, organised cybercrime, technological growth and innovation (e.g., use of AI for phishing, deepfakes, etc.) and internal factors (such as further digitalisation, experiments with emerging technology, and so on). These threats could lead to a loss of integrity, loss of confidentiality and unplanned unavailability, which could impact our data, the availability of our operations and services, KBC's reputation, and so on.

Cyber risks are structurally and continuously managed throughout the group. KBC actively identifies cyber risks by actions such as monitoring the cyber threat landscape, regular ethical hacks, and targeted training and awareness programmes. By combining cyber threat intelligence with insights and findings from these actions, we proactively identify, assess and understand cyber risks that could target our company and stakeholders, enhancing our ability to defend against and respond to cyber threats effectively. More information about how information risk (including cyber risks) is managed can be found in the Sustainability Statement in this report or in the KBC Risk Report.

Third party and outsourcing risk management

Third-party and outsourcing risk is the risk stemming from problems regarding continuity, integrity and/or quality of the activities outsourced to third parties (whether or not within the group) or performed in collaboration with third parties, or from the equipment or staff made available by third parties. In view of the potential impact on KBC and its clients, it is important to identify, assess, monitor, and control risks related to third-party relationships throughout the entire life cycle of those relationships. Therefore, effective third-party risk management follows the stages of the life cycle for third-party arrangements, which includes due diligence, risk assessment, contracting, onboarding, ongoing monitoring and termination.

Outsourcing risk management is a specific aspect of third-party risk management (TPRM). Regulatory requirements regarding follow-up, measurement and reporting of outsourcing risk have increased over the years (for example, via DORA and the EBA and EIOPA Guidelines on Outsourcing). As contracting external service providers is an essential part of operational processes and intra-group outsourcing is an important aspect of the KBC strategy, the need to focus on outsourcing risk remains a key element of group-wide risk management.

To ensure robust management of its outsourcing processes and risks, KBC has put in place a group-wide outsourcing framework. The framework comprises a group-wide Outsourcing and DORA TPRM policy which sets out the principles and strategy for outsourcing activities and aims to standardise the approach adopted when an activity is considered for outsourcing. It is supported by the Outsourcing & DORA TPRM Process Guidance to ensure a strict and standardised approach throughout the group, applicable to both outsourcing and nearshoring.

Controls are in place to adequately mitigate risks arising from either external or internal outsourcing during the full life cycle of a service provider. Qualitative risk governance of KBC outsourced activities is ensured by regular risk assessments, their frequency being defined by the criticality of the outsourced activity.

Model risk management

KBC's data-driven strategy is underpinned by an expanding set of advanced mathematical, statistical and numerical models to support decision-making, measure and manage risk, manage businesses and streamline processes. AI-based models are also becoming an increasingly common feature across the different business domains (banking, insurance, asset management). As the use of models increases, so does the importance of recognising, understanding and mitigating risks related to the design, implementation or use of models, in order to protect both KBC and its clients. KBC's model risk management standards establish a framework that allows us to identify, understand and efficiently manage model risk, similar to any other risk type. The scope of this framework covers in particular generative AI models and high-risk AI models, in line with the EU AI Act.

As the use of AI models is an important aspect in KBC's strategy, it is important to ensure that the output of the AI models we use is reliable and aligned with KBC's values and principles. To achieve this, KBC adheres to the Trusted AI Framework.

Business continuity management including crisis management

To ensure availability of critical services, KBC has a business continuity management (BCM) process in place. This ensures that regular business impact analysis is performed and recovery time objectives are defined and implemented.

The BCM process is a mature process within the group, with a focus on both prevention and response. Crisis prevention focuses on reducing the probability of a crisis, while crisis response focuses on the effective and efficient handling of a crisis should one occur. To enable this, practical scenarios called runbooks are available on how to handle an ongoing crisis. Lessons learned from any (internal or external) incident or crisis are drawn and, when needed, our BCM plans are adapted.

Compliance risk

Managing compliance risks

Compliance risk is the risk that a judicial, administrative or regulatory sanction is imposed on an institution and/or its employees because of non-compliance with the laws and regulations pertaining to the compliance domains, resulting in loss of reputation and potential financial loss. This loss of reputation can also be the result of non-compliance with the internal policy in this regard and with the institution's own values and codes of conduct in relation to the integrity of its activities.

As a matter of priority and as a minimum, the scope of activities of the compliance function is to be concentrated on the following areas of integrity: Anti-Money Laundering and Countering the Financing of Terrorism, Tax Fraud Prevention, Investor Protection and Protection of the Policyholder, Data Protection and AI including AI Act Compliance, Business Ethics, Consumer Protection, Governance aspects of CRD IV and V, Solvency II and/or local legislation and Sustainable Finance and Sustainability.

Compliance risk is covered by a holistic framework that includes the Compliance Charter, the Integrity Policy, the specific risk appetite and the accompanying Key Risk Indicators, the Group Compliance Rules, the Compliance Monitoring Programme and other reporting. To guarantee the independence of the compliance function, proper governance is in place with an adequate escalation process to the ExCo, the RCC and the Board. The governance of the compliance function is described in more detail in the Compliance Charter and is in line with EBA/EIOPA guidelines on internal governance.

The building blocks for managing compliance risks

To manage compliance risks, KBC aims to comply with laws and regulations in the compliance domains as determined by KBC's Compliance Charter. The compliance function's role in managing these risks is twofold:

On the one hand, it is particularly dedicated to the identification, assessment and analysis of the risks linked to the compliance domains. Furthermore, it provides advice from an independent viewpoint on the interpretation of laws and regulations pertaining to the domains it covers. This preventive role is put into practice by Group Compliance Rules that define minimum requirements for the entire group, the provision of procedures and instructions, tailored training courses and awareness initiatives, information on new regulatory developments to the governance bodies, support in the implementation of the group strategy, and the implementation of legal and regulatory requirements by the various businesses concerned. Additionally, the compliance function provides advice and independent opinions in the New and Active Products Process (NAPP). Together with the other control functions, the compliance function ensures that, under the NAPP, the launch of any new products conforms with the many legal and regulatory provisions in place, such as MiFID II, the Insurance Distribution Directive (IDD) and other local and EU Regulations, as well as being in line with KBC's values.

On the other hand – as the second Line of Defence – it carries out risk-based monitoring to ensure the adequacy of the internal control environment. More specifically, monitoring allows it to verify whether legal and regulatory requirements are correctly implemented in the compliance domains. It also aims to ensure the effectiveness and efficiency of the controls performed by the first Line of Defence. Moreover, quality controls are performed by Group Compliance in the main group entities to assure the Board that the compliance risk is properly assessed by the local compliance function.

Insight into managing some specific compliance domains

Group Compliance (GCPL) has been working on developing the foundations of a strong group-wide compliance function. The main focus points were processes and efficiency, creating a future-proof strategy reflected in the vision and strengthening staffing and the management team. In addition, GCPL has invested in different tools and in the group's role to meet the ECB's expectations. Going forward, the focus will be on further improving the methodology and processes within the compliance function in order to provide the necessary assurance to the Board and the regulator.

GCPL strives towards a mature organisation with data-driven and documented planning which will aid group-wide steering. The goal is to achieve group-wide synergy and scalability at all levels and in all domains, for example by means of risk assessments, regulatory watches, knowledge management, etc. The main goal is a holistic, risk-based and data-driven approach to compliance.

Financial Crime

A Financial Crime Compliance department was set up to enhance synergies between AML (Anti-Money Laundering), embargoes and other related domains. The prevention of money laundering and terrorist financing, including embargoes, has been a top priority for the compliance function in the past few years and will continue to be prioritised. Efforts are continuously made to adapt the organisation to a constantly changing regulatory environment, particularly with regard to clients who present an increased risk and for whom additional information is required. As such, the compliance function is also closely following the EU developments at the level of the new AML Authority (AMLA) and regulatory provisions expected. Special emphasis is placed on a preventive risk management approach (for example, embargo circumvention measures).

Data and Consumer Protection and AI

Conformity with data and consumer protection obligations is a central hallmark of any sustainable and client-centric organisation. In the context of KBC's data-driven strategy, it is crucial to pay attention to all upcoming regulatory developments in the data and consumer protection domains to ensure future-proof, reliable and dependable bank-insurance activities for KBC clients. The compliance function closely follows up on the regulatory developments impacting the data and/or consumer protection domains such as FIDA, PSD3/PSR and the Basic Banking Service. Since 2020, Kate, the personal assistant, has gained maturity and can increasingly facilitate the everyday lives of our clients. The study of the potential use of generative AI models is closely followed to ensure that risks are duly identified, including the new risks deriving from the AI Act. In anticipation of the implementation of the AI Act, KBC has developed its 'Trusted AI Framework, which ensures that the technologies we use operate in a transparent, fair and secure way.

Investor and Policyholder Protection

Financial markets and insurance legislation are the subject of constant changes and continuous expansion. KBC strives for early preparedness by ensuring that the internal framework (rules, policies, and minimum first- and second-line controls) allows for the frictionless adaptation of business activities. In 2024, this implied a forward-looking approach to translate upcoming requirements into actionable business advice (e.g., Value for Money in insurance, new market structure rules, changes to market abuse provisions). In addition, the compliance function anticipated regulatory expectations in new fields (e.g., crypto-asset legislation). To foster the compliance culture and reduce compliance risk, several initiatives were taken to make Group Compliance Rules easier to understand, use, and interpret (e.g., methodology changes, e-learning courses, guidelines, standardised texts).

Corporate Governance and Business Ethics

Corporate governance in credit institutions and insurance undertakings aims to ensure that they operate in a safe and sound manner, manage risks effectively, and make decisions that are in the best interests of their stakeholders. Strong corporate governance practices strengthen KBC in dealing with, and controlling, compliance risk. As in previous years, Compliance therefore advises on and monitors compliance with governance aspects of CRD IV and V and Solvency II such as outsourcing, the functioning and composition of committees, Fit & Proper, the incompatibility of mandates, follow-up of complaints handling, conflicts of interest, sound remuneration, etc. In 2024, particular attention was paid to efficiency gains (e.g., in the process of reporting complaints handling to the Board) and the follow-up of new and/or upcoming regulatory requirements impacting the aforementioned governance areas (e.g., CRD VI, DORA, etc.).

Additionally, governance of the compliance function, as an independent control function, is of essential importance when dealing with compliance risk. Continuous efforts are made to strengthen compliance governance and enhance group-wide steering, alignment and cooperation with local entities.

Corporate governance principles also go hand in hand with the concept of responsible behaviour, which is one of the three cornerstones of KBC's sustainability strategy. Together with business ethics, responsible behaviour is essential in ensuring that KBC maintains one of its most valuable assets: trust.

Risks linked to irresponsible and/or unethical behaviour are often labelled as 'conduct risk'. As in previous years, KBC continues to limit and mitigate these risks with targeted training and awareness programmes, codes of conduct and specific policies on conflicts of interest, anti-corruption, gifts and entertainment, protection of whistleblowers, etc., and with recurrent risk assessments and quality controls, which ensure sound implementation of these policies. Particular attention in the Business Ethics domain is also paid to the risks linked to the increased use of AI solutions.

Reputational risk

Reputation is a valuable asset in business and this certainly applies to the financial services industry, which thrives to a large extent on trust. Reputational risk is mostly a secondary risk since it is usually connected to – and materialises together with – other risks. To manage reputational risk, we remain focused on sustainable and profitable growth, fulfilling our role in society and the local economy to the benefit of all stakeholders. We promote a strong corporate culture that encourages responsible behaviour throughout the organisation, including social and environmental responsibilities. We put the clients' interests at the heart of what we do and foster trust by treating the client fairly and honestly.

Reputational risk is the risk arising from the loss of confidence by, or negative perception on the part of, stakeholders (such as KBC employees and representatives, clients and non-clients, shareholders, investors, financial analysts, rating agencies, the local community in which it operates, etc.) – be it accurate or not – that can adversely affect a company's ability to maintain existing, or establish new, business and client relationships, and to have continued access to sources of funding.

The governance, rules and procedures and how reputational risk management should be performed throughout the group are outlined in the Reputational Risk Management Framework. Its implementation is monitored by Group Risk. Proactive and reactive management of reputational risk is the responsibility of the business, supported by specialist units (including Group Communication, Investor Relations and Group Compliance). In this respect, we actively monitor a non-exhaustive list of business indicators which provide valuable input from a risk management perspective, including Net Promoter Scores (NPS), the Corporate Reputation Index, statistics on complaints, ESG ratings and the development of the stock price index and other financial indicators.

Managing and reporting on reputational risks is also significantly relevant in the context of crisis management. Any crisis, big or small, can have an impact on our reputation. Therefore, preparation, speed of action and good communication are crucial in any crisis to improve the likelihood of successfully weathering it and to limit reputational damage. To support its reputational resilience, KBC proactively prepares for potential crisis situations via, for example, its Business Continuity Plans (as outlined in the 'Operational risk' section) and the Recovery Plan.

How do me manage our capital?

Capital Management is a key management process relating to all decisions on the level and composition of our capital. It aims to achieve the best possible balance between regulatory requirements, rating agencies' views, market expectations and management ambitions.

Solvency at KBC Bank

We report the solvency of the bank based on IFRS data and according to the rules imposed by the regulator. For KBC Bank, this implies that we calculate our solvency ratios based on CRR/CRD.

CRR/CRD implements the Basel rules in Europe and is updated from time to time. When new requirements are implemented, a transitional period during which these rules are gradually phased-in may be allowed. Since 30 June 2020, KBC has been using the transitional provision relating to IFRS 9, which makes it possible to add back a portion of the increased impairment charges to common equity capital (CET1) when provisions unexpectedly rise due to a worsening macroeconomic outlook, during the transitional period until 31 December 2024.

KBC Bank is subject to minimum solvency ratios.

The minimum solvency ratios required under CRR/CRD are 4.5% for the common equity tier-1 (CET1) ratio, 6% for the tier-1 capital ratio and 8% for the total capital ratio (i.e. pillar 1 minimum ratios).

As a result of its supervisory review and evaluation process (SREP), the competent supervisory authority (in KBC's case, the ECB) can require that higher minimum ratios be maintained (= pillar 2 requirements) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations. Following the SREP for 2024, the ECB formally notified KBC of its decision to maintain the pillar 2 requirement (P2R) at 1.75% CET1 of which 0.98% in CET1 taking into account CRD Article 104a. KBC may consider further optimising its capital structure by filling up the AT1 and T2 buckets within the P2R.

The pillar 2 guidance (P2G) is unchanged at 1.25% CET1.

The overall capital requirement for KBC is not only determined by the ECB, but also by the decisions of the local competent authorities in its core markets.

For Belgian systemic financial institutions, the NBB had already announced its systemic capital buffers at an earlier date. For KBC Bank, this means that an additional capital buffer of 1.5% of CET1 is required. The announced countercyclical buffer rates in the countries where KBC's relevant credit exposures are located, correspond to a countercyclical buffer at KBC bank level of 1.16% (situation as known on 31 December 2024), down from 1.27% in 2023.

As of 1st May 2022, the National Bank of Belgium (NBB) introduced a sectorial systemic risk buffer. The amount of the CET1 capital buffer corresponds to 6% as from April 2024 (9% until then) of the RWA under the IRB approach for the exposures secured by residential real estate in Belgium, which corresponds to 0.15% of total RWA for KBC Bank consolidated.

In total, this brings the fully loaded CET1 capital requirement to 10.80% (4.5% (pillar 1) + 0.98% (P2R) + 2.5% (conservation buffer) + 1.5% (buffer for other systemically important banks) +0.15% sectoral systemic risk buffer + 1.16% (countercyclical buffer), with an additional P2G of 1.25% consolidated at KBC Bank level.

Based on the banking regulation package (CRR/CRD) profit can be included in CET1 capital only after the profit appropriation decision by the final decision body, for KBC Bank it is the General Meeting. ECB can allow to include interim or annual profit in CET1 capital before the decision by the General Meeting. In that case, the foreseeable dividend should be deducted from the profit that is included in CET1. Considering that our Dividend Policy does not include a maximum, ECB requires to use a 100% pay-out to determine the foreseeable dividend. Consequently, KBC Bank no longer requests ECB approval to include interim or annual profit in CET1 capital before the decision by the General Meeting. As such, the annual profit of 2024 and the final dividend re. 2024 will be recognised in the transitional CET1 of the 1st quarter 2025, which is reported after the General Meeting.

As from 31-12-2021 onwards, the fully loaded figures immediately reflect the interim or annual profit, taking into account our Dividend Policy and/or any dividend proposal/decision by the Board of Directors.

The difference between the fully loaded total own funds (20 296 million euros; profit and dividend re. 2024 is included) and the transitional own funds (18 981 million euros; profit and dividend re. 2024 is not included) as at 31-12-2024 is explained by the net result for 2024 (2 869 million euros), the interim dividend paid in May and September (-975 million euros), the proposed final dividend (-498 million euros) and the impact of the IFRS 9 transitional measures and IRB excess/shortfall (-81 million euros).

The fully loaded CET1 ratio decreased from 14.7% as at 31-12-2023 to 14.4% as at 31-12-2024, explained by the retained 2024 profit (+1.4% pt.), partly offset by the organic RWA growth (-1.2% pt.) and prudential adjustments (a.o. DTA and IRB shortfall; impact -0.5% pt.).

Solvency KBC Bank CRR / CRD (consolidated) (in millions of EUR)	31-12-2024 Fully loaded	31-12-2024 Transitional	31-12-2023 Fully loaded	31-12-2023 Transitional
Total regulatory capital (after profit appropriation)	**20 296**	**18 981**	**19 375**	**17 952**
Tier-1 capital	**17 755**	**16 440**	**16 924**	**15 573**
Common equity	**15 891**	**14 576**	**15 174**	**13 823**
Parent shareholders' equity (excluding minorities) [1]	18 559	16 665	17 695	15 450
Intangible fixed assets, incl. deferred tax impact (-)	- 487	- 487	- 516	- 516
Goodwill on consolidation, incl. deferred tax impact (-)	- 1 200	- 1 200	- 1 218	- 1 218
Minority interests	0	0	0	0
Hedging reserve (cash flow hedges) (-)	509	509	580	580
Valuation diff. in fin. liabilities at fair value - own credit risk (-)	- 29	- 29	- 29	- 29
Value adjustment due to the requirements for prudent valuation (-) [2]	- 35	- 35	- 24	- 24
Dividend payout (-)	- 498	0	- 806	0
Coupon of AT1 instruments (-)	- 28	- 28	- 28	- 28
Deduction re. financing provided to shareholders (-)	- 23	- 23	- 56	- 56
Deduction re. Irrevocable payment commitments (-)	- 90	- 90	- 90	- 90
Deduction re NPL backstops (-)	- 205	- 205	- 204	- 204
Deduction re pension plan assets (-)	- 97	- 97	- 36	- 36
IRB provision shortfall (-)	- 141	- 66	- 4	0
Deferred tax assets on losses carried forward (-)	- 345	- 345	- 91	- 91
Transitional adjustments to CET1	0	7	0	84
Limit on deferred tax assets from timing differences relying on future profitability and significant participations in financial sector entities (-)	0	0	0	0
Additional going concern capital	**1 864**	**1 864**	**1 750**	**1 750**
CRR compliant AT1 instruments	1 864	1 864	1 750	1 750
Minority interests to be included in additional going concern capital	0	0	0	0
Tier 2 capital	**2 541**	**2 541**	**2 451**	**2 379**
IRB provision excess (+)	167	167	277	265
Transitional adjustments to T2	0	0	0	- 60
Subordinated liabilities	2 374	2 374	2 174	2 174
Subordinated loans non-consolidated financial sector entities (-)	0	0	0	0
Minority interests to be included in tier 2 capital	0	0	0	0
Capital requirement				
Total weighted risk volume	**110 082**	**110 087**	**103 201**	**103 192**
Credit risk	94 213	94 218	88 051	88 042
Market risk	2 026	2 026	2 116	2 116
Operational risk	13 843	13 843	13 034	13 034
Solvency ratios				
Common equity ratio	14.44%	13.24%	14.70%	13.40%
Tier-1 ratio	16.13%	14.93%	16.40%	15.09%
CAD ratio	18.44%	17.24%	18.77%	17.40%
Capital buffer				
Common equity capital	15 891	14 576	15 174	13 823
Required pillar 2 capital (10,80% full; 10,76% transitional) [3]	12 461	11 911	11 682	11 165
Capital buffer vs pillar 2 target	3 430	2 665	3 491	2 658

[1] Audited figures (excluding 'IRB provision shortfall' and 'Value adjustment due to requirements for prudent valuation').

[2] CRR ensures that prudent valuation is reflected in the calculation of available capital. This means that the fair value of all assets measured at fair value and impacting the available capital (by means of fair value changes in P&L or equity) need to be brought back to their prudent value. The difference between the fair value and the prudent value (also called the 'additional value adjustment' or AVA) must be deducted from the CET1 ratio.

[3] Including a pillar 2 requirement of 0.98% in CET1 taking into account CRD Article 104a. KBC.

Leverage ratio

At year-end 2024, our fully loaded leverage ratio at KBC Bank stood at 4.98% compared to 5.12% at year-end 2023 (see table below) due to higher total exposures, only partly offset by higher Tier-1 capital. More details, including a description of the processes used to manage the risk of excessive leverage, can be found in KBC's Risk Report, which is available at www.kbc.com (the risk report has not been audited by the statutory auditor).

Leverage ratio (KBC Bank consolidated, CRD IV/CRR (Basel III)) in millions of EUR	31-12-2024 Fully loaded	31-12-2024 Transitional	31-12-2023 Fully loaded	31-12-2023 Transitional
Tier-1 capital	17 755	16 440	16 924	15 573
Total exposures	356 648	356 655	330 339	330 441
Total Assets	335 629	335 629	312 334	312 334
Transitional adjustment	0	7	0	103
Adjustment for derivatives	- 869	- 869	-1 333	-1 333
Adjustment for regulatory corrections in determining Basel III Tier-1 capital	-2 457	-2 457	-2 145	-2 145
Adjustment for securities financing transaction exposures	1 686	1 686	1 357	1 357
Central Bank exposure	0	0	0	0
Off-balance sheet exposures	22 659	22 659	20 125	20 125
Leverage ratio	4.98%	4.61%	5.12%	4.71%

ICAAP and stress testing

Information is provided in KBC's Risk Report, available on www.kbc.com.

Corporate governance statement

Composition of the Board and its committees at year-end 2024*

Company	Position	Period served on the Board in 2024	Expiry date of current term of office	Board meetings attended	Non-executive directors	Share-holders' representatives	Inde-pendent directors	Members of the EC	AC	RCC
Number of meetings in 2024				12					7	10
DEBACKERE Koenraad	Chairman	Full year	2028	12	□					
DEPICKERE Franky	Deputy Chairman of the Board	Full year	2027	12	□	□				10 (c)
THIJS Johan	President of the Executive Committee	Full year	2025	12				□(c)		
ANDRONOV Peter	Executive Director	Full year	2025	10				□		
BLAŽEK Aleš	Executive Director	Full year	2026	12				□		
LUTS Erik	Executive Director	Full year	2025	10				□		
MOUCHERON David	Executive Director	Full year	2025	11				□		
PUELINCKX Bartel	Executive Director	4 months	2025	4				□		
VAN RIJSSEGHEM Christine	Executive Director	Full year	2026	12				□		
DE GROOT Els	Independent Director	1 month	2025	1	□		□			1
DE BECKER Sonja	Non-Executive Director	Full year	2028	12	□	□				
DE CEUSTER Marc	Non-Executive Director	Full year	2027	12	□	□			7 (c)	
MAGNUSSON Bo	Independent Director	Full year	2028	12	□		□		7	10
OKKERSE Liesbet	Non-Executive Director	Full year	2027	12	□	□				
RÁDL ROGEROVÁ Diana	Non-Executive Director	8 months	2028	7	□					
REYES REVUELTA Alicia	Non-Executive Director	Full year	2026	10	□					

*Luc Popelier, who was director until 31 August 2024 and attended eight Board meetings. Nabil Ariss, who was director until 24 April 2024 and attended four meetings.

Statutory auditor: PwC Bedrijfsrevisoren BV, represented by Damien Walgrave and Jeroen Bockaert.
Secretary to the Board of Directors: Wilfried Kupers.
Abbreviations: Board of Directors: Board; Executive Committee: EC; Audit Committee: AC; Risk & Compliance Committee: RCC
(c) Chairman of this committee.

Changes in the composition of the Board in 2024

- Nabil Ariss resigned for personal reasons with effect from 24 April 2024 and was replaced by co-option as independent director by Els de Groot with effect from 9 December 2024.

  Brief CV for the proposed new director:

  Born in Utrecht (the Netherlands) on 27 April 1965, Els graduated from the University of Amsterdam in 1987 with a Master's Degree in Business Economics. Els has extensive C-level experience and expertise, which she gained at major Dutch financial institutions, complemented by industry exposure, extensive knowledge and experience in various financial domains, in-depth knowledge of audits and exposure to risk management, a profound understanding of and experience with regulatory interactions, and a comprehensive grasp of digital innovation, including cyber responsibilities. Between 2019 and 2023, she was CRO and a member of the Board of Directors of Rabobank.
- Vladimira Papirnik's term of office terminated with effect from the Annual Meeting of 24 April 2024. She was replaced by Diana Rádl Rogerová.
- Koenraad Debackere, Sonja De Becker and Bo Magnusson were re-appointed as directors for a new four-year term of office.

Changes in the composition of the committees of the Board in 2024

Els de Groot was appointed as member of the Audit committee and of the Risk & Compliance Committee (replacing Nabil Ariss).

Proposed changes in the composition of the Board in 2025

- On the advice of the Nomination Committee, Els de Groot is nominated for definitive appointment as director for a four-year term of office, expiring after the general meeting in 2029.
- On the advice of the Nomination Committee, Peter Andronov, Erik Luts, David Moucheron and Johan Thijs are nominated for re-appointment as directors for a new four-year term of office, expiring after the general meeting in 2029.

Composition of the EC (as at 31-12-2024)

The Executive Committee has seven members, viz. Johan Thijs (Group CEO/President of the EC), David Moucheron (CEO of the Belgium Business Unit), Aleš Blažek (CEO of the Czech Republic Business Unit), Erik Luts (Chief Innovation Officer), Peter Andronov (CEO of the International Market Business Unit), Bartel Puelinckx (Chief Financial Officer) and Christine Van Rijsseghem (Chief Risk Officer).

Statutory auditor

The statutory auditor, PwC Bedrijfsrevisoren BV (PwC), was represented by Messrs Damien Walgrave and Jeroen Bockaert.

On the recommendation of the AC and with the approval of the regulator, KPMG Bedrijfsrevisoren is nominated by the Board for appointment as auditor by the Annual Meeting for a three-year term of office. The auditor will be represented by Messrs Kenneth Vermeire and Steven Mulkens. KPMG Bedrijfsrevisoren was also appointed by the Annual Meeting in 2024 as auditor for the assurance of the sustainability reporting.

Main features of the internal control and risk management systems

Part 1: Description of the main features of the internal control and risk management systems at KBC

A clear strategy, organisational structure and division of responsibilities set the framework for the proper performance of business activities

We examine the strategy and organisational structure of the KBC group in the 'Our business model' and 'Our strategy' sections of this annual report.

The KBC group has a dual governance structure based on the Belgian model:

- The Board is responsible for defining general strategy and policy. It exercises all the responsibilities and activities reserved to it by law and – based on a proposal by the ExCo – decides on the overall risk appetite.
- The ExCo is responsible for the operational management of the company within the confines of the general strategy and policy approved by the Board. To assume its specific responsibility towards financial policy and risk management, the ExCo appoints a chief financial officer (CFO) and a chief risk officer (CRO) from among its ranks.

The Charter describes the respective responsibilities of both management bodies, their composition and activities, as well as the qualification requirements for their members. Their composition and activities are dealt with in more detail elsewhere in this section.

Corporate culture and integrity policy

Ethical behaviour and integrity are essential components of sound business practice. Honesty, integrity, transparency and confidentiality, together with sound risk management, are part of the strict ethical standards that KBC stands for – both in the letter and the spirit of the regulations.

We refer to our Sustainability Statement elsewhere in this annual report, in which we elaborate on (our policies on) domains such as integrity, combating corruption and bribery, anti-money laundering practices, responsible taxpayers, whistleblowers and data protection.

These subjects are also covered in various (classroom and/or digital) training courses (see table).

Training courses completed, 2024, KBC Bank (consolidated)	As a % of the selected target audience
Training course on combating corruption and bribery	99%
Training course on anti-money laundering	98%
Training course on GDPR	99%
Other data, 2024, KBC Bank (consolidated)	**In numbers**
Conflicts of interest (non-MiFiD) received	13
Donations (of or exceeding 250 euros) reported	19
Whistleblower reports received	20

The 'Three Lines of Defence' model arms KBC against risks that could prevent targets from being achieved

To arm itself against the risks that it is exposed to in achieving its mission, the EC – under its responsibility and the supervision of the Board – has implemented a multi-layered internal control system. This system is commonly known as the 'Three Lines of Defence' model.

1 The business side

The business operations side is fully responsible for all the risks in its area of activity and has to ensure that effective controls are in place. In so doing, it ensures that the right controls are performed in the right way, that self-assessment of the risks of the business side is of a sufficiently high standard, that there is adequate awareness of risk and that sufficient priority/capacity is allocated to risk themes.

2 The Group Risk and Compliance functions, and – for certain matters – Finance, Legal and Tax, constitute the second line of defence

Independent of the business side, the second-line risk and control functions formulate their own opinion regarding the risks confronting KBC. In this way, they can oversee the control environment and the risks taken, without taking over primary responsibility from the first line. In this regard, the second-line functions are tasked to identify, measure and report risks. To ensure that the risk function is respected, the Chief Risk Officers have a veto right, which can be used in the various committees where important decisions are made. The second-line risk and control functions also support the consistent implementation of the risk policy, the risk framework, etc., throughout the group, and supervise how they are applied.

Compliance is an independent function within the group, characterised by its specific status (as provided for by law and regulations and described in the Compliance Charter), its place in the organisation chart (hierarchically under the CRO with a

functional reporting line to the President of the EC) and associated reporting lines (reporting to the RRC and even to the Board in certain cases).
Its prime objective is to prevent KBC from running a compliance risk or from incurring loss/damage – regardless of its nature – due to non-compliance with applicable laws, regulations or internal rules that fall either within the scope of the Compliance function or within the areas assigned to it by the ExCo. Hence, the Compliance function devotes particular attention to adherence to the Integrity Policy.

3 As independent third line of defence, Internal Audit provides support to the EC, AC, RCC and the Board in monitoring the effectiveness and efficiency of the internal control and risk management system

Internal Audit provides reasonable assurance about whether the internal control and risk management system processes, including corporate governance, are effective and efficient. As independent third line of defence reporting to the AC, it performs risk-oriented audits to this end and ensures that policy measures and processes are in place and consistently applied within the KBC group to guarantee the continuity of operations.

Responsibilities, features, organisational structure and reporting lines, scope, audit methodology, co-operation between internal audit departments of the KBC group, and outsourcing of internal audit activities are set out in the *Audit Charter* of KBC Group NV.

In accordance with international professional audit standards, an external entity screens the audit function on a regular basis

The AC and RCC play a central role in monitoring the internal control and risk management systems

Each year, the ExCo evaluates whether the internal control and risk management system is still compliant and reports its findings to the AC and RCC.

These committees supervise, on behalf of the Board, the integrity and effectiveness of the internal control measures and the risk management system set up under the ExCo, with the AC paying special attention to correct financial reporting. They also examine the procedures set up by the company to see whether they comply with the law and other regulations.

Their role, composition and activities, along with the qualifications of their members, are laid down in their respective charters, which are included under the Charter of KBC Group NV. More information on these committees is provided elsewhere in this section.

Part 2: Description of the main features of the internal control and risk management systems in relation to the financial reporting process

It is vitally important that timely, accurate and understandable financial reports are provided to both internal and external stakeholders. To ensure this is the case, the underlying process needs to be sufficiently robust.

Periodic reporting at company level is based on a documented accounting process. The accounting procedures and financial reporting process are documented in a comprehensive manual. Periodic financial statements are prepared directly from the general ledger. Bookkeeping accounts are examined to see whether they correspond to underlying inventories. The result of these controls can be demonstrated. Periodic financial statements are prepared in accordance with local accounting policies and periodic reports on own funds in accordance with the IFRS accounting policies and the most recent National Bank of Belgium (NBB) resolutions.

The main affiliated companies have their own accounting and administrative organisation, as well as a set of procedures for internal financial controls. The consolidation process is explained in a descriptive document. The consolidation system and the consolidation process have been operational for some time and have numerous built-in consistency controls.

The consolidated financial statements are prepared in accordance with IFRS accounting policies that apply to all the companies included in the scope of consolidation. The relevant senior financial managers (CFOs) of the subsidiaries certify to the accuracy and completeness of the financial figures reported in accordance with group accounting policies. The Approval Committee, which is chaired by the general managers of Investor Relations and of Experts, Reporting & Accounting, monitors compliance with IFRS accounting policies and the completeness of IFRS disclosure requirements.

Pursuant to the Act of 25 April 2014 on the status and supervision of credit institutions, the EC of KBC Group NV evaluated the internal control system for the financial reporting process and prepared a report on its findings.

The group-wide roll-out of ‘fast close’ procedures, the monitoring of intercompany transactions within the group, and permanent follow-up of a number of indicators relating to risk, performance and quality (Key Risk Indicators and Key Performance Indicators) continually help raise the quality of both the accounting process and the financial reporting process.

The internal control of the accounting process has been based on Group Key Control Accounting and External Financial Reporting standards since 2006. These rules for managing the main risks attached to the accounting process involve the establishment and maintenance of accounting process architecture, the establishment and maintenance of accounting policies and accounting presentations, compliance with authorisation rules and the separation of responsibilities when transactions are registered in the accounts, and the establishment of appropriate first- and second-line account management.

The Challenger Framework and Data Management Framework define a solid governance structure and clearly describe the roles and responsibilities of the various players in the financial reporting process. The aim here is to radically reduce reporting risks by challenging input data and improving the analysis of – and therefore insight into – the reported figures.

Each year, when preparing the Internal Control Statement for the supervisory authorities, the legal entities have to assess themselves as to whether they comply with the Group Key Control Accounting and External Financial Reporting standards. The findings of this self-assessment are registered in the risk function’s Group Risk Assessment Tool. Business process management

(BPM) techniques are also applied, using process inventories, process descriptions (turtle diagrams) and analyses of the potential risks in the processes (Failure Mode & Effects Analysis (FMEA)), supplemented by the questionnaire completed by the CFOs. In this way, the CFOs formally confirm by substantiated means that all the defined roles and responsibilities relating to the end-to-end process for external financial reporting have been properly assumed within their entity. The veracity of this confirmation can be checked at any time by all the internal and external stakeholders involved.

KBC Group NV's Internal Audit function conducts an end-to-end audit of the accounting process and external financial reporting process at both company and consolidated level.

For details of the AC's supervisory work, see the preceding paragraphs.

Shareholder structure on 31 December 2024

The Act of 2 May 2007 concerning the disclosure of significant participations in issuers whose shares are admitted to trading on a regulated market and containing miscellaneous provisions, does not apply to KBC Bank because the securities it issues that carry voting rights are not included on a regulated market.

As far as the shareholder structure of KBC Bank NV at 31 December 2024 is concerned, all 995 371 469 shares were held by KBC Group NV.

Disclosure under Article 34 of the Belgian Royal Decree of 14 November 2007

Article 34 of the Belgian Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market, does not apply to KBC Bank because it has not permitted any securities carrying voting rights to be included on a regulated market for trading.

Additional information

- Acquisition of treasury shares: KBC Bank NV and its subsidiaries do not hold any treasury shares.
- Conflicts of interest that fell within the scope of Article 7:115, 7:116 or 7:117 of the CAC
  - During financial year 2024, the Board's decision on the assessment of the ExCo members required the application of Article 7:115 of the CAC. The proposal was discussed at the Board meeting of 7 February 2024, the relevant minutes of which are provided below:

    The Board discusses upon the proposal of the Remuneration Committee as to the individual performance score of the ExCo members (except the CEO). The Board agrees.

    The CEO then leaves the meeting and the Board discusses and agrees upon the proposal of the Remuneration Committee as to the individual performance score of the CEO.

    The Chair further explains that the Remuneration Committee discussed the (collective) KPI's of the Executive Committee for 2023 and came to a global score of 98.92% (compared to 97.79 in 2022). As for the CRO the risk & control parameters count double and the business parameters are not taken into account (due to regulatory requirements), the final score for the CRO is 98.58%.
  - During financial year 2024, the Board's decision to grant discharge to the ExCo members – in implementation of Article 7:109, §3 of the CAC – required the application of Article 7:115 of the CAC. The proposal was discussed at the Board meeting of 14 March 2024, the relevant minutes of which are provided below:

    It is explained that KBC Bank has a dual governance model, though hybrid as all members of the Executive Committee must also sit on the Board of Directors. Article 7:109, §3 of the CCA provides that, after adoption of the annual accounts, the Board has to decide on granting discharge to the members of the Executive Committee. The Board has to describe the pecuniary consequences of the proposed decision and the justification for its decision.

    The Board recognizes that there is a conflict of interest of a patrimonial nature, but that there is no patrimonial impact since the Board does not intend to bring a claim for damages against the Executive Committee and its members.

    The Board grants discharge to the members of the Executive Committee.

  There were no conflicts of interest that required the application of Article 7:116 or 7:117 of the CAC.

- The Board worked out an arrangement regarding transactions and other contractual ties between the company (including its affiliated companies) and its directors, not covered by the conflict of interest rule set out in the Companies and Associations Code. It was incorporated into the Corporate Governance Charter of KBC Bank NV, which was in force until year-end 2024.
- Discharge to directors and to the statutory auditor: it will be requested at the General Meeting to grant discharge to the directors and auditor for the performance of their mandate in financial year 2024.
- At year-end 2024, the AC comprised the following members:
  - Marc De Ceuster (non-executive director), who holds a Doctor's degree in Applied Economics (UFSIA Antwerp) and a Master's Degree in Law (UIA Antwerp). He is Professor of Financial Economics at the University of Antwerp, Executive Director of Cera Beheersmaatschappij NV and of Almancora Beheersmaatschappij NV.
  - Els de Groot (independent director) graduated from the University of Amsterdam with a Master's Degree in Business Economics. She has extensive C-level experience and expertise, which she gained at major Dutch financial institutions, complemented by industry exposure, extensive knowledge and experience in various financial domains, in-depth knowledge of audits and exposure to risk management, a profound understanding of and experience with regulatory interactions, and a comprehensive grasp of digital innovation, including cyber responsibilities. Between 2019 and 2023, she was CRO and a member of the Board of Directors of Rabobank.
  - Bo Magnusson (independent director), who is a graduate of the High School Social Science Programme and holds certificates in Accounting, Macroeconomics, Treasury Management and Financial & Risk Management. He held different positions at SEB (1982-2011), including in the areas of accounting and finance. During his career there, he was Head of the Retail Division (2005-2008), Deputy President and CEO (2008-2011) and Head of Group Staff & Business Support (2009-2011). He was Chairman of the boards of Carnegie Investment Bank AB (2012-2019), SBAB Bank AB (2013-2019), Norrporten AB (2013-2016), 4T Sverige AB (2012-2015), Deputy Chairman of the Board of Swedbank AB (2019-2022), and has been Chairman of the Board of FCG Group AB since 2022.

  These members possess the requisite individual and collective expertise in the activities conducted by the bank and in the areas of accounting and/or auditing, based on their education and extensive business experience.
- At year-end 2024, the RCC comprised the following members:
  - Franky Depickere (non-executive director), who holds Master's Degrees in Trade & Finance (UFSIA Antwerp) and in Financial Management (VLEKHO Business School). He was internal auditor at CERA Bank and has held positions and offices in various financial institutions. He is currently Managing Director at Cera CV and KBC Ancora NV. Mr Depickere is the Chairman of the RCC.
  - Els de Groot (independent director).
  - Bo Magnusson (independent director).

  It can be concluded on the basis of the profiles and competences of the members that each individual member and the RCC as a whole possess the requisite skills and experience.
- The Remuneration Committee of KBC Group NV is also authorised to act in relation to KBC Bank NV. It advises the Board of Directors of KBC Group NV regarding the remuneration policy pursued at both KBC Group NV and KBC Bank NV. At year-end 2024, the Remuneration Committee comprised the following members: Koenraad Debackere (Chairman), Alicia Reyes Revuelta and Philippe Vlerick.
- The Nomination Committee of KBC Group NV is also authorised to act in relation to KBC Bank NV. At year-end 2024, the Nomination Committee was made up of Koenraad Debackere (Chairman), Philippe Vlerick, Franky Depickere, Sonja De Becker and Diana Rádl Rogerová.
- In compliance with the laws on the incompatibility of offices held by managers of credit institutions, the following is a list of the external offices held by the executive managers and directors of KBC Bank NV in other companies, with the exception of those offices performed in companies within the meaning of Article 27, §3, para. three of the Act of 22 March 1993.
- A list of the external offices held by the non-executive members of the Board is provided at https://www.kbc.com, under *Corporate Governance > Leadership > External mandates*

Sustainability statement

General information

General | Environment | Social | Governance

A number of terms have been abbreviated as follows in this section of the annual report:

Abbreviation	Term
AC	Audit Committee
Board	Board of Directors
CSRD	Corporate Sustainability Reporting Directive
DCM	Direct Client Money
DDA	Disclosure Delegated Act
ERIM	Environmental Risk Impact Map
ESB	External Sustainability Board
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ExCo	Executive Committee
FTE	Full-Time Equivalent
GHG	GreenHouse Gases
ISB	Internal Sustainability Board
KPI	Key Performance Indicator
NAPP	New and Active Product Process
NC	Nomination Committee
OECD	Organisation for Economic Co-operation and Development
PACTA	Paris Agreement Capital Transition Assessment
PCAF	Partnership for Carbon Accounting Financials
RC	Remuneration Committee
RCC	Risk and Compliance Committee
RI	Responsible Investing

Basis for preparation (1.1)

General basis for preparation of sustainability statements (1.1.1)

The KBC Bank Sustainability Statement has been prepared on a consolidated basis, in accordance with the scope applied in the preparation of the consolidated financial statements (we refer to Note 6.5 of the 'Consolidated financial statements' in this report for more information).
The following consolidated subsidiaries are exempted from publishing an individual or consolidated Sustainability Statement:

Exempted KBC subsidiaries	Registered office	Activity
CBC Banque SA	Namur - BE	Credit institution
Československá Obchodní Banka a.s.	Prague - CZ	Credit institution
K&H Bank Zrt.	Budapest - HU	Credit institution
United Bulgarian Bank AD	Sofia - BG	Credit institution

In addition to information on own operations, we have also included material impacts, risks and opportunities related to our upstream and downstream value chain, following the outcome of our due diligence process and of our double materiality assessment.

We did not use the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation that would qualify as a trade secret. Nor did we use the exemption that allows us to decide, in exceptional cases, to omit information relating to impending developments or matters in the course of negotiation, where the disclosure of such information would be seriously prejudicial to the commercial position of the group and provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, and position, and the impact of its activity.

We note that KBC Bank is part of KBC Group, an integrated bank-insurer. Given that the bank activities are fully embedded in those of the group, there may be certain references to insurance-related activities in this report (e.g., when describing policies applicable to all activities of the group).

Disclosures in relation to specific circumstances (1.1.2)

Deviating time horizons

In the context of the double materiality assessment (see section 1.4.1), different time intervals as opposed to those defined in the ESRS were applied to determine the financial materiality of the risks, as these are also used in our ESG risk management and decision-making processes:

- For the short-term risk assessment, we used a 0- to 3-year time horizon, differing from the ESRS' 1-year period aligned with the reporting period in the financial statements;
- For the medium-term risk assessment, we applied a 3- to 10-year time horizon, while the ESRS consider up to 5 years;
- For the long-term risk assessment, we used a time horizon of beyond 10 years, in contrast to the ESRS' beyond-5-year approach.

Please note that the time horizons prescribed by the CSRD were used to determine the impact materiality and financial materiality of the opportunities.

Sources of estimation and outcome uncertainty

Some of the metrics we disclose are subject to measurement uncertainty. In most of the cases the source for this uncertainty is linked with data availability and/or quality. In the table below we present an overview of the metrics and quantitative amounts in this Sustainability Statement that are subject to a high level of measurement uncertainty, along with the source of that uncertainty and the assumptions, approximations and judgements used when measuring the amount. For value chain information where we used indirect sources (such as sector averages or other proxies), we give further information on the embedded level of accuracy, and we describe planned actions related to the accuracy of our data in the future, if any.

Metrics subject to measurement uncertainty

Metric	Source of uncertainty	Assumptions, approximations and judgements used
GHG Emissions	Data availability	We measure our GHG emissions at situation date 30 September 2024, which serves as an approximation for our emissions as at 31 December 2024. Given relative portfolio stability, this is considered to give a sufficient level of accuracy for the reader. We are taking action to shift the situation date of the emissions to 31 December in the future.
GHG emissions – Scope 1	Data availability	In some cases, the information on Net Calorific Value is not available and is approximated by the Gross Calorific Value, which results in a (slight) overestimation.
GHG emissions – Scope 2	Data availability	For some company-owned electric vehicles, we do not have the information on the kWh charged outside the company premises. In these cases we use distance as a proxy, which leads to a limited overestimation of our emissions.
GHG emissions – Scope 3 – lending	Data availability/quality	For financed emissions associated with our lending activities, we use the PCAF global standard. As part of the standard we assign quality scores which reflect the quality level of the underlying emission data used and the subsequent calculation quality. The weaker the quality score, the higher the level of uncertainty. Proxies / sector-average emission factors are used for some parts of the financed emissions. We refer to section 2.2.3.2 for more information on the quality scores, which reflect the level of accuracy.
GHG emissions – Scope 3 – asset management activities and the sovereign bond portfolio of KBC Bank	Data availability/quality	We use emissions data from an external data provider. This data is based on direct information from the undertakings, but in case of lack of data, the data provider adds estimations.
Internal carbon price	Measurement technique	Internal carbon price levels are based on climate scenarios. As these scenarios outline potential future plausible transition pathways, they are not to be mistaken with forecasts. By definition, this creates a level of uncertainty in our internal carbon price measurements. We refer to section 2.2.3.4 for more information.

Incorporation by reference

The following Disclosure Requirements and/or datapoints have been incorporated by reference:

- For the disclosure of ESRS 2 GOV-1 (section 1.2.1) paragraph 21 (c), we refer to the ‘Corporate Governance Statement’ section in the Annual Report of KBC Group and more specifically to the respective paragraphs on the composition of the Board and its committees, the Group ExCo, RC and the NC. We also refer to the Corporate Governance Statement of KBC Bank, and more specifically to the paragraphs on the composition of the Board and its committees and the paragraph Additional information, which provides information on the experience of the members of the AC and RCC of KBC Bank.
- For the disclosure of ESRS 2 GOV-3 (section 1.2.3) paragraph 29, we refer to the ‘Corporate Governance Statement’ section (Remuneration Report) in the Annual Report of KBC Group, as the incentive schemes of KBC Bank are embedded in those of the group.

Disclosures about our (ESG-related) risk management practices are included throughout this Sustainability Statement. All necessary information required by the ESRS is incorporated in this Statement through a high-level explanation on how our risk management is performed. For more detailed information, we refer to the KBC Risk Report (not subject to external assurance), available at www.kbc.com.

Governance (1.2)

Role of the administrative, management and supervisory bodies (1.2.1)

Composition and diversity of the members

In the table below, we show the composition and diversity of the members in the administrative, management and supervisory bodies. The bodies included are the Exco, the RCC, the AC, the NC, the RC and the Board.

Composition and diversity of the Board and its committees and the ExCo, 31-12-2024	ExCo	RCC	AC	NC	RC	Board
Number of executive members	7	0	0	0	0	7
Number of non-executive members	-	3	3	5	3	9
of which number of independent members	-	2	2	2	2	2
Number of years on the body						
0-2 / 3-10 / more than 10 years	2 / 3 / 2 members	-	-	-	-	7 / 6 / 3 members
Average number of years	6 years	-	-	-	-	6 years
Representation of employees and other workers	0	0	0	0	0	0
Age						
41-50 / 51-60 / older than 60 years of age	0 / 5 / 2 members	-	-	-	-	1 / 9 / 6 members
Average age	57 years of age	-	-	-	-	58 years of age
Gender	1 woman / 6 men	1 woman / 2 men	1 woman / 2 men	2 women / 3 men	1 woman / 2 men	6 women / 10 men
Nationality	5 Belgian, 1 Czech, 1 Bulgarian	1 Belgian, 1 Swedish, 1 Dutch	1 Belgian, 1 Swedish, 1 Dutch	4 Belgian, 1 Czech	2 Belgian, 1 Spanish	10 Belgian, 1 Spanish, 2 Czech, 1 Dutch, 1 Bulgarian, 1 Swedish
Qualifications*	law 29%, economics/finance 29%, MBA 14%, actuarial sciences/insurance 14%, other 14%	-	-	-	-	law 19%, economics/finance 56%, MBA 6%, actuarial sciences/insurance 6%, other 13%

* Rough percentage breakdown based on all qualifications (various individuals have more than one degree)

On the basis of the profiles and competences of the members in the aforementioned bodies, we conclude that all these bodies possess the required skills and experience in accordance with our Corporate Governance Charter. For more information on the experience of the individual members in each body, we refer to the respective 'Corporate Governance Statement' sections in the Annual Report of KBC Group and the Annual Report of KBC Bank.

Responsibilities of the bodies regarding the management of impacts, risks and opportunities

The sustainability governance of KBC Bank, including the responsibilities of the bodies and reporting lines, is embedded in that of KBC Group. In this regard, we note that KBC Bank has its own AC, RCC and Board. However, in practice, the meetings of these bodies are integrated in those of KBC Group.

As part of the overall strategy of the group, KBC's sustainability strategy is set by the Board. The Board further defines the group's risk appetite taking into account ESG-related risks and decides on the corporate sustainability policies. As the highest-level supervisory body, it oversees the implementation and progress of the sustainability strategy. Oversight of the Board covers ESG-related themes in the broad sense, including climate and other environmental topics, gender diversity and human rights, but also business conduct topics such as ethical behaviour and integrity. Important changes to sustainability policies and sustainability-related reporting are discussed at Board level, when required. Furthermore, the ExCo has defined climate and environmental risk, cyber risk, compliance risk and conduct risk as top risks for KBC. These risks are also closely monitored by the RCC and the Board.

The ExCo is tasked with the operational management of ESG-related matters. This responsibility includes making proposals to the Board on the sustainability strategy and policies as well as monitoring the groupwide implementation thereof. The role of the ExCo further includes assessing ESG impacts, risks and opportunities. They are responsible for internal control measures for impacts and risks as well as for pursuing opportunities within the confines of KBC's overarching strategy as set by the Board. The

AC ensures that the ExCo establishes adequate and effective internal control measures and monitors KBC's sustainability reporting processes.

The aforementioned responsibilities for impacts, risks and opportunities of each of the bodies are outlined in our Corporate Governance Charter.
The ExCo has granted decision-making power on both operational and strategical ESG-related issues to other relevant committees and top management positions. The ISB serves as the principal forum at KBC for discussion of ESG-related issues. All ExCo members are either members of or represented on the ISB. In 2024, the ISB met nine times. The members of the ISB are responsible for communicating on sustainability matters within their respective business lines and countries, for creating a support and sponsorship base and for making the group's sustainability strategy work.

Other core components of our sustainability governance include the Sustainability department at group level and the Sustainability departments at local level, as well as several other sustainability committees. The risk function is actively represented in the internal bodies and (sustainability) committees, both at group and local level. The management of ESG-related risks is fully embedded in the existing risk management governance, including the 'Three Lines of Defence Model' (as explained in the 'How do we manage our risks?' section). On top of that, we also have two external boards. The ESB advises Group Corporate Sustainability on sustainability policies and strategy, whereas the RI Advisory Board oversees the screening of the responsible nature of our RI funds.

All ESG-related targets are reviewed and approved by the ExCo and endorsed by the Board. Twice a year, the Board reviews a comprehensive overview of all sustainability-related domains and (climate) targets by means of the KBC Sustainability Dashboard. This dashboard provides measurable and verifiable parameters related to the key themes and actions of our sustainability strategy. Progress on the different objectives affects the variable remuneration of the members of the ExCo, as described in section 1.2.3.

Additionally, specific climate-related Key Risk Indicators are monitored via a Climate Risk Dashboard, which is reported to the ExCo and the Board on a semi-annual basis, as part of the Integrated Risk Report.

The following figure depicts an overview of our sustainability governance, including the role of and reporting lines to the different bodies.

Sustainability governance

Board of Directors: sets the sustainability strategy and oversees the implementation thereof by the ExCo. This includes our policy on climate change, as well as other relevant sustainability issues such as gender diversity. Since climate-related and environmental risks have been classified as a top risk, the RCC monitors sustainability risks closely. The Board evaluates the implementation of the sustainability strategy using a Sustainability Dashboard and expresses its opinion on major changes to sustainability policies. The AC monitors the sustainability reporting process.

Executive Committee: is responsible for the implementation of the sustainability strategy, including the policy on climate change. It ratifies the decisions of the ISB and the Sustainable Finance Steering Committee.

Internal Sustainability Board: serves as the principal forum at KBC for the discussion of overall ESG-related issues. The Board is chaired by the Group CEO and includes the Group CFO as the vice-chairman. It is furthermore composed of executive and top management representatives of all our business units, core countries and group services. The ISB operates in close partnership with the Group Corporate Sustainability division and the Senior General Manager of Group Corporate Sustainability, who is also a member of the ISB.

Group Corporate Sustainability: responsible for developing, implementing and supervising the sustainability strategy. The team reports to the ISB on the implementation of the strategy and prepares the KBC Sustainability Dashboard. The department is led by the Senior General Manager of Group Corporate Sustainability, who reports directly to the Group CEO.

Sustainable Finance Steering Committee: supervises the Sustainable Finance Programme, which specifically focuses on KBC's approach to climate action and other environmental themes such as biodiversity, water and circularity. The committee is chaired by the CFO. It reports to the ExCo and the Board and maintains contact with the ISB.

CSRD Steering Committee: supervises the conceptualisation and implementation of our CSRD programme.

Data and Metrics Steering Committee: manages the challenges relating to sustainability-related data collection and reporting.

Country Sustainability General Managers: bear ultimate responsibility for all matters pertaining to sustainability in their country. They are part of top management. They are responsible for communication on sustainability in every country and for the integration of the sustainability strategy. They are part of the local country organisation and, therefore, are subject to hierarchical reporting. As they work closely with both the local ISB representative and Group Corporate Sustainability, they also come under the functional responsibility of the Senior General Manager of Group Corporate Sustainability.

The Sustainability departments and committees in each core country: are organised in such a way as to support their senior managers, who sit on the Internal Sustainability Board, and the General Manager of Sustainability in integrating our sustainability strategy and organising and communicating local sustainability initiatives. Among other things, the employees and committees involved also supply and validate non-financial information.

External Sustainability Board: consists chiefly of sustainability experts from the academic world and advises Group Corporate Sustainability on sustainability policy and strategy.

Expertise and skills on sustainability matters

The collective suitability matrix, which is used to assess the skills and expertise of the Board and ExCo as a whole, explicitly includes sustainability matters. The suitability assessment covers the capability to understand and critically assess climate-related and environmental risks, cybersecurity and business conduct risks (including money laundering and financing terrorism risks), as well as the capability to critically assess risk, audit and compliance reports and the functioning of the risk, audit and compliance functions. Furthermore, (new) members' expertise in societal issues is also assessed. The outcome of this assessment indicates whether the members of the Board and ExCo have sufficient or in-depth knowledge of the selected matters. Where necessary, members are required to develop their expertise. Hence, by means of the collective suitability matrix, KBC ensures that the Board and ExCo have the necessary skills and expertise to fulfil their role, including the supervision of sustainability matters.

All new Board members follow an onboarding programme, which includes a meeting with the Senior General Manager of Group Corporate Sustainability. During this meeting, the most important sustainability matters for KBC are explained and discussed based on our Sustainability Report and the KBC Sustainability Dashboard. Additionally, sustainability topics are part of the training programme that we provide for the Board and the ExCo. Members of the ExCo and the Board also consult on ESG issues with internal subject matter experts on an ad hoc basis as well as with external experts (e.g., the ESB).

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (1.2.2)

As mentioned above, twice a year the KBC Sustainability Dashboard is presented to the ISB, ExCo and the Board. The dashboard is presented by the Senior General Manager of Group Corporate Sustainability. Furthermore, the Board and the ExCo review the corporate sustainability strategy, progress on the Sustainable Finance Programme and our external sustainability reports on a regular basis.

The Senior General Manager of Human Resources (HR) regularly reports to the ExCo on different HR topics. This includes matters such as headcount evolution, external hiring and appointments, performance and appraisals, results of our employee engagement survey, and training. Every year, a specific report on diversity and inclusion is also presented to the ExCo. Once per year other selected topics (e.g., succession management) within the remit of the HR function are reported to the ExCo and the Board.

ESG risks are firmly integrated into KBC's Risk Management Framework and risk management governance. The ExCo, the RCC and the Board are the prime recipients of various outputs of our main risk management processes. For example, an Integrated Risk Report is presented to the Board, ExCo and RCC eight times per year, and regularly includes ESG-related topics (including a Climate Risk Dashboard). Consistently, the RCC provides advice to the Board on risk management matters within the Board's responsibility. As part of its responsibility to manage ESG-related risks, the ExCo is supported and regularly informed by other committees such as the Group Lending Committee for credit-related topics, the Asset/Liability Committee for balance sheet management, etc.

In addition, the ExCo and the RCC are advised on a quarterly basis on compliance matters, whereas the Board is updated annually on compliance activities and the management of compliance risks including those related to ESG. This is done through consolidated reports prepared by our Compliance department. The reports cover breaches, if any, and remedial actions taken by management.

As described in section 1.4.1, as part of our double materiality assessment, we have impacts, risks and opportunities (IROs) linked to ESG matters. For a brief overview of our material IROs related to the different sustainability matters, we refer to section 1.3.3.1. The table below lists the material sustainability matters addressed by the governance bodies in 2024.

Material sustainability matters addressed by the governance bodies in 2024		ExCo	RCC	AC	Board
Climate change	Climate change mitigation	■	■	■	■
	Energy	■	■	■	■
	Climate change adaptation	■	■	■	■
Water and marine resources		■	■	■	■
Biodiversity and ecosystems		■	■	■	■
Own workforce	Working conditions	■		■	■
	Equal treatment and opportunities for all	■		■	■
	Other (privacy)	■	■	■	■
Consumers and end-users	Information-related (including cybersecurity)	■	■	■	■
	Social inclusion	■	■	■	■
Business conduct	Business ethics and corporate culture	■	■	■	■
	Relationship with suppliers	■	■	■	■

Integration of sustainability-related performance in incentive schemes (1.2.3)

Our management bodies have an important role in the implementation of our sustainability strategy. Elements such as sustainability are becoming increasingly important and today determine at least 30% of the collective, variable, results-related remuneration component that is awarded to the members of the ExCo. The three cornerstones of our sustainability strategy are properly reflected to incentivise our management bodies to limit our negative impact on society, to increase our positive impact and to encourage responsible behaviour among all staff members. Hence, the variable remuneration focuses on enabling the transition to a sustainable future, on good governance, on responsible behaviour and on providing sustainable solutions to our clients. Besides GHG emissions reduction targets (see section 2.2.3.1), there are other qualitative sustainability-related targets. Moreover, sustainability-related matters and metrics are taken into consideration in the overall assessment as described in the Corporate Governance Statement and affect the variable remuneration. Climate-related considerations, which mainly include progress against our GHG emissions reduction targets, form an integral part of the assessment for determining the variable remuneration component. Climate-related considerations also include the development of sustainable products and our own ecological footprint within the implementation of our strategy and stakeholder satisfaction. The proportion of the variable remuneration of the members of the ExCo that is directly related to climate-related considerations is about 8-10%.

For further information, we refer to the Corporate Governance Statement in the Annual Report of KBC Group.

Statement on due diligence (1.2.4)

Throughout this document, we touch on various aspects of our due diligence process with regard to material sustainability matters. The table below explains how and where the application of these main steps and aspects are reflected in our Sustainability Statement.

Due diligence in the sustainability statement

Core elements of due diligence	Sections in the sustainability statement
Embedding due diligence in governance, strategy and business model	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies: section 1.2.2 Integration of sustainability-related performance in incentive schemes: section 1.2.3 Material impacts, risks and opportunities and their interaction with strategy and business model: section 1.3.3
Engaging with affected stakeholders in all key steps of the due diligence	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies: section 1.2.2 Interests and views of stakeholders: - General: section 1.3.2 - Own workforce: section 1.3.2 - Consumers and/or end-users: section 1.3.2 Description of the processes to identify and assess material impact, risks and opportunities: section 1.4.1 Policies related to: - Climate change: section 2.2.2.1 - Water and marine resources: section 2.3.1.1 - Biodiversity and ecosystems: section 2.4.2.1 - Own workforce: section 3.1.1.1 - Consumers and/or end-users: section 3.2.1.1
Identifying and assessing adverse impacts	Description of the processes to identify and assess material impact, risks and opportunities: section 1.4.1 Material impacts, risks and opportunities and their interaction with strategy and business model: section 1.3.3

Taking actions to address those adverse impacts	Actions related to: - Climate change: section 2.2.2.2 - Water and marine resources: section 2.3.1.2 - Biodiversity and ecosystems: section 2.4.2.2 - Own workforce: section 3.1.1.4 - Consumers and/or end-users: section 3.2.1.4
Tracking the effectiveness of these efforts and communicating	Tracking effectiveness (through targets or other) related to: - Climate change: section 2.2.3 - Water and marine resources: section 2.3.2 - Biodiversity and ecosystems: section 2.4.3 - Own workforce: section 3.1.2 - Consumers and/or end-users: section 3.2.2 - Business conduct: 4.1.2 Metrics related to: - Climate change: sections 2.2.3.2, 2.2.3.3 and 2.2.3.4 - Own workforce: sections 3.1.2 - Business conduct: section 4.1.2

Risk management and internal controls over sustainability reporting (1.2.5)

The sustainability reporting processes of KBC Bank, including the risk management and internal controls, are embedded in those of KBC Group.

Over the past years, our sustainability reporting processes have evolved to address new regulatory requirements and incorporate voluntary disclosure frameworks and other initiatives. We are continuously striving towards more robust sustainability reporting, and this requires adequate risk management and internal control processes, as further described in this section.

Sustainability reporting at KBC involves a groupwide process with strict hierarchical validation. The preparation of sustainability reports starts from input collected from business and sustainability experts in all core countries. The coordination of our Sustainability Statement is led by our Finance department, which safeguards compliance with the ESRS requirements. As sustainability information and data is processed and consolidated at group level, it is subject to a range of internal controls and reviews on top of the four-eyes principle which is applied throughout the process. For every datapoint, we determine which team is in the lead as well as which stakeholders are involved either as input provider or as challenger. Specifically for our statement under CSRD, a dedicated CSRD Steering Committee was set up to oversee and manage the implementation process. The members of the CSRD Steering Committee represent top management of the main involved internal stakeholders such as the Sustainability, Finance, Risk, Credit Risk, HR and Compliance departments. Furthermore, our statement under CSRD is approved by our Sustainability Statement Approval Committee prior to review and approval by the ExCo, the AC and the Board.

The table below provides an overview of the main risks identified as well as our corresponding mitigation measures and how these are integrated into relevant internal functions and processes. Throughout this sustainability reporting process, the above-mentioned committees were periodically informed about these aspects.

Risk related to sustainability reporting processes

Type of risk	Description	Mitigation of risk
Regulatory risks	Changing external regulatory frameworks and evolving standards can put increasing pressure and non-compliance can result in regulatory fines.	We closely monitor the regulatory landscape and corresponding guidance
Data quality and verification risks	External sustainability data often lacks standardisation, making it challenging to ensure consistent and comparable reporting. Low data quality can lead to immature disclosures	We work with trusted ESG data partners and perform checks on input data. Since 2022, sustainability data is managed via KBC's dedicated Data & Metrics project (with a separate Steering Committee), involving all core countries and group functions
Legal, compliance and reputational risks	Risk of greenwashing	The information in this statement is based on factual information and subject to internal controls, including the four-eyes principle
Operational risks	Sustainability reporting has to be integrated into existing systems, processes and reports which is a complex task that – without proper automation – can lead to inefficiencies and manual errors.	We aim to further automate our sustainability reporting processes. Our Data & Metrics Steering Committee manages the challenges related to sustainability data collection and sustainability reporting

We continue to work on enhancing our reporting processes by closely following up on each of these risks and through various mitigation measures and via several internal functions and processes as shown in the table. Furthermore, we note that internal audits were carried out in 2024 on our double materiality assessment process and EU Taxonomy reporting.

Strategy (1.3)

Strategy, business model and value chain (1.3.1)

The strategy and business model of KBC Bank are embedded in those of KBC Group.

Our strategy

KBC Bank is a financial institution, mainly active in Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia (our core markets). We are also present to a limited extent in several other countries to support corporate clients from our core markets. We offer a wide range of loan, deposit, asset management, insurance and other financial products and services in all our core countries, through our distribution channels (our network of branches and online channels), where our focus is mainly on retail, private banking, SME and midcap clients. We support our clients in their sustainability transitions through our different core activities.
Our strategy rests on principles such as client centricity, a bank-insurance+ experience, sustainable profitable growth and assuming our role in society. We refer to the ‘Our strategy’ section for more detailed information on our strategy (not subject to external assurance).

The following table shows our headcount of employees per geographical area:

Employee by country (headcount)	31-12-2024
Belgium	9 187
Czech Republic	9 839
Slovakia	2 828
Hungary	3 405
Bulgaria	4 199
Rest of the world	403
Total	29 861

We want to meet the needs of society and create long-term value for society, local economies and all our stakeholders. Supporting the transition to a more sustainable and resilient society is therefore a crucial part of our overall corporate strategy and our day-to-day business. We want to collaborate with our clients and other stakeholders to achieve this goal. Through the financial products and services we provide, we support, for example, economic growth, good health and well-being, and job creation.

Our sustainability-related goals are linked to the Sustainable Development Goals (SDGs) established by the United Nations. In all our core countries, our current significant products and services and significant client groups are considered in relation to these goals as follows:

SDG 3 Good health and well-being: we value a work-life balance for our employees and design our products to enhance healthcare, quality of life and road safety.

SDG 7 Affordable and clean energy: we promote local renewable energy production and its efficient use. KBC has phased out financing, insuring and investing in thermal coal. We also have clear restrictions in our Energy Policy on other non-sustainable energy solutions, like oil and gas.

SDG 8 Decent work and economic growth: we support entrepreneurs and invest in innovative businesses. We especially support start-ups and scale-ups with a focus on female entrepreneurship through our Start it community. Our microfinance and microinsurance activities provide rural entrepreneurs in the Global South with access to financial services, driving sustainable local development and financial inclusion.

SDG 12 Responsible consumption and production: we offer banking and insurance products tailored to low-carbon and circular businesses, while promoting Responsible Investing (RI) as our first and preferred investment solution.

SDG 13 Climate action: we implement strict sustainability policies across our core activities and have set climate targets in our lending and investment portfolio to align with the Paris Agreement. We engage with clients as well as our investees to reduce their climate impact while also working to minimise our own footprint.

Our (sustainability) strategy is linked to the SDGs described above:
- Limiting our adverse impact by applying strict rules to our business activities related to the impacts identified: linked to SDG 7, SDG 12 and SDG 13;
- Increasing our positive impact by providing more sustainable finance and supporting our clients in their sustainable transition: linked to SDG 3, SDG 7, SDG 8, SDG 12 and SDG 13;
- Financial resilience: linked to SDG 8.

We encourage responsible behaviour on the part of all our employees who bring our strategy to life. We therefore invest heavily in building sustainable skills and a sustainable vision carried by all employees.

Our business model

Our business model as a financial institution is built on the principle of creating sustainable value. We create this sustainable value by offering, for example, sustainable investments to our clients to enable them to grow their wealth and by lending to different client groups (such as private individuals, companies and governments) and sectors (including, for example, social profit and infrastructure) to support the economy. We offer several other financial and non-financial services which also contribute to the (local) economy and social network. In all these activities we consider our impacts on the environment and society across our value chain. We create sustainable value thanks to our resources such as our own workforce, our physical and digital distribution network, our different stakeholders (see section 1.3.2) and our financial capital (such as our equity and deposits). For more detailed information, we refer to the 'Our business model' section (which is not subject to external assurance).

Our value chain

Our value chain encompasses all our activities, resources and relationships which are related to our business model and used to create our products and services from conception to delivery. Upstream we rely on three main clusters of activities and their related suppliers and other business relations. The core activities that we perform are situated in our own operations and enable us to deliver products and services (split into our five main activities) to our distributors, clients and business relations downstream. In addition, our value chain also considers the communities in which we operate.

Value chain

Major upstream activities	Major activities in our own operations	Major downstream activities
• ICT (software, hardware, security, etc.) • Services (certain human resources services, professional/consultancy services, etc.) • Facilities (electricity, office furniture, etc.)	• Human resources (our own workforce) • Infrastructure (property and equipment for self-use, etc.) • Sales/marketing (including advice linked to the sales of our products and services, sponsorships and partnerships, advertising, donations, etc.) • Product development (research, handling personal data, etc.) • Business conduct (relationships with suppliers, public relations, etc.)	• Lending • Asset management/investments • Other financial services (such as factoring, operational leasing, fleet management, etc.) • Other non-financial services (such as real estate, employee benefits, support for start-ups, etc.)

Interests and views of stakeholders (1.3.2)

Our stakeholders can be divided into two groups: affected stakeholders (those whose interests are affected or could be affected by our activities and business relationships across our value chain) and users/readers of the Sustainability Statement. The affected stakeholders are our clients (retail, SME and corporates), our employees, our suppliers and society at large (including nature as a silent stakeholder). The users of the Sustainability Statement are not only our investors, core shareholders and public authorities, but also our business partners, trade unions, non-governmental organisations, governments, academics and analysts.

Key interactions with our stakeholders

Stakeholder groups	Engagement activities	Their interests and views
Our **consumers** inform us through:	• an annual client satisfaction ranking which is translated into a client net promotor score (NPS) • regular client panels and client consultations • local engagement by the branch network and relationship managers • our Complaints Management, providing us with insights on the views of our clients	• A trustworthy partner • Respect for privacy and protection against cyber risk • Transparency • Broad accessibility • Top expertise • Innovation • Simplicity, relevant solution and personal advice
We are informed by our **employees** through:	• employee surveys (e.g., Shape Your Future survey) • the annual meeting of the European Works Council • regular consultations with the occupational health and safety committees, health, safety and security advisers, and employee representatives • regular progress meetings with all staff	• Work-life balance • Personal and professional development • Health and safety • Ethical conduct
Our **suppliers** give us information through:	• the ESG questionnaire, which is an integral part of our supplier assessments • vendor meetings on all levels of the hierarchy • transparent, simultaneous communications and approaches in competitive sourcing cases	• Transparency • Connect and collaborate to identify opportunities • Strengthen long-term relationships • Shared vision, strategy and values • Shared risk and reward • Joint value creation • Timely payment • Respect contractual agreements
The view of our **investors and core shareholders** are taken into account through:	• collective or one-on-one meetings with investors and analysts • the Annual General Meeting • reviews by credit rating agencies • sustainability assessments such as the S&P Global Corporate Sustainability Assessment, CDP, Sustainalytics • ad hoc ESG questionnaires of investors	• Value creation • Long-term business model with clear financial and non-financial targets • ESG as part of our strategy • Transparency
We are informed by **public authorities** via:	• our membership of banking federations • our membership of other national and international representative bodies to establish and maintain relationships with political actors and to achieve closer follow-up of regulatory initiatives that impact the financial sector (e.g., public consultations) • via our active participation in networking events	• Compliance with applicable legislation
We are informed about the existing views and interests of the **society** via:	• the membership of local works councils • our membership of sustainability network organisations • research papers and media analysis • advice by external advisory boards on various aspects of our sustainability strategy and their challenge on a wide range of topics (these boards mainly consist of experts from the world of academia)	• Local employment • Transparency and good communication

We engage (at group level and in each of our core countries) in dialogue with our stakeholders on a regular basis, as part of our due diligence process (see section 1.2.4) and our materiality assessment process (see section 1.4.1). These engagements are done with the purpose of capturing our stakeholders' views and interests. This underpins our strategy and business model.

Members of our ExCo and Board are informed about most of these engagements. Moreover, the outputs from our structured stakeholder dialogues, follow-up on stakeholder concerns, and investor viewpoints serve as key indicators for the KBC Sustainability Dashboard, which is evaluated by the ExCo and the Board (we refer to section 1.2.1). Furthermore, the ExCo and the Board are informed about the outcome of the materiality assessment which also gives insight in the interests and views of the abovementioned stakeholders.

Material impacts, risks and opportunities and their interaction with strategy and business model (1.3.3)

Overview of material impacts, risks and opportunities (1.3.3.1)

During our materiality assessment, we identified actual and potential impacts, risks and opportunities associated with our own operations, and upstream and downstream value chain. We linked the identified impacts, risks and opportunities to the sustainability matters listed in the ESRS and subsequently assessed which impacts, risks and opportunities are material (see section 1.4.1 for more details on our materiality assessment). The table below shows to which material sustainability matters our material impacts, risks and opportunities have been linked and where they are situated within our value chain (own operations (OO), upstream value chain (US), downstream value chain (DS)).

Material sustainability matters		Impacts			Risks			Opportunities		
		OO	US	DS	OO	US	DS	OO	US	DS
Climate change	Climate change mitigation		■	■			■			■
	Energy			■			■			■
	Climate change adaptation						■			■
Water and marine resources							■			■
Biodiversity and ecosystems				■			■			
Own workforce	Working conditions	■								
	Equal treatment and opportunities for all	■								
	Other (privacy)	■			■					
Consumers and end-users	Information-related (incl. cybersecurity)	■			■	■	■			■
	Social inclusion	■			■					
Business conduct	Business ethics and corporate culture	■			■	■	■			
	Relationship with suppliers				■					

Climate change

Through its downstream value chain, KBC can have material *impacts* on the environment and its retail and corporate clients in terms of climate change mitigation and energy. Potential negative impacts arise from investing in and funding carbon-intensive sectors and unsustainable energy solutions (e.g., thermal coal). However, through our loan and lease portfolios we generate a positive impact by offering products and services that contribute to a low-carbon economy and by facilitating financing of renewable energy projects. Also through our investment portfolios (both own investments and on behalf of clients), we have a potential positive impact by investing in companies whose products and services offer solutions on the climate challenges (e.g., promoting the transition to renewable energy) of today and tomorrow. We further aim to combat climate change by increasing awareness and directing the buying habits of our retail clients towards products and services which are environmentally friendly. In our upstream value chain, we also have a potential positive impact on climate change mitigation and energy by encouraging our suppliers to reduce GHG emissions and transition to renewable energy sources. With respect to our leasing activities, this particularly includes our suppliers from the automotive sector. The aforementioned impacts are considered to affect climate change over the medium term whereas they affect the consumption and production of energy over the short and medium term.

As a financial institution, the most material climate-related *risks* are also expected through our lending and investment activities (financial as well as reputational risks). The identified material risks that relate to climate change are ‘climate change transition risks’ (related to climate change mitigation and energy) and ‘climate change physical risks’ (related to climate change adaptation). The latter can be driven by temperature-, water-, wind- or solid mass-related physical phenomena. These climate risks can lead to financial risks (credit, market and liquidity risk) and non-financial risks (operational, reputational and compliance risk). For example, over the short, medium and long term, transition risks can lead to sudden repricing of assets, market volatility, credit losses and climate-related litigation resulting from financing obsolete (brown) technology or infrastructure, impacting lending and investment portfolios, whereas physical risk can impact the value of our assets or collateral over the medium and long term.

The aforementioned impacts and risks also create *opportunities*. These opportunities are mainly situated in our downstream value chain, where we support our clients in preparing and executing their own climate and energy transition plans by offering a broad range of lending and advisory products and services (including non-financial products and services). We particularly identified short-term opportunities in the ecosystems of housing and mobility as well as in, the transition to alternative energy sources (e.g., new technologies including energy storage).

Water and marine resources

From a financial materiality perspective, we consider water as a material topic. *Risks* stemming from water stress in our downstream value chain can result in negative medium- and long-term financial effects for KBC. In this regard, transition risks include, for example, regulatory initiatives to limit the impact of water stress (e.g., redistributing water use from less to more critical sectors), which might impact businesses and hence also our loan and investment portfolios. Physical water-related risks entail, for example, dwindling water supply, which can also cause supply chain disruptions as well as water and food insecurity, potentially impacting the whole economy. On the other hand, we can leverage our lending and investing capabilities to foster the sustainable use of water. Supporting our clients through funding in their water treatment and water saving solutions (including landscaping in the agricultural sector) is regarded as a short-term *opportunity*.

Biodiversity and ecosystems

Our materiality assessment indicates that, for our own operations, biodiversity and ecosystems are not a material topic. Therefore, we did not particularly assess any negative impacts in terms of land degradation, desertification or soil sealing, nor did we assess whether our operations affect threatened species. However, the *impact* of our lending and investing activities on biodiversity and ecosystems is deemed material in the medium term. Potential negative impacts arise from funding and investing in activities (both own investments and on behalf of clients) associated with unsustainable land use and other drivers of biodiversity and ecosystems loss. Potential positive impacts can be realised through investments in companies whose products and services tackle the challenge of scarcity of natural resources.

From a *risk* perspective, we are aware of the potential medium- and long-term negative financial effects from biodiversity loss and damage to ecosystem services. Both the associated physical and transition risks are viewed as material. For example, policies introduced to contain biodiversity loss (e.g., restrictions on deforestation, excessive land use, etc.) might impact businesses and hence also our loan and investment portfolios. Continued biodiversity loss can also lead to more systemic risks with, for instance, supply chain disruptions, increased pandemic risk or food insecurity, potentially impacting the whole economy (including KBC's loan and investment portfolios).

Own workforce

The identified material impacts, risks and opportunities related to our own workforce pertain to our own employees. In other words, anyone who has signed an employment agreement with an entity within KBC is included in the scope of our Sustainability Statement.

From an *impact* perspective, no material actual negative impacts were identified through our materiality assessment. The identified material impacts affect all of our employees equally and in a positive manner over the short, medium and long term. In terms of working conditions (in particular with respect to secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance and health and safety), KBC goes beyond regulatory expectations in all its core countries on a wide range of employee rights and benefits. We also create a positive impact for our employees through equal treatment and opportunities. In this regard, we highly value gender equality and structurally embed equal pay for work of equal value. KBC strives to create a stimulating work environment where our employees get the opportunity to develop themselves, to express their ideas and to take responsibility (corporate citizenship). Here, we particularly have a positive impact on diversity through our recently updated Diversity and Inclusion Policy as well as through the measures we have in place against violence and harassment in the workplace. On top of that, we also focus on the development of talent and skills through extensive training opportunities. Another important impact that KBC has on its employees is in terms of privacy, where we deem this impact positive since data protection is treated as a top-level priority.

Stemming from the impact that KBC has on the privacy of its employees, reputational and litigation *risks* could arise in the short, medium and long term when the privacy of the employees would not be respected or when employee data would leak as the result of a cyberattack. Our materiality assessment did not identify any other risks related to our own workforce. Risks related to incidents, forced labour and child labour are very improbable in the countries and sectors in which we operate.

In addition, we did not identify any material *opportunities* arising from impacts and dependencies on our own workforce.

We further note that the transition plans and actions outlined in section 2 (see sections 2.2.1.1 and 2.4.1.1) do not give rise to any material impacts on our own workforce.

Consumers and end-users

Over the past years, we have worked towards the digital transformation of our core business model and have put the interests and views of all our consumers and end-users at the heart of everything we do. This is the cornerstone of our strategy and we keep a close eye on the impacts on our consumers and end-users (see section 1.3.2 for our key interactions with our stakeholders). The (digital) interactions with our consumers and end-users form the basis of our business model in our strategy, not only in terms of sales and advice, but also in process and product development. In doing so, we take into account potential negative impacts related to matters such as privacy, access to quality information, responsible marketing practices and cybersecurity. We aim to prevent potential material negative impacts in a widespread context, as well as potential negative impacts in individual cases/incidents.

Through our stakeholder engagements (see section 3.2.1.2.), we develop our understanding of how consumers and end-users with particular characteristics or those using particular products or services may be at greater risk of harm. We have not identified specific groups of consumers or end-users which are at a greater risk of harm in relation to to particular material risks, as these risks apply to all of our consumers and end-users. Nevertheless, our processes guarantee specific attention for children when offering products and services and processing personal data.

We could have a potential material negative *impact* on the privacy of our consumers (directly and indirectly via third parties) in the short term and consequently also on the fundamental human rights of our clients, which is mitigated by processing personal data with utmost respect for privacy. The processing of personal data also serves to benefit our consumers by offering extra services and convenience. We collect and process sensitive data of our consumers and therefore have a potential negative impact on their privacy should sensitive data leak and privacy be breached. A breach in our cybersecurity could give rise to a material negative impact in the short term as the impact of a cyberattack could not only affect our business and consumers, it could also damage our business' standing and consumer trust. We exert a material positive impact from cybersecurity by we taking up our role in society by organising information sessions and campaigns to create awareness among our clients on cyber risks. We also aim to limit the negative medium-term impact that our suppliers (and, more specifically, third parties) could have on the privacy of our clients. We have strong policies and processes in place to reduce the possibility of data loss events caused by third parties. Furthermore, KBC plays an important role in the financial resilience of individuals and businesses over the short term.
In terms of social inclusion, we could also have a potential material negative medium-term impact on our consumers and end-users when our marketing practices are not clear, straightforward and accurate (in this case the information is not suitable to enable consumers to make informed decisions).

The material *risks* identified for our own operations and upstream activities that relate to consumers and end-users can emerge over the short, medium and long term from the negative impacts as highlighted above (cyber risks, data protection issues, information-related risks, social exclusion) and can lead to non-financial risks (operational, reputational and compliance risk). Risks are also present in our downstream activities: e.g., if our corporate clients do not adequately deal with the above-mentioned social topics, this can also lead to financial risks for KBC (e.g., credit risk).

Providing access to quality information is a material short-term *opportunity*, as we could guide our consumers through their sustainability journey with our advisory services (through webinars, third-party services, face-to-face interactions) related to subsidies, regulations and taxonomy.

Business conduct

In the context of business conduct, KBC aims to have a positive *impact* in the medium term on corporate culture by promoting and safeguarding ethical and responsible behaviour in all our operations. We also take up our role in society and have policies and strict rules in place for our employees to limit the impacts in the short term related to tax avoidance and clients seeking to violate the tax regulations. In terms of financial materiality, we identified material *risks* related to business conduct in different parts of our value chain. Risks could emerge over the short, medium and long term if our own business conduct (i.e. responsible behaviour in general, including our practices regarding responsible tax practices, bribery and corruption, whistle-blowing channels, anti-money laundering and counter terrorist financing) and related policies are not properly established and managed, leading to non-financial risks (legal and compliance risk). Additionally, if our corporate clients or third parties do not actively establish good business conduct-related practices and policies, this can also lead to credit and operational risk. Furthermore, operational and compliance risks can emerge over the short, medium and long term in case the relationships with our suppliers would be damaged by, for example, inadequate payment practices or when KBC would engage/contract suppliers involved in corruption and bribery.

Changes to material IROs

We note that, as this is our first sustainability statement under ESRS, we are not (yet) able to disclose any changes to the material impacts, risks and opportunities compared to the previous reporting period.

Entity-specific disclosures

We highlight that all the material impacts, risks and opportunities are covered by the ESRS Disclosure Requirements; however, in our opinion, cybersecurity and responsible tax practices are not sufficiently covered. We have therefore integrated cybersecurity into section 3.2 (Consumers and end-users) and responsible tax practices into section 4.1 (Business conduct) alongside the relevant disclosure requirements.

Interaction with strategy and business model (1.3.3.2)

Effects on business model and strategy

At KBC, we strive to create value for all our stakeholders through our financial products and services, including the society at large. Throughout our value chain, we examine the current and anticipated effects of our material environmental impacts, risks and opportunities on our sustainability strategy and business model. Recognising the material significance of these effects, we have developed comprehensive strategies aimed at minimising our negative effect on our stakeholders, maximising our positive effect on our stakeholders and pursuing opportunities where identified. These strategies result in policies and concrete actions. For climate change, this is described in section 2.2.2, whereas for biodiversity this is covered in section 2.4.2. Furthermore, the management of our material environmental risks related to climate change, water and marine resources and biodiversity is embedded in our Risk Management Framework (see section 2.2.2.2).

As a financial institution, the basis of our business model is client trust. Therefore, client centricity remains a cornerstone of the KBC strategy. We carefully consider consumer protection, investor protection, and data protection in our product development processes. An important focus is to ensure optimal protection against cybercrime for both our clients and our subsidiaries. The Information Security Strategy (see section 3.2.1.1) addresses the negative impacts of security incidents and associated losses. Furthermore, we aim to support our clients in the best possible way by listening to and understanding their needs, by offering products and services that strengthen their financial resilience and by adequately informing them during client interactions and through responsible marketing practices.

With respect to our own workforce, we aim to attract and retain strong profiles who are capable and committed to upholding KBC's high standards across all our business activities and internal operations. We value the day-to-day work of all our employees as a crucial enabler for implementing our strategy and creating sustainable value. In this regard, employee trust and satisfaction are essential prerequisites. To this end, we safeguard the positive impacts we have on our employees throughout the employee lifecycle and in this way also the associated effects on our business in terms of recruitment, employee satisfaction and retention. This includes respecting and protecting the privacy of our employees.

In addition, we want to stress the importance of correct business conduct and responsible behaviour as key foundations in developing and implementing our strategy and business model. We continue our ongoing efforts to foster a culture of ethical and responsible behaviour and to monitor the business conduct risks across our value chain.

Resilience of strategy and business model

We continuously assess the resilience of our sustainability strategy to material impacts, risks and opportunities. Through its sustainability strategy, KBC aims to take up its role in society and create value for its stakeholders. In this regard, we monitor (the implementation of) our policies and adjust them when needed. In general, our strategy seeks to safeguard our business whilst preparing ourselves for the evolving regulatory context, the geopolitical context and macroeconomic changes, rapidly changing technologies, societal changes, shifts in client behaviour and other sustainability evolutions. During our annual financial planning cycle, we explicitly consider sustainability across all levels of the organisation, among other things by including plans to meet our climate targets, detecting opportunities, and integrating ESG risk into the risk appetite. To be less vulnerable to changes in the external environment – including environmental change – we pursue diversification and flexibility in our business mix, client segments, distribution channels and geographies. At all times, we refrain from focusing on short-term gains at the expense of long-term stability. Our solid risk management framework and risk appetite further ensure financial and operational resilience, taking into account all of the identified material risks (as described in section 1.3.3.1) in the short, medium and long term and across environmental, social and governance matters.

When assessing the resilience of our business model and our capacity to honour our financial responsibilities, we consider large societal challenges (e.g., climate change) and apply scenario analysis. Particularly in the context of climate risk management, in addition to participating in regulatory/supervisory exercises, we regularly conduct several internal stress testing exercises to analyse the resilience of our business model in relation to climate change. For this purpose we consider mild, medium and severe climate risk stresses for time horizons aligned with our financial planning cycle (three years), but also beyond, in order to cover risks which are expected to grow in the longer-term. The scenario used assumes that the transition towards a green economy negatively impacts some P&L and capital drivers of our bank activities, such as operational expenses and net interest income. Moreover, competition in sustainable products and services is putting pressure on volumes.
Although profitability could be impacted under the more severe climate-related stresses, returns for shareholders remain above the cost of equity.

These conclusions are considered in the context of our internal exercises to assess our capital and liquidity adequacy (i.e. the regulatory required Internal Capital/Liquidity Adequacy Assessment Process – ICAAP & ILAAP). In these exercises we also test the adequacy of our capital, by applying more severe stress tests within our reverse stress testing mix and dedicated climate risk stress tests. These cover both highly elevated transition risk and severe physical risk scenarios. Overall, the results of the scenario analyses and stress tests performed demonstrate that no material impact is expected within the short term and that therefore the capital that we hold, also from a Pillar 2 perspective (based on our internal capital model), is adequate.

It can be concluded that long-term financial stability is not jeopardised, as even adverse assumptions regarding the severity of transition and physical risks do not jeopardise our solid capital and liquidity position. Nevertheless, we are already proactively adjusting our processes, policies, and portfolios in order to be prepared for possible (disrupting) medium- or long-term climate change impacts on capital and as such avoid severe future impacts caused by transition or physical risks.

Current financial effects related to material risks and opportunities

Whereas the stress tests give a good indication of the order of magnitude of the expected financial impacts in case specific climate scenarios would materialise, the data currently available is not granular enough to perform a precise quantification exercise. Due to the current restrictions regarding the availability of ESG risk data, our calculations are still reliant on proxies (especially for value chain activities). Moreover, ESG risk measurement methodologies are still maturing. This can impact both the reliability and stability of estimates. The same holds for the financial effect of opportunities as the resources are often embedded in the regular business budgets (‘sustainability is everyone’s responsibility’) and some of the financial effects only become visible in the long term. However, as indicated above, we can state with sufficient reliability that no material impact is expected on our consolidated financial position, consolidated financial performance and consolidated cash flows in the short run (i.e. within the next annual reporting period).

Impact, risk and opportunity (1.4)

Description of the processes to identify and assess material impact, risks and opportunities (1.4.1)

Our double materiality assessment forms the foundation of this Sustainability Statement. Through this assessment, we have determined which sustainability matters are material to KBC from an impact or financial perspective. The impact perspective considers the positive and negative impacts that KBC has on society and the environment, whereas the financial perspective considers the risks and opportunities for KBC that arise from sustainability matters. This section describes our processes for identifying and assessing our material impacts, risks and opportunities. Once an identified impact, risk or opportunity is assessed as material, the associated sustainability matter is also marked as material.

Overall, the methodology we applied when carrying out this assessment is based on ESRS and aligned with the EFRAG (European Financial Reporting Advisory Group) Materiality Assessment Implementation Guidance. Based on this guidance, we defined a scoring method to assess our (potential) impacts and opportunities. The quantitative thresholds set to determine the materiality of our identified impacts were inspired by the five-point scale as outlined in the EFRAG Materiality Assessment Implementation Guidance. In this way, the impacts were classified into five categories ranging from 'Minimal' to 'Critical' for KBC. Material risks were predominantly identified based on existing risk identification exercises, our risk measurement tools and risk assessments. To complement our existing risk exercises, additional assessments were carried out based on expert judgement. The assessment of opportunities was based on a scoring mechanism similar to the risk scoring.

In 2024, we performed the double materiality assessment in its current form for the first time. We aim to investigate on a yearly basis whether there are substantial changes to be made to this assessment.

Impact materiality assessment

As a first step in our impact materiality assessment, we conducted a mapping of the business relationships in our value chain, taking into account the countries in which we operate, our stakeholder dialogues and other relevant sources. By doing this early in the process, we were able to clearly distinguish between impacts related to our own operations and indirect impacts we have through our business relationships. As a financial institution, we recognise the importance of identifying the broad range of indirect impacts related to our lending and investment portfolios (our own and on behalf of our clients).

To identify our impacts on the environment and society, we engaged with relevant internal and external stakeholders and experts. The views and concerns of our stakeholders regarding environmental, social and governance issues were gathered through different engagement activities that were carried out throughout the year. Engagement activities included surveys, stakeholder dialogue and (client) meetings. They provided us with valuable insights which served as input for our impact materiality assessment. We also collected input from various experts across all relevant internal stakeholder departments.
For our lending portfolio in particular, we used UNEP FI (United Nations Environment Programme Finance Initiative) impact identification tools and our strategic White Papers to identify relevant impacts. Furthermore, for our financing of and advisory services for major industrial and infrastructure (including real estate) projects, we have adopted the Equator Principles, a framework for determining, assessing and managing environmental and social impacts. The Equator Principles include the consultation of affected communities and the implementation of effective grievance mechanisms to resolve social and environmental concerns related to these projects.
When identifying, assessing and monitoring the sustainability-related impacts of our investment portfolios, we use our responsible investing methodology. This entails that we actively investigate the sustainability-related characteristics of companies, not only based on their policies, products and services, but also based on the share of their turnover that is related to sustainable activities. In addition, we engaged with our ESB, which consists of external experts. The aforementioned inputs were further complemented with external sources such as sector organisations, various sector reports (e.g., S&P Global ESG Materiality Maps), ESG rating agencies, frameworks (e.g., Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), etc.) and our peers.
In this way, we ensured that our impacts related to environmental (climate change, pollution, water and marine resources, biodiversity and ecosystems as well as resource use and circular economy), social and business conduct matters were appropriately identified and that all topics listed in the ESRS were taken into consideration. Through a desktop analysis (bottom-up approach), we finally derived a list of potential material topics from all the information collected.

More specifically for our impact on climate change, we leveraged our Scope 1, 2 and 3 GHG emission calculations as the primary source for the materiality assessment. These calculations show that the largest share of our emissions comes from our lending and investment activities, i.e. our portfolio emissions accounted under Scope 3 Category 15 'Investments'. For KBC, the indirect emissions from our business activities (i.e. Scope 3 Category 15 GHG emissions) are the most material source of our emissions and hence our impact on climate change. We refer to sections 2.2.1.1 (on locked-in GHG emissions), 2.2.3.1 (climate-related targets) and 2.2.3.2 (our GHG emissions inventory) for further information on our climate-related impact.

With regard to biodiversity, we assessed our potential direct impact by mapping whether our own offices in our core countries are located in or near biodiversity-sensitive areas. Biodiversity-sensitive areas we considered include Natura 2000, UNESCO and

other protected areas (excluding Key Biodiversity Areas). We concluded that none of our buildings are located in strictly protected areas (IUCN category IV and above). Furthermore, we found that a number of our offices are located in protected landscapes such as Bird Directive areas. However, based on the best available expert knowledge and given the nature of our banking business, we concluded that our activities do not negatively impact these protected areas. Accordingly, we did not assess the need to implement mitigation measures at these sites any further.
As a financial institution, we mainly affect biodiversity and ecosystems through our corporate lending services and investment portfolios. We assessed the potential impacts and dependencies of our corporate lending portfolio on nature using the tool 'Exploring Natural Capital Opportunities, Risks and Exposure' ('ENCORE'). The top three sectors with a very high impact are Building and Construction, Agriculture and Energy and the most material impact drivers are terrestrial land use, water use and marine ecosystem use.

The materiality assessment of the identified impacts was conducted together with in-house experts, the general managers of sustainability, the CEOs of our core countries (or their representatives) and a selection of our senior general managers. They acted as credible proxies of the affected stakeholders identified and helped to convey the concerns of these stakeholders based on their experience and region of operation. Each (potential) negative and positive impact was scored on a number of parameters. The parameters assessed include scale and scope for both positive and negative impacts, complemented by likelihood for potential impacts as well as irremediability for (potential) negative impacts. During this exercise, we differentiated between our own operations and our value chain and considered short-, medium- and long-term time horizons. The results were evaluated based on our internally developed scoring method and classified accordingly on a five-point scale. This enabled us to draw a conclusion on the materiality of each impact and ultimately the corresponding sustainability matter.

For an overview of the material impacts identified within our own operations and value chain, we refer to section 1.3.3.1.

Financial materiality assessment

The financial materiality assessment involves identifying and assessing our sustainability-related risks and opportunities. This section describes the underlying processes for risks and opportunities.

Risks
First of all, we point out that ESG risks are considered important risk drivers of the external environment that manifest themselves through all other traditional risk areas, such as credit risk, market risk, operational and compliance risk, and reputational risk. Consequently, sustainability-related risks are not considered in isolation but are firmly embedded in all aspects and areas of KBC's Risk Management Framework and the underlying processes. To assess which sustainability matters are material from a risk perspective, it was thus necessary to determine the effect of the risks stemming from the sustainability matters assessed on the financial and non-financial risk areas. Looking at our business model and from a financial perspective, it does not make sense to assess every prescribed sustainability matter separately. For that reason, certain sustainability matters were aggregated so that a meaningful financial materiality assessment of the risks could be performed, considering all underlying components. During this exercise, we maximally leveraged existing risk identification and measurement processes. In particular, KBC has developed an ERIM to assess the impact of environmental risks (see below), and the management of social and governance risks is an integral part of compliance and operational risk management. Both the ERIM and the underpinning of expert judgement are based on several inputs, such as portfolio distributions, the geographical location of our operations and clients, product characteristics, client and asset data, internal monitoring and modelling exercises, external sources (e.g., physical hazard maps), and so on.

As part of our financial materiality assessment of risks, we considered the following elements:
- The *context* KBC operates in (see section 1.3.1), including the *entire value chain* (see section 1.3.1), for three distinct *time horizons* (see section 1.1.2);
- The *likelihood* that the effects related to the matter materialise, scored on a four-point scale (ranging from exceptional to frequent);
- The *magnitude* of the potential financial impact if and when the effects associated with a group of sustainability matters materialise. To this end, the financial effect of a group of sustainability matters was scored separately for every risk type (such as credit risk, reputational risk, etc.). We also considered risks that could be derived from previously identified material impacts. For specific areas, the assessment was based on expert judgement, underpinned by available internal and external information. The financial effect dimension was scored on a four-point scale (ranging from a minor to a severe financial effect).

For every group of sustainability matters, which combined the likelihood and financial effect per risk type, the assessment resulted in a materiality classification per risk type (on a four-point scale: low, medium, high, severe). In the final stage, the risk-type-specific materiality scores were combined to determine whether the group of sustainability matters assessed was material from an integrated perspective. To this end, predefined materiality thresholds were put in place.

The financial materiality assessment of the environmental risks was predominantly based on our existing ERIM. This is our main internal process for identifying and assessing the impact of environmental risks on our value chain, which encompasses:
- estimating the risks for the financial and non-financial risk types;
- distinguishing between different drivers of transition and physical risks associated with climate change, biodiversity loss, water stress and pollution as well as risks related to non-circularity;
- considering three distinct scenarios which assume different levels of transition and physical risk for climate change and nature loss;
- using three different time horizons.

The ERIM is annually reviewed at the level of KBC Group, but separate maps are also in place for the banking and asset management activities. Additionally, further breakdowns are made for our core countries, given that the materiality of environmental risks can differ across jurisdictions and locations, resulting in possibly different transition and physical risks.

Specially for climate-risk-related analyses, risk impacts are estimated for three distinct climate scenarios as made available by the Network for Greening the Financial System (NGFS). More specifically, separate assessments are made for an Orderly transition scenario (in which global warming is limited to 1.5°C), a Disorderly transition scenario (global warming is limited to 2°C) and a Hot House World scenario (an increase in global warming to about 3°C). These scenarios are compatible with the climate-related assumptions made in the financial statements. We refer to Note 3.9 of the 'Consolidated financial statements' section in this report for more detailed information.

With regard to:
- climate-related transition risks, the ERIM considers the risks stemming from changing policies and regulations, technologies and changing consumer and/or investor preferences. We estimate the transition-risk-related impacts for the three aforementioned NGFS scenarios and time horizons, as the timing and severity of transition risks depends on government and policy action. The materiality assessment in the ERIM is underpinned by several internal exercises, such as monitoring of the alignment of our corporate industrial loan portfolio with decarbonisation pathways (using the PACTA tool), climate-related sector and asset-based portfolio reporting and the sectoral deep dives on sectors vulnerable to transition risk via our White Papers. These analyses also provide further insight into the assets and business activities which could be vulnerable to transition risks (i.e. assets and business activities which are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy). The identified vulnerability depends on the climate scenario and the time horizon considered within these analyses. With respect to assets and business activities vulnerable to transition risks, we also refer to section 2.2.1.1 (on locked-in emissions) and section 2.2.2 (policies and actions related to climate change);
- climate-related physical risks, the ERIM considers both chronic and acute temperature-related, water-related, wind-related and solid-mass-related physical risks. The materiality assessment in the ERIM is underpinned by several internal exercises. With respect to flood risk, for example, which is considered the most relevant physical risk driver for KBC, various portfolios throughout KBC were analysed. The assessments were geographically tailored to the territories of the five KBC core countries (Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria). The flood risk analyses cover bank portfolios as well as KBC's own critical infrastructure. Furthermore, risk assessments on heat stress, drought, wildfires, windstorms, landslides, subsidence and erosion were also performed for selected portfolios;
- risks stemming from biodiversity loss and ecosystem damage, the ERIM considers both transition and chronic and acute physical risks. We focused on the physical risk assessment to identify and assess dependencies on biodiversity and ecosystems for our own operations and in our value chain (e.g., natural resource scarcity leading to macroeconomic impacts, operational and supply chain disruptions, and higher consumer prices), whereas transition risks were considered to identify and assess our impact on biodiversity and ecosystems. Within these exercises, we also consider potential future macroeconomic developments and systemic risks related to biodiversity loss and underpin the conclusion by internal exercises such as the ENCORE analysis;
- the assessment of current and potential future risks stemming from the transition to a circular economy, expert judgement was applied.

Opportunities
To identify our material opportunities, we considered the sustainability matters described in the ESRS as well as opportunities that could be derived from previously identified material impacts. The assessment was performed by internal experts whose knowledge covered the different sustainability matters listed in the ESRS as well as our business activities and the local (geographical) situations. The experts identified opportunities throughout our entire value chain and with different time horizons. The identified opportunities were assessed on the likelihood and magnitude of their financial effect (comparable to our approach to risks), which resulted in a materiality classification from which material opportunities could be derived using predefined materiality thresholds.
Regarding opportunities, we particularly encourage the incorporation of sustainability-related opportunities into our core products and services, such as bonds, loans, investments and advisory services. In this context, we are also closely monitoring the EU Taxonomy evolutions. Across our White Paper sectors (energy, real estate, transport, agriculture, food and beverages, building and construction, metals and chemicals), we screen and identify sector-relevant sustainability-related opportunities during each White Paper assessment cycle.

Compared to our impacts and risks, the identification, assessment and management of opportunities are not yet integrated into our overall management process with the same degree of maturity. The outcome of the materiality assessment was presented to the appropriate management bodies. There are continuous efforts by the business and other departments to define and implement opportunities, which is supported by the structural embedding of opportunities in our White Paper approach. In the yearly budgeting round, all countries also need to consider sustainability opportunities and develop a plan to capitalise on these opportunities. All these initiatives form a good basis for further maturing our identification and materiality assessment of opportunities in the future.

For an overview of the material risks and opportunities across our value chain, we refer to section 1.3.3.1.

Decision-making process

In each step of the process for identification and assessment of the impacts, the intermediate results were discussed in the Group Corporate Sustainability department. For impacts related to our own workforce, the outcome of the assessment was validated by

the Corporate HR managers and the local HR managers of the core countries in the international HR community. This was followed by approval from the CSRD Steering Committee. Subsequently, the outcome of the assessment was also presented to and validated by the European Works Council.
Similarly, the outcome of the risk assessment was discussed with and approved by the management of the risk functions involved before being approved by the CSRD Steering Committee.
The outcome of the impact materiality and the financial materiality exercises was also discussed in a dedicated working group set up around our double materiality assessment (which included colleagues from all main departments involved in our materiality assessment).

Disclosure requirements in ESRS covered by the undertaking's sustainability statement (1.4.2)

Overview of disclosure requirements

Below, we have listed all disclosure requirements covered in this Sustainability Statement.

For the disclosure requirements related to the identified material sustainability matters, we performed expert-based evaluations to determine whether all the underlying information requirements are also material for KBC. To this end, we took into account whether the information is significant as well as whether it could meet the decision-making needs of the users of the Statement.

List of Disclosure Requirements

ESRS standard	Disclosure Requirement	Full name of the Disclosure Requirement	Section
ESRS 2 General disclosures	BP-1	General basis for preparation of sustainability statements	1.1.1
	BP-2	Disclosures in relation to specific circumstances	1.1.2
	GOV-1	Role of the administrative, management and supervisory bodies	1.2.1
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2.2
	GOV-3	Integration of sustainability-related performance in incentive schemes	1.2.3
	GOV-4	Statement on due diligence	1.2.4
	GOV-5	Risk management and internal controls over sustainability reporting	1.2.5
	SBM-1	Strategy, business model and value chain	1.3.1
	SBM-2	Interests and views of stakeholders	1.3.2
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.3
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4.1
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.4.2
ESRS E1 Climate change	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	1.2.3
	E1-1	Transition plan for climate change mitigation	2.2.1.1
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.3
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.4.1
	E1-2	Policies related to climate change mitigation and adaptation	2.2.2.1
	E1-3	Actions and resources in relation to climate change policies	2.2.2.2
	E1-4	Targets related to climate change mitigation and adaptation	2.2.3.1
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.3.2
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.2.3.3
	E1-8	Internal carbon pricing	2.2.3.4
ESRS E2 Pollution	ESRS 2 IRO-1	Description of processes to identify and assess material pollution-related impacts, risks and opportunities	1.4.1
ESRS E3 Water and marine resources	ESRS 2 IRO-1	Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities	1.4.1
	E3-1	Policies related to water and marine resources	2.3.1.1
	E3-2	Actions and resources related to water and marine resources	2.3.1.2
	E3-3	Targets related to water and marine resources	2.3.2.1
ESRS E4 Biodiversity and ecosystems	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.4.1.1
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.3

	ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	1.4.1
	E4-2	Policies related to biodiversity and ecosystems	2.4.2.1
	E4-3	Actions and resources related to biodiversity and ecosystems	2.4.2.2
	E4-4	Targets related to biodiversity and ecosystems	2.4.3.1
ESRS E5 Resource use and circular economy	ESRS 2 IRO-1	Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.4.1
ESRS S1 Own workforce	ESRS 2 SBM-2	Interests and views of stakeholders	1.3.2
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.3
	S1-1	Policies related to own workforce	3.1.1.1
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.1.2
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.1.3
	S1-4	Taking action on material impacts and approaches to mitigating risks related to own workforce	3.1.1.4
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.2.1
	S1-6	Characteristics of the undertaking's employees	3.1.2.2
	S1-8	Collective bargaining coverage and social dialogue	3.1.2.3
	S1-9	Diversity metrics	3.1.2.4
	S1-10	Adequate wages	3.1.2.5
	S1-14	Health and safety metrics	3.1.2.6
	S1-16	Compensation metrics (pay gap and total remuneration)	3.1.2.7
	S1-17	Incidents, complaints and severe human rights impacts	3.1.2.8
ESRS S4 Consumers and end-users	ESRS 2 SBM-2	Interests and views of stakeholders	1.3.2
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3.3
	S4-1	Policies related to consumers and end-users	3.2.1.1
	S4-2	Processes for engaging with consumers and end-users about impacts	3.2.1.2
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.2.1.3
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.2.1.4
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.2.1
ESRS G1 Business conduct	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	1.2.1
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4.1
	G1-1	Business conduct policies and corporate culture	4.1.1.1
	G1-2	Management of relationships with suppliers	4.1.1.2
	G1 – MDR-A	Minimum Disclosure Requirements on actions in relation to business conduct polices	4.1.1.3
	G1-3	Prevention and detection of corruption and bribery	4.1.1.4
	G1-4	Confirmed incidents of corruption or bribery	4.1.2.1
	G1-6	Payment practices	4.1.2.2

Other EU legislation

In what follows, we give an overview of all datapoints linked with other EU legislation, indicating where they can be found in this Sustainability Statement, and including those that we assessed as not material. For the datapoints marked as 'Not applicable', we note that the non-applicability pertains only to the information that is required by the paragraph in the ESRS indicated in the list below.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		1.2.1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				1.2.4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	2.2.1.1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		2.2.1.1
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.2.3.1
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 of Annex I Indicator number 5 Table #2 of Annex I				Not material
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				Not material
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				Not material

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2.2.3.2
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.2.3.2
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	2.2.3.3
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Subject to phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Subject to phase-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Subject to phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Subject to phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Subject to phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				2.3.1.1
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				2.3.1.1
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				Not material

ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				1.4.1
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				1.4.1
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				1.4.1
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				2.4.2.1
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				2.4.2.1
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				2.4.2.1
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				1.3.3
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				1.3.3
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 of Annex I Indicator number 11 Table #1 of Annex I				3.1.1.1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		3.1.1.1
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				3.1.1.1
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				3.1.1.1
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				3.1.1.3
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.2.6
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Subject to phase-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.2.7
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				3.1.2.7
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				3.1.2.8
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 of Annex I Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		3.1.2.8
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 of Annex I Indicator number 11 Table #1 of Annex I				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and 4 Table #3 of Annex I				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation		Not material

			(EU) 2020/1818, Art 12 (1)		
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S3-1 Human Rights Policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 Indicator number 11 Table #1 of Annex I				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 of Annex I Indicator number 11 Table #1 of Annex I				3.2.1.1
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.2.1.1
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				3.2.1.4
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				Not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				Not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4.1.2.1
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				4.1.2.1

Environmental information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) (2.1)

The Taxonomy Regulation establishes an EU-wide framework according to which investors and businesses can assess whether certain economic activities are environmentally sustainable. In order to be environmentally sustainable and thus taxonomy aligned, the activity must:

- be a relevant activity, i.e. the activity is on the list of activities which are considered as most relevant for achieving the environmental goals defined by Europe. The relevant activities are called taxonomy-eligible activities and are described in Delegated Acts;
- comply with the Technical Screening Criteria for substantial contribution to the environmental objectives and do no significant harm to these objectives;
- be carried out in compliance with minimum social and governance safeguards.

Six environmental objectives are laid out in the Taxonomy Regulation:

- Climate change mitigation (CCM);
- Climate change adaptation (CCA);
- Sustainable use and protection of water and marine resources (WTR);
- Transition to a circular economy (CE);
- Pollution prevention and control (PPC);
- Protection and restoration of biodiversity and ecosystems (BIO).

KBC is a large undertaking subject to the disclosure obligations described in the EU Taxonomy Disclosure Delegated Act (DDA). We report on our activities as credit institution and as asset manager. Various working groups, with representatives from our core countries, address different themes, such as various forms of lending contributing to sustainability objectives. Individual purpose-driven credit applications are also thoroughly screened to verify compliance with the technical criteria and social minimum safeguards. Non-purpose-driven credit applications are reported based on the Turnover and CapEX KPI of the counterparty.

Data availability remains a challenge.

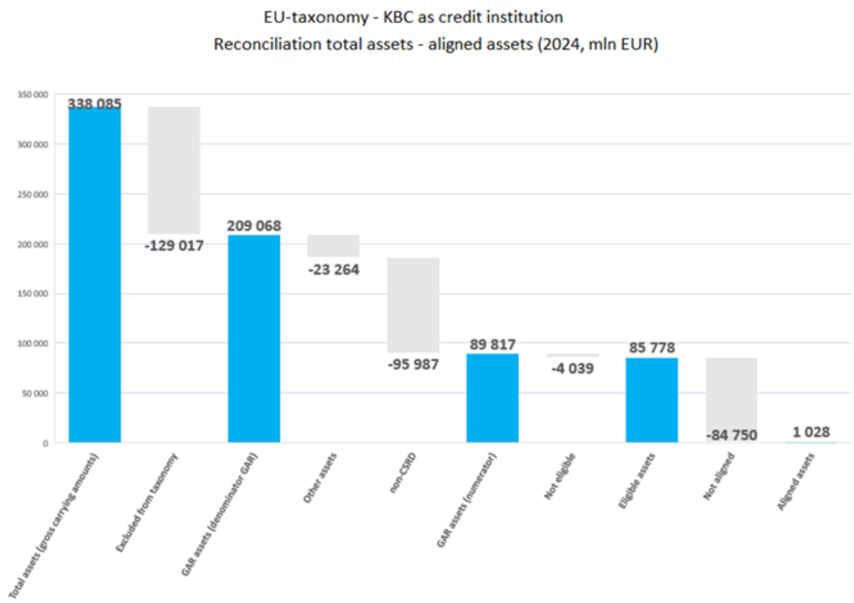
- As the European Single Access Point database is not yet operational, finding all the relevant counterparty information in the published reports is a major challenge. Although data providers, collecting EU Taxonomy data, make progress, it remains a challenge for them, too.
- Many of our corporate counterparties are not (yet) subject to CSRD. As a result, these companies are not required to report on EU Taxonomy and we cannot include these counterparties in eligible and/or aligned assets.
- We are currently unable to carry out a full alignment assessment for loans to households (real estate and motor vehicles) due to a lack of individual data on the underlying assets. For instance, we do not have all individual data on the houses being financed, and for many financed electric vehicles we lack information on car tyres and the circular use of materials.

We therefore chose to also disclose voluntary taxonomy percentages in our Sustainability Report (at kbc.com), which are based on approximations and information available in the group (not subject to assurance).

This section is focused on mandatory disclosures. The DDA prescribes a number of detailed tables for credit institutions and asset managers. We have included them in the 'EU Taxonomy – detailed tables' section in the 'Additional information' section of this annual report. When the DDA prescribes that calculations must be made on the basis of Turnover and CapEx data of the counterparties, these tables are presented twice (once for Turnover, once for Capex). The discussion below is limited to the data based on the counterparty's Turnover KPIs (if applicable).

KBC as a credit institution

In this section, all assets are considered from the credit institutions in the group, i.e. those entities defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council (prudential requirements for credit institutions). As defined in the DDA, disclosures are to be based on the scope of KBC's prudential consolidation. This scope is in line with the accounting scope (Note 6.5 of the 'Consolidated financial statements').



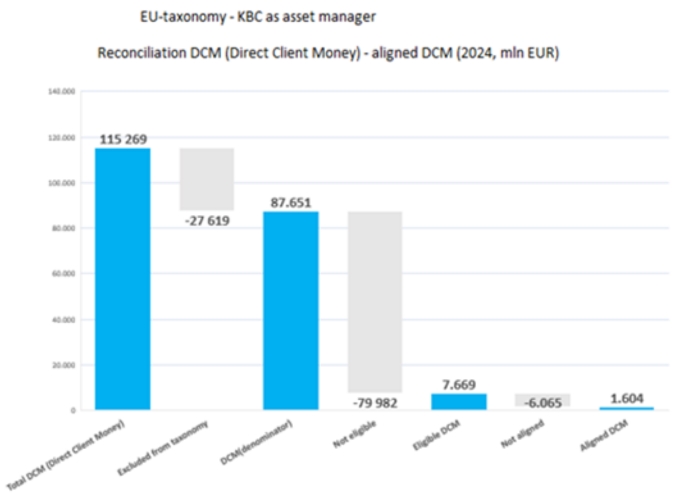
The mandatory eligibility percentage for the assets of our credit institutions is 41.0% (40.8% in 2023). It includes mortgage loans and car loans to households, as well as the eligible exposure to financial and non-financial counterparties (subject to CSRD). The alignment percentage (GAR, green asset ratio) is 0.5% (0.2% in 2023). The difference between the 2024 and 2023 figure is due mainly to the following two reasons: on the one hand subsidiaries and SPVs of CSRD companies are now considered as CSRD company (whereas they were not last year), and on the other hand there is more (qualitative) information available from our counterparties.

This percentage nevertheless remains low due to the limited availability of data and the asymmetric definitions of the green asset ratio numerator and denominator. For instance, in the numerator business counterparties are limited to companies subject to CSRD, whereas the denominator must also include counterparties that are not subject to CSRD. The denominator also contains a number of other assets that are not eligible, such as derivatives, cash and goodwill. In the chart, we reconcile total assets (before deduction of impairment) with aligned assets (based on the counterparties' turnover KPIs). The trading portfolio and amounts involving central banks and central governments are excluded.

The alignment percentage for financial guarantees (off-balance) is 1.4% (0.4% in 2023).

KBC as asset manager

In this section, all assets under management related to DCM are considered (see glossary of financial ratios and terms). This DCM is managed by KBC Asset Management (taxonomy data via an external data provider).
The mandatory eligibility percentage related to DCM is 8.7% (2.0% in 2023). The alignment percentage (KPI for asset managers) is 1.8% (0.9% in 2023). The difference between the 2024 and 2023 figure mainly results from increased data availability.
In the chart, we reconcile total DCM with aligned DCM. Amounts involving central banks and central governments are excluded.



KBC as a financial conglomerate

KBC calculates consolidated KPI using a revenue based weighted average.

Consolidated KPI	KPI	Turnover based alignment	Capex based alignment
KBC as a credit institution	GAR	0.5%	0.4%
KBC as an asset manager	AM KPI	1.8%	2.6%
KBC Bank as a financial conglomerate	Consolidated KPI	0.6%	0.6%

Climate change (2.2)

Climate change strategy (2.2.1)

Transition plan for climate change mitigation (2.2.1.1)

In an initial phase, KBC has focused on several important pillars in order to embed climate transition plan elements within its overall sustainability governance and strategy but has so far not formalised these into an integrated single document. At the time of reporting, no decision had been taken as to whether and by when such integrated transition plan will be adopted. The important pillars, related to transition planning, which are currently embedded into our overall sustainability governance and strategy are:

- Governance;
- Strategy;
- Scenario analysis;
- Risk and opportunity management;
- Financial planning;
- Target setting;
- Engagement.

Our sustainability governance is structured around the Sustainable Finance Steering Committee, the ISB, the ExCo and the Board. As these bodies oversee environmental issues, integrate them into the business strategy, and ensure accountability at all levels, it by definition has the consequence that climate strategy, target setting (see also section 2.2.3.1), and other relevant transition planning elements as listed above are managed and approved by the highest decision bodies within our organisation. As these decision bodies oversee the entire business model, value creation strategy, and financial planning of KBC, there is an intrinsic strong connection between these elements and our climate strategy. A dedicated Sustainable Finance Programme is in place to coordinate the implementation of the overall sustainability strategy. In order to manage the challenges linked to climate-related data collection and reporting, we installed a dedicated Data and Metrics Steering Programme. This governance framework (including its own Steering Committee) ensures that sustainability is embedded into the organisation.

Our current climate transition planning approach includes climate-related targets on our own operations' emissions as well as on some of the most material emissions that are associated with our financing or investment activities, some of which are compatible with pathways that limit global warming to 1.5°C. Consequently, our climate transition planning in its current form is partly aligned with a 1.5°C world, which is described more thoroughly in section 2.2.3 of this statement. Our climate strategy focuses on managing both our direct and indirect carbon footprints. We report every six months to the ISB, ExCo and Board on the implementation of our climate transition strategy, via a dedicated Sustainability Dashboard, which includes, among other things, the progress on our key climate targets. The dashboard outlines measurable and verifiable parameters related to the key themes and actions of the climate strategy as well as the decarbonisation levers and actions deployed (see section 2.2.2.2). This illustrates that transition planning elements are embedded within our overall business strategy. Our yearly financial planning exercise also incorporates certain transition plan building blocks. For example: climate is included in the economic scenarios of the Chief Economist which form the basis of our budgeting cycle; we follow up on climate-related volumes and targets; the potential impact of climate-related risks on the risk profile is considered. Based on our latest climate target progress measurements, we conclude to be overall well on track in meeting our targets and will continue to proceed with the implementation of key actions.

We identify climate-related risks and opportunities through strategic analyses (the so-called sectoral or thematic 'White Papers') and tailored risk and opportunity assessments. The management of ESG risk, including climate-related risks, is firmly embedded in all building blocks of our Risk Management Framework (see section 2.2.2.2). During the White Paper analyses we detect opportunities and translate them into concrete service offerings and products. We engage with our clients to support their transition, develop sustainable products and monitor decarbonisation progress. The outcome of this continuous risk and opportunity management is closely linked with our climate strategy and target follow-up and is also taken into account in our financial planning cycle, touching directly on our portfolio mix, expenses and capital adequacy assessment. Regular monitoring and management reporting on all of the above-stated topics ensures transparency and accountability, enabling internal and external stakeholders to track progress and assess the effectiveness of our climate strategy and risk and opportunity management.

We use a set of climate scenarios to support transition planning, including those from the International Energy Agency (IEA), the NGFS (Network for Greening the Financial System) and more customised scenarios. This set of scenarios reflects various models, time perspectives, climate temperature objectives (including 1.5°C alignment) and regional coverage. The use of these scenarios supports our overall risk identification and measurement, strategic planning, and resilience assessments for potential future outcomes. Scenario analysis therefore influences and makes more robust our strategy, financial planning, target setting, capacity building, and risk and opportunity management. See sections 1.4.1 (financial materiality assessment) and 2.2.3.1 for more information.

Lastly, the implementation of our current climate transition planning approach includes engagement with various stakeholders including policymakers and clients. Our aim is to create a ripple effect that extends a positive impact beyond our own operations by fostering strong relationships and sharing best practices (see also section 1.3.2).

To our knowledge, there are no locked-in emissions detected for own operations which jeopardise the achievement of our GHG emissions reduction targets. Our climate change lending targets form an important pillar in supporting decarbonisation in some of the highest carbon-intensive activities in our loan portfolio. Progressing on our targets intrinsically also contributes to avoiding exposure to stranded asset risk (risk of losing their economic value ahead of their anticipated useful life). Potential locked-in GHG emissions are not quantified, but assets that have the potential to become stranded are identified via measurement updates of our climate target progress and White Paper exercises.

KBC is not meeting any of the exclusion criteria listed in Articles 12.1 and 12.2 of the EU Climate Benchmark Regulation (Commission Delegated Regulation (EU) 2020/1818).

Climate change: Impact, risk and opportunity management (2.2.2)

Policies related to climate change mitigation and adaptation (2.2.2.1)

All sustainability-related policies are bundled in our Sustainability Policy Framework, offering a condensed but comprehensive overview of these policies. This framework defines the scope of our policies, summarises the governance on how policies are determined and implemented, and describes our actual policies, based on a combination of exclusion of certain companies, sectors or activities and the application of certain conditions. It relates to all material impacts, risks and opportunities that were identified for KBC, and as such, we will refer to this Framework (available on kbc.com) when disclosing on different matters in this Sustainability Statement.

A strict due diligence process is in place to monitor compliance with these policies, including the possibility of requesting advice from sustainability experts on sustainability-related matters for individual cases. We also take into account reputational risk aspects within the scope of such advice, which in some cases are mandatory.

The framework is applicable worldwide to all of our core business activities (lending, advisory services and investment advice) as well as supporting activities (own investments and procurement), and covers all sectors and activities deemed (potentially) controversial and for which we have developed policies (human rights, energy, steel, cement and aluminium, mining, defence, biodiversity, gambling, tobacco, animal-related activities, and prostitution).

We update our sustainability policies at least once every two years. We consider the interests of key stakeholders, as all policies in the Sustainability Framework are challenged by the ISB, and some are also discussed with our ESB, which represents the interests of key (external) stakeholders.

For all of our sustainability policies, final ratification and accountability lies with the ExCo. However, all staff involved are responsible for the implementation. Environmental responsibility is one of the focus areas of our sustainability strategy, meaning that we are committed to managing the direct and indirect environmental impact of our business in a responsible way. It also means that we are committed to increasing our positive impact while limiting our adverse impact on the environment. Specifically for climate change, this means that we are supporting the transition towards a sustainable, low-carbon economy.

Environmental Policy

Our Environmental Policy sets out a series of general guidelines, such as:
- developing and offering banking, insurance and investment products and services that support a sustainable, low-carbon and climate-resilient society;
- applying and regularly reviewing strict policies to limit the environmental impact of our core activities by reducing the environmental and climate impact of our portfolio of loans, investments and advisory services;
- creating awareness of environmental responsibility among our internal and external stakeholders, empowering employees to implement this policy and encouraging suppliers to adopt a similar approach.

These general guidelines are further translated into specific policies, such as the Energy Policy and the Mining Policy (see below).

A dedicated sustainability team at group level is responsible for
- challenging the internal business stakeholders on their sustainable product offering;
- regularly reviewing the specific policies;
- providing guidelines for the implementation of the restrictions in these policies.

Environmental Policy

Scope	Applicable worldwide and covering all business activities and operations throughout the group	
Reference to third party agreements	Paris Agreement Taskforce on Climate-related Financial Disclosure (TCFD) Greenhouse Gas Protocol Collective Commitment to Climate Action (CCCA) UNEP FI Principles for Responsible Banking (UNEP FI PRB)	
Areas addressed:		
Climate change mitigation	Yes	Examples: specific Energy Policy with restrictions on coal/oil/gas, own footprint targets
Climate change adaptation	Yes	Examples: development of products & services like multi-peril crop insurance, financing/insuring of water-saving projects
Energy efficiency	Yes	Examples: own footprint targets, specific products linked to EPC (Energy Performance Certificate)
Renewable energy deployment	Yes	Example: financing of renewable energy projects
Other climate change-related areas	No	-

Energy Policy

As demonstrated by our signing of the Collective Commitment to Climate Action (CCCA) in 2019, we have the ambition to contribute to a low-carbon society. The CCCA was adopted by some signatories to the UNEP FI Principles for Responsible Banking (PRB) as an additional climate commitment when it was launched in September 2019. Through our CCCA commitment, we have committed ourselves to align our portfolios with the Paris Agreement goal to limit global warming to well-below 2 degrees, striving for 1.5 degrees Celsius. Our Energy Policy aims to exclude or restrict the use of fossil energy and to support the development of renewable energy. It excludes any financing and insurance of, or advisory services related to, direct thermal coal-related projects, and subjects any other financing and insurance of, or advisory services related to, companies still involved in thermal coal to strict conditions. It also excludes any financing and insurance of, or advisory services related to, the exploration and development of unconventional oil and gas fields as well as any other new oil or gas fields.

Energy Policy

Scope	This policy has a worldwide scope and applies to all financing, insurance and advisory services related to companies involved in the generation of electricity or heating, either as producers or as suppliers or contractors to such companies	
Areas addressed:		
Climate change mitigation	Yes	This policy addresses climate change mitigation by focusing on transitioning from a fossil-fuel energy system towards a renewable energy system
Climate change adaptation	No	-
Energy efficiency	No	-
Renewable energy deployment	Yes	This policy addresses renewable energy deployment by focusing on transitioning from a fossil-fuel energy system towards a renewable energy system
Other climate change-related areas	No	-

Recalculation Policy

We have external targets both for our own and for financed greenhouse gas emissions (see section 2.2.3.1.). These targets refer to the emissions of a particular fixed base year. To anticipate events which require a restatement of this base-year calculation, we have a policy describing the process and recommended methods of recalculation. The final decision to restate a baseline, the recalculation method and the possible impact on the relevant target is taken by the ISB, which can delegate this to the Sustainable Finance Steering Committee. If a previous calculation was externally assured, the recalculation is fully disclosed to the assurance provider so they can prepare their potential re-assurance.

Recalculation Policy

Scope	This policy applies to our external targets related to own footprint and financed emissions. More specifically for the financed emissions, this policy is applicable for each sector/domain for which we have set external emission targets. Targets are defined at KBC Group level. KBC Asset Management and own investments are not in scope of this Recalculation Policy for the time being.	
Reference to third-party agreements	This policy is based on the Greenhouse Gas Protocol	
Areas addressed:		
Climate change mitigation	Yes	This policy addresses the restatement of our external climate targets (emissions reduction)
Climate change adaptation	No	-
Energy efficiency	No	-
Renewable energy deployment	No	-
Other climate change-related areas	No	-

Investment Policy

This policy aims to determine strict ethical restrictions with regard to investments. We exclude investments in companies listed on the KBC Blacklist, on the KBC Human Rights Offenders List and investments in governments or other public authorities within a country listed on the KBC Controversial Regimes List. This also applies to investments in companies that are in any way involved in the extraction of thermal coal and/or power generation companies using thermal coal. Investments in companies involved in tobacco are also excluded. Compliance with this policy is fully embedded in the investment processes of KBC Asset Management.

Investment Policy

Scope	This policy has a worldwide scope and is applicable to all of KBC's investment activities, both for the account of clients as well as for KBC subsidiaries' own account	
Areas addressed:		
Climate change mitigation	Yes	This policy addresses climate change mitigation by excluding from our investments some parties and activities with negative impact
Climate change adaptation	No	-
Energy efficiency	No	-
Renewable energy deployment	Yes	This policy addresses renewable energy deployment by excluding some parties and activities with negative impact
Other climate change-related areas	No	-

Investment Policy for Responsible Investing funds

With responsible investing, KBC Asset Management aims to support the evolution towards a more sustainable world by:

- not investing in activities with a severe negative impact on ESG themes;
- promoting ESG principles through our investments;
- encouraging countries and companies to consider sustainability and climate change in their decision-making process;
- promoting sustainable development by investing in green, social and sustainability bonds and in issuers contributing to the UN SDGs.

As such, our Responsible Investing funds apply a dualistic approach, based on a negative screening (see the policy below) and a positive selection methodology. The Responsible Investing funds portfolio includes funds that are classified as Article 8 and Article 9 under SFDR (Sustainable Finance Disclosure Regulation).

All our Responsible Investing funds must achieve specific ESG objectives, which depend on the type of fund. Concrete portfolio targets are set with regard to ESG (risk) scores, GHG emissions, Green, Social & Sustainability bonds, and sustainable investments. In addition, KBC Asset Management will protect the interests of its investors and continue to promote responsible conduct through proxy voting and engagement.

A review of this policy is part of the yearly review of the responsible investing methodology.

Investment Policy for Responsible Investing funds

Scope	This policy is applicable to all Responsible Investing funds managed by (all subsidiaries of) KBC Asset Management	
Most senior level accountable	This policy is formally approved by the ExCo of KBC Asset Management and submitted to the ISB for review. The KBC Asset Management Financial Risk Committee is accountable with regard to the implementation. However, all staff involved are responsible for its implementation, both within the countries and at the level of relevant group departments	
Reference to third-party agreements	For all our Responsible Investing funds, we apply the standards of the Towards Sustainability Labelling Agency, which is a not-for-profit association incorporated under Belgian law. The label is awarded to financial products that are compliant with the Agency's Quality Standard for sustainable and responsible financial products, ensuring that all labelled products contain a minimum of sustainability elements.	
Consideration key stakeholders	This policy has, on top of the challenge by the ISB, been presented to KBC Asset Management's external Responsible Investing Advisory Board	
Areas addressed:		
Climate change mitigation	Yes	This policy addresses climate change mitigation by setting portfolio targets on greenhouse gas emissions as well as by investing in green bonds
Climate change adaptation	No	-
Energy efficiency	No	-
Renewable energy deployment	Yes	This policy addresses renewable energy deployment by setting portfolio targets on greenhouse gas emissions as well as by investing in green bonds
Other climate change-related areas	No	-

Exclusion Policy for Responsible Investing funds

KBC Asset Management invests systematically in companies or governments from responsible investing universes, whereby all issuers must be screened on a pre-determined set of criteria. The Responsible Investing research team of KBC Asset Management defines these criteria, based on the advice of the Responsible Investing Advisory Board.
In this policy, all negative screening criteria (exclusion criteria) are described. The negative screening entails exclusion of:

- issuers that do not align with the exclusion policies from the responsible investment universe by the (sub-)fund or issuers that are manually excluded based on the advice of the Responsible Investing Advisory Board;
- issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment from the (sub-)fund's investment universe;
- investments in financial instruments linked to livestock and food prices;
- all companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather.

We do not accept in our (sub-)fund's investment universe issuers based in countries that:

- encourage unfair tax practices;
- seriously violate fundamental principles of environmental protection, social responsibility and good governance.

A review of the negative screening criteria is part of the yearly review of the responsible investing methodology.

Exclusion Policy for Responsible Investing Funds

Scope	This policy is applicable to all Responsible Investing funds managed by (all subsidiaries of) KBC Asset Management	
Most senior level accountable	This policy is formally approved by the ExCo of KBC Asset Management and submitted to the ISB for review. The KBC Asset Management Financial Risk Committee is accountable with regard to the implementation. However, all staff involved are responsible for its implementation, both within the countries and at the level of relevant group departments	
Reference to third-party agreements	For all our Responsible Investing funds, we apply the standards of the Towards Sustainability Labelling Agency (see Investment Policy for Responsible Investing Funds above)	
Consideration key stakeholders	This policy has, on top of the challenge of the ISB, been presented to KBC Asset Management's external Responsible Investing Advisory Board	
Areas addressed:		
Climate change mitigation	Yes	This policy addresses climate change mitigation by excluding issuers that are involved in fossil fuels
Climate change adaptation	No	-
Energy efficiency	No	-
Renewable energy deployment	Yes	This policy addresses renewable energy deployment by excluding issuers that are involved in fossil fuels
Other climate change-related areas	No	-

Actions and resources in relation to climate change policies (2.2.2.2)

In addition to having policies in place to prevent, mitigate and remediate actual and potential impacts, and to address risks, we also take numerous measures to put our commitment to climate into practice. Within the framework of our Sustainable Finance Programme, we are working on our environmental impact while mitigating environmental risks. At the start of the programme in 2019, its focus was solely on climate. Since 2022, it has been expanded to also include other environmental themes such as biodiversity and water. We refer to the sections on these matters (section 2.3. on water; section 2.4 on biodiversity) for more information. Our key climate-related actions are described below.

Managing our own footprint

Each year, the GHG emissions from our own operations are measured and actions are taken, such as:
- implementing an ISO 14001 environmental management system in all core countries to manage and reduce direct environmental impact;
- reducing our energy need and transitioning to renewable energy (both self-generated and purchased);
- leveraging renovations and relocations to reduce our environmental impact and adopt environmentally friendly alternatives;
- supporting the shift to greener employee mobility by implementing a Teleworking Policy in all our core countries, incentivising (electric) bicycles for commuter travel, promoting public transport and supporting the transition to a greener and electric car fleet;
- reducing waste production, and paper and water consumption.

This enables us to follow up on our own footprint targets and to provide guidance for local actions where needed. Examples are:
- replacing cooling installations by heating pumps in Belgium;
- reusing residual heat from the server room in our headquarter buildings in Prague using a heat pump installation.

Managing our own footprint

Scope	The GHG inventory is made for the entire group, for all subsidiaries over which there is operational control
Time horizons	Yearly actions in order to achieve our longer term targets – see section 2.2.3.1 (climate-related targets)
Quantitative and qualitative information	Sections 2.2.3.1 (climate-related targets), 2.2.3.2 (emissions) and 2.2.3.3 (offsetting)
Climate change mitigation actions by decarbonisation lever	- Energy efficiency (isolation, telework, energy-efficient data centres) - Switch to renewable energy (gas transition plans, heating plans) - Increase our own energy production (photovoltaic panels, heat pumps) - Switch to low-carbon transport (encouraging public transport, bicycle leasing, electrification of the company fleet)
Achieved GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Expected GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Ability to implement	Fully integrated into our regular operations and follow-up at head office

Yearly calculation of portfolio emissions and steering of the local implementation of loan portfolio decarbonisation

Similar as for our own emissions, our loan portfolio emissions are measured and actions are taken based on this measurement. Key actions implemented for all sectors and products for which climate lending targets are in place include:
- financing zero/low-carbon activities or solutions (e.g., renewable energy projects, electric vehicles or low-to-zero-emission buildings);
- financing to support decarbonisation efforts (e.g., renovation loans) or transition efforts;
- exiting the relationship.

Yearly calculation of portfolio emissions and steering of the local implementation of loan portfolio decarbonisation

Scope	Key action with regard to the yearly calculation of portfolio emissions is implemented across all lending activities (including operational and financial leasing) within KBC. Key action with regard to the local implementation of loan portfolio decarbonisation is performed on specific target sectors as further defined in section 2.2.3.1.2
Time horizons	The targets range up to 2050 with intermediate targets being set in 2030. The key actions apply consistently over this time horizon
Quantitative and qualitative information	Sections 2.2.3.1 (climate-related targets) and 2.2.3.2 (emissions)
Climate change mitigation actions by decarbonisation lever	- Supporting the build-out of a renewable energy system (energy targets) and phasing out fossil fuel-based energy production (energy and thermal coal targets) - Supporting the decarbonisation of road transport activities (vehicle financing targets) - Supporting the decarbonisation of the building sector (real estate targets) - Supporting the decarbonisation of the agricultural sector (agriculture targets) - Supporting the decarbonisation of the cement sector (cement targets) - Supporting the decarbonisation of the steel sector (steel targets) - Supporting the decarbonisation of the aluminium sector (aluminium targets)
Achieved GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Expected GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Ability to implement	Our ability to implement the key actions mainly depend on a governmental policy environment that fully accommodates societal decarbonisation in line with the Paris Agreement goals

Continuous monitoring of GHG reduction target of Responsible funds

The average GHG intensity of Responsible funds is continuously measured and we also make simulations when considering trades. This enables the portfolio manager to continuously monitor the GHG reduction target specifically for that portfolio. Responsible funds must comply with the target at all times, or adjust their portfolio composition in order to comply, in a timeframe that is in the best interest of the client and taking into account other factors such as liquidity.

Continuous monitoring of GHG reduction target of Responsible funds

Scope	Responsible funds make up the bulk of the Responsible Investing funds (with the exception of specific thematic funds), representing more than 40% of direct client money (see glossary of financial ratios and terms for an explanation of 'direct client money')
Time horizons	Monitoring at individual portfolio level is performed on a daily basis. The GHG reduction targets have a horizon until 2030 and are recalculated every quarter to arrive in a linear way at the 50% reduction by 2030 after an initial 30% reduction. The overall target is a weighted average of all individual funds having a GHG reduction target.
Quantitative and qualitative information	Section 2.2.3.1 (climate-related targets)
Climate change mitigation actions by decarbonisation lever	Certain issuers or sectors are excluded by the exclusion policy, but other than that it is up to the portfolio managers of the Responsible fund to take into account the emission intensities and their impact on the weighted average at portfolio level by making investment decisions
Achieved GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Expected GHG emission reductions	Section 2.2.3.1 (climate-related targets)
Ability to implement	The actual achievement of targets depends on the evolution of GHG intensities of issuers in the benchmark of these funds. The update of GHG intensity numbers of issuers is dependent on our data providers

Climate White Papers

We assess the impacts, dependencies and associated risks and opportunities of different environmental challenges in the sectors in scope of our White Paper approach. This continuous and cyclical process feeds into decision-making around future actions with respect to policy and/or client engagement strategies, policy establishments or changes and – where relevant – the establishment or change of targets.

Climate White Papers

Scope	The White Papers apply across all lending activities (including operational and financial leasing) and insurance activities within KBC
Time horizons	This is a continuous process. Each year, the White Paper scopes and sectors or themes are defined and decided at management level (ISB). In deciding the White Paper scopes, the ISB takes into account the materiality of evolutions which take place in sectors or environmental domains as well as the materiality of the exposures to the sectors associated with those evolutions
Climate change mitigation actions by decarbonisation lever	Each White Paper addresses the need to quickly follow-up on decarbonisation evolutions in high-carbon-intensive activities and industries. As a main lever we use the risk and opportunity assessments that come out of the White Paper assessments, to feed into strategy and policy decisions and decisions on next actions to be taken in terms of risk/opportunity management and engagement. One main decarbonisation lever is addressed here, i.e. to support the transition of the targeted sectors/activities to a more environmentally and climate-friendly state. This is done by either stopping the financing of environmentally polluting activities or by supporting the transition of sectors to a low-carbon state
Ability to implement	Our ability to implement the key actions mainly depends on a policy environment that fully accommodates societal decarbonisation in line with the Paris Agreement goals (this includes, among other things, a timely government action to stimulate sustainable technologies as well as more sustainable mobility, living and lifestyle)

Green bond issuance

We issue Green Bonds whose proceeds are used to finance projects that have a positive impact on the environment by avoiding or reducing the emissions of greenhouse gases. There are currently two bonds issued outstanding under our former Green Bond Framework (total amount of 1.25 billion euros) and one bond issuance in 2024 under the updated Green Bond Framework (750 million euros). This update was done in November 2023 (adding eligibility criteria, aligning with the ICMA (International Capital Markets Association) Green Bond Principles 2021 and further aligning with the EU Taxonomy criteria for environmentally sustainable economic activities when practically feasible). More information on our Green Bond Framework is available at www.kbc.com. KBC plans to issue Green bonds in the future, with a view to contributing to a more sustainable future.

Green bond issuance

Scope	All green bonds issued by KBC
Time horizons	Green Bond 2 of 500 million euros was issued on 16 June 2020 and will expire on 16 June 2027 Green Bond 3 of 750 million euros was issued on 1 December 2021 and will expire on 1 March 2027 Green Bond 4 of 750 million euros was issued on 27 March 2024 and will expire on 27 March 2032
Climate change mitigation actions by decarbonisation lever	Decarbonisation levers are: - energy-efficient buildings – mortgage loans and commercial loans to (re)finance new and existent residential buildings in Belgium - renewable energy – loans to (re)finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy sources in the EU and the UK - clean transportation – (re)financing of the purchase, renting, leasing and operation of zero-emission vehicles in Belgium
Achieved GHG emission reductions	The avoided emission reductions are reported each year in our Green Bond Impact Report (integrated in The Green and Social Bond Report as of reporting year 2024), published on our website
Expected GHG emission reductions	Future quantification is uncertain
Ability to implement	The implementation of actions in the future will depend on the availability of sustainable (mostly renewable energy) projects, demand for electric vehicles and energy efficient buildings and on government measures (such as incentive schemes)

Integrating climate and other ESG risks into the risk management framework

The KBC Risk Management Framework (RMF) covers all (material) risks KBC is exposed to, including ESG risks (see the 'How do we manage our risks?' section in this report). The main building blocks of the RMF are risk identification, risk measurement, setting and cascading risk appetite, risk analysis, reporting and follow-up. We identify ESG risks in our internal risk taxonomy as key risks related to our business environment which manifest themselves through all other traditional risk areas, such as credit risk, market risk, operational risk and reputational risk. As such, we do not regard ESG risks as stand-alone risk types.

We are making continuous efforts to further integrate ESG risks into our RMF and underlying risk management processes. Actions are taken across the group and implemented for all our activities in all our core countries. Depending on the context, our actions relate to risk management for our own operations, upstream activities (e.g., third-party risk management) or downstream activities (e.g., credit and market risk in our lending and investment portfolios).

A number of key actions are listed below.

- *Risk identification and materiality assessment*: we use a variety of approaches to identify ESG risks in the short term (0- to 3-year horizon), the medium term (3- to 10-year horizon) and the long term (beyond 10-year horizon). To ensure proactive risk identification, several processes are in place such as:
  - the ERIM (see section 1.4.1 on financial materiality assessment) and 2024 pilot risk identification exercises on social risks. We perform these assessments from a group perspective but also construct separate maps for the banking and asset management activities. For the ERIM, further breakdowns are made for our core countries;
  - the New and Active Product Process (NAPP) (see below);
  - the use of a sectoral Environmental & Social Heatmap in the loan origination and review process;
  - consideration of reputational ESG risk scores for large companies in vulnerable sectors;
  - ESG risk assessments executed in the context of credit underwriting for corporates and outsourcing;
  - deep dives on climate and environmental risks and opportunities (our White Papers). These are prepared for climate-relevant sectors and product lines and for emerging environmental topics.
- *Risk measurement and stress testing*: we make use of a series of methodologies to strengthen our ability to identify, measure and analyse ESG-related risks. We complement the application of methodological tracks (scenario-based) with internal scenario analysis and stress testing. Furthermore, we are integrating ESG risk drivers into our internal stress test exercises (considering availability of data and quantification methodologies).
- *Risk appetite*: ESG has been included in our Risk Appetite Statement at the highest level via a specific ESG risk appetite objective. When considering climate and other ESG risks in our risk appetite process, we not only focus on short-term impacts, but also take extended time horizons into consideration. Potential short-, medium- and long-term impacts as identified in our risk identification exercises provide input for our risk appetite discussions so that (early) warning signals can be given in case of expected material impacts (for all time horizons) with the aim of steering the strategic debate and initiating risk-mitigation actions in a timely manner. KBC's risk appetite is supported by our groupwide policies and sustainability targets (see the different sections on policies and targets under each topic). These policies define our risk playing field and are translated into underlying standards such as the Credit Risk Standards for Responsible and Sustainable Lending and the Investment Policy.
- *Risk analysis, monitoring and follow-up*: ESG-related data is increasingly included in both internal and external reporting (e.g., EBA Pillar 3 ESG disclosures). ESG risks are well-integrated and extensively addressed in several of our main risk management reports (e.g., Internal Capital Adequacy Assessment Process (ICAAP) reporting re assessment of capital adequacy, Integrated Risk Report) which are distributed to the ExCo, the RCC and the Board.

Specifically for climate risk, additional to the above, we highlight the following:

- In the ERIM, a dedicated Impact Map is in place for Climate Change, considering several physical and transition risk drivers.
- To assess our climate-related transition risks, we leverage industry practices such as PACTA (to measure the alignment of our corporate industrial loan portfolio with the Paris Agreement climate goals), TRUCOST (for our Asset Management) and

PCAF (to estimate the greenhouse gas emissions of our loan and investment portfolios). These provide further insights into the impact of climate change on our business model, as well as the impact of our lending and investment activities on the environment.

- Physical risk assessments have been performed for several acute and chronic physical hazards (e.g., flood, drought, heat stress, wildfires). The assessments were geographically tailored to the territories of our core countries. In particular, the impact of flood risk on our mortgage portfolio was estimated.
- Climate transition and physical risk drivers have already been integrated into several internal stress test exercises, e.g., in reverse stress testing, stress testing done in the context of ICAAP/ILAAP (see 1.3.3.2 in the 'How do we manage our risks?' section in this report on climate change resilience analysis). Both short-term and long-term climate scenarios are being considered. Climate stress test exercises and usage of climate scenarios are continuously enhanced following new insights from, for instance, our internal ERIM or other methodological tracks which help us to better translate the impact of climate pathways into financial parameters. These methodologies will also enable us to gradually improve credit underwriting and investment policies, and support us in engaging with our clients.
- In support of our risk appetite process and as part of our internal monitoring, we introduced a set of climate-related KRIs (Key Risk Indicator). These are defined for the most material transition and physical risks as identified in the ERIM, covering a large part of KBC's activities and portfolios. They are integrated into a Climate Risk Dashboard which is presented to the Board (every six months) as part of Integrated Risk Reporting.

New and Active Product Process (NAPP)

The NAPP is a group-wide, formalised process to identify and mitigate product-related risks, both for KBC and for its clients. No products, processes or services can be created, purchased, changed or sold without approval in line with NAPP governance. Furthermore, changes in the internal and external environment need to be monitored in order to trigger an ad hoc review of the product or service when needed. The Risk department also conducts periodic assessments of the impact of the expanded and/or updated product and service offering on the group's risk profile. As the NAPP covers all risk types, the NAPP standard is positioned as a key building block of the Risk Management Framework and applies to all material subsidiaries which provide financial services. It covers all products and services offered by these subsidiaries and all client-facing processes.

More specifically, the NAPP aims to:
- ensure fair treatment of the client;
- safeguard the strategic fit of products/services;
- pro-actively identify and mitigate risks related to products, services and changes to client-facing processes which might negatively impact the client and/or KBC;
- comply with regulation.

It is hence also considered as an important tool to mitigate several ESG risks (including risks related to consumer protection and greenwashing). The Board at group and local level is accountable for the design of a sound NAPP governance and for the implementation thereof throughout the group. NAPP committees are installed to debate and decide whether products, services and changes in client-facing processes are ready for launch based on advice and, where appropriate, conditions imposed by a set of advisory functions such as Risk, Compliance and Legal. The NAPP Committee follows up on the fulfilment of the risk-mitigating actions.

Sustainability and climate-related policies are explicitly taken into account when deciding on new products or services through the NAPP:
- Particular attention is paid to the adequate 'green' labelling of newly developed products, aligned with regulatory frameworks such as the EU Taxonomy and the ICMA Green Bond framework. A mandatory advice of sustainability experts is required when the product is labelled as 'green' or referring to external frameworks which claim environmental or sustainable contribution;
- Several ESG risks are assessed by the risk and compliance function, as part of the mandatory risk and compliance advice within NAPP.

Climate change metrics and targets (2.2.3)

Targets related to climate change mitigation and adaptation (2.2.3.1)

We focus on diminishing our negative impact on climate change through the reduction of our direct and indirect carbon footprint. We have set various climate-related targets and closely monitor our progress. The targets and corresponding emission intensity metrics for our loan portfolio also serve as a tool to monitor climate-related transition risk. These intensity metrics are also monitored as part of our Climate Risk Dashboard to assess credit and reputational risk (see section 2.2.2.2).

In this section, our climate-related targets are described separately for our own carbon footprint, our loan portfolio and our investment portfolios.
Our own carbon footprint includes:
- Scope 1: direct emissions from fuel combustion and refrigerant gases in our office buildings and from our company-owned car fleet (including private use);
- Scope 2: indirect emissions from purchased energy (electricity, heat, cooling and steam consumption);
- Scope 3: indirect emissions from business and commuter travel, and emissions from sources over which we have direct operational control (such as paper and water consumption and waste generation).

Scope 3 Category 15 emissions include the indirect emissions related to our financing and investing activities. For financial institutions, this is the most significant emission category.
We refer to section 2.2.3.2 for more detailed information on our GHG emissions as defined above.

Own carbon footprint targets (2.2.3.1.1)

Our own carbon footprint targets have been set at KBC Group level and have not been disaggregated. The information in this section describes the targets at group level to which KBC Bank is an important contributor.

The ambition to reduce our negative impact on the environment is stipulated as a key objective in the Environmental Policy. The targets for our own carbon footprint underpin this objective. Achieving these targets largely depends on our ability to reduce the indirect impact from our own operations. Engaging with our suppliers is a prerequisite here. Through the Sustainability Code of Conduct for Suppliers (see section 4.1.1.1), we ensure that our suppliers support our climate-related objectives.
Climate-related targets related to our own carbon footprint are set in collaboration with stakeholders in our core countries. All of our environmental targets have been reviewed and approved by the ISB and ExCo and endorsed by the Board.

Own carbon footprint	Base year	Unit	Base year value	2024	Target year	Target value	Progress in line with target?
CO_2e emissions from own operations	2015	tCO_2e	170 735	53 934	2030	34 147	Yes
% change			-	*-68%*		*-80%*	*Yes*
Renewable electricity in % of purchased electricity	-		100%	100%	2030	100%	Yes

The GHG Protocol Corporate Standard serves as the basis for determining the scope of the GHG emissions reduction targets for our own carbon footprint. The target for CO_2e emissions includes our Scope 1 and 2 emissions as well as a selection of Scope 3 emission categories. The selected Scope 3 GHG emissions include the indirect emissions from purchased goods and services (category 1), waste generated (category 5), business travel (category 6) and employee commuting (category 7), categories over which we have direct operational control and which we can use to raise awareness amongst staff. This is in line with the Scope 3 categories included in our GHG emissions inventory as described in section 2.2.3.2. Our GHG emissions inventory as well as our GHG reduction targets cover the following greenhouse gases: CO_2, CH_4, N_2O, PFC's, HFC's, SF_6 and NF_3. With respect to the scope of entities covered by the targets, we note that they do not fully cover the scope of our GHG inventory. The targets for our own carbon footprint cover all entities included in our financial consolidation to the extent that they operate within our bank-insurance business context, whereas our GHG inventory also includes entities that are not fully consolidated and entities with activities that are not related to our bank-insurance business context.

In 2023, we put a Recalculation Policy in place for both our own carbon footprint as well as for our loan portfolio climate targets. The procedure is based on the Greenhouse Gas Protocol. In general, we aim for continuity in the baselines we use to assess the direct and indirect greenhouse gas emissions targets. Three situations can possibly trigger a base-year recalculation:
- Structural non-organic changes via acquisitions, divestures or mergers;
- Calculation methodology changes, including changes in the assumptions used;
- The discovery of data, calculation or methodological errors.

Improvements in data quality are not part of our recalculation criteria. An evaluation to recalculate the base year is triggered if the assessment shows that the cumulative effect(s) of these three situations in scope exceed(s) a threshold of 5% change versus the actuals of a KPI. The Recalculation Policy is described in section 2.2.2.1.

For financial year 2024, there were some small changes in the underlying measurement methodologies related to our own carbon footprint (see section 2.2.3.2.1 for more details). Since the combined impact of these changes was below our recalculation threshold, no restatement of the target or recalculation of the previous year's figures was needed.

The GHG emissions reduction target for our own carbon footprint is set using a bottom-up approach gathering feedback from the core countries on their current decarbonisation approach and their expectations. It has been tightened over the years, reflecting the progress we have made and is set, since 2020, at −80% by 2030 (i.e. an annual linear reduction rate of 5.33%). For the calculation and monitoring of the target, Scope 2 market-based emissions are considered. Furthermore, this target is combined with a commitment to offset all our remaining own emissions as from 2021, as described in section 2.2.3.3. This ambition is aligned with the CDP technical note on science-based targets, which states that GHG emissions reduction targets need to meet a minimum annual linear reduction rate of 4.2% to be considered 1.5°C-aligned.

Our objective to reach 100% renewable electricity consumption in own operations by 2030 underpins our GHG emissions reduction targets. To determine the share of renewable electricity consumption in our own operations, we follow the same methodology and reporting process as the calculation of our own carbon footprint (see section 2.2.3.2.1), relying on consumption data collected from the local subsidiaries in the core countries.

We monitor the progress on our targets on a yearly basis and received a reasonable assurance on our disclosed target metrics since 2016. Despite some slowdown in the reduction rate over the past two years, we are still well on track for our target. The efforts to make our buildings more energy efficient and to electrify our company-owned fleet are starting to bear fruit, but we still have some way to go to reduce emissions from commuter travel.

Loan and lease portfolio targets (2.2.3.1.2)

The environmental targets set on our lending portfolios must be understood in the overarching context of KBC's commitment to align our activities with the Paris Agreement goal of limiting global warming to well below 2°C, striving for 1.5°C. Under our Sustainability Policy Framework, we have set up sectoral policies detailing our stance on activities with a harmful impact on the environment, human rights and other sustainability-related issues. The objectives and criteria formulated in our policies underpin the achievement of our GHG emissions reduction targets, as described in the table below, specifically the ban on financing certain fossil fuel activities and our stringent lending criteria for steel, cement and aluminium producers. These policies are applicable to all of our business units, consistent with the scope of our climate targets and our financial accounting consolidation. For more detailed information on our climate-related policies, see section 2.2.2.1.

All of our environmental targets (including non-GHG emissions reduction targets) have been reviewed and approved by the ISB, ExCo and endorsed by the Board. Furthermore, we have consulted with all core countries to define our loan portfolio projections (see below in the description of our target-setting approach). These projections include estimates on the growth of our portfolio and consider the local regulatory landscape that was in place at the time we set our targets. Our targets therefore depend to a large extent on timely governmental action and also reflect the engagement with our clients, especially in sectors with a limited number of highly emitting counterparties such as steel, cement and aluminium.

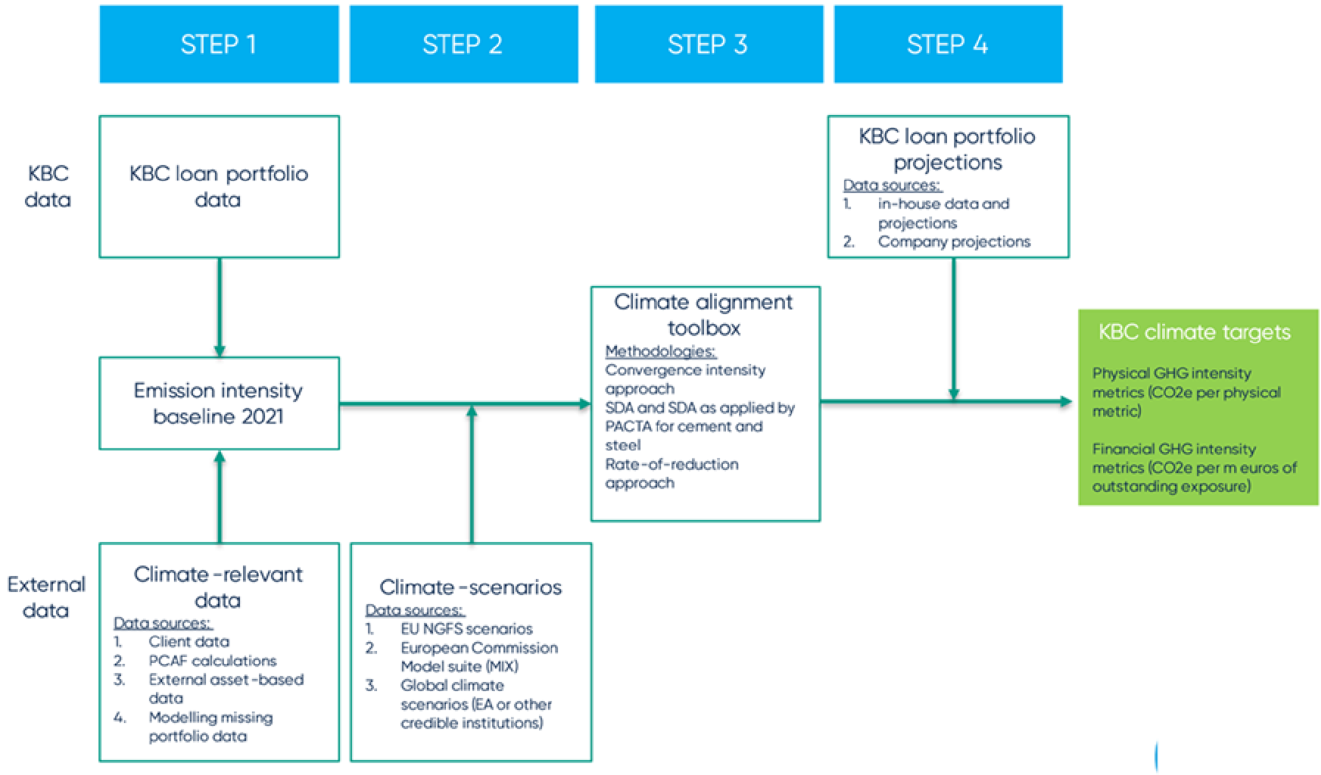
Overview of the climate-related targets for our loan and lease portfolios	Target based on granted or outstanding loan exposure	Base year	Unit	Base year value	2024	2030 Target	2050 Target	Progress in line with target?[3]
Thermal coal								
Direct exposure	Granted	2016	m euros	16	0	0	0	Yes
Energy								
Share of renewables in total energy loan portfolio (excluding transmission and distribution)	Granted	2021	%	63%	67%	75%	-	Yes
Electricity – GHG intensity[1]	Outstanding	2021	kg CO_2e / MWh	210	93	127	49	Yes
% change		2021	%	-	-56%	-39%	-77%	
Energy whole sector – GHG intensity[2]	Outstanding	2021	t CO_2e / m euros	453	265	300	82	Yes
% change		2021	%	-	-42%	-34%	-82%	
Real estate								
Residential real estate – GHG intensity[2]	Outstanding	2021	kg CO_2e / m²	50	45	29	7	No
% change		2021	%	-	-10%	-43%	-85%	
Real estate (whole sector) – GHG intensity[2]	Outstanding	2021	t CO_2e / m euros	27	23	17	8	Yes
% change		2021	%	-	-15%	-38%	-72%	
Agriculture								
GHG intensity[2]	Outstanding	2021	t CO_2e / m euros	1405	1059	1103	934	Yes
% change		2021	%	-	-25%	-21%	-34%	
Transport								
Passenger car loan and financial leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	139	124	81	0	Yes
% change		2021	%	-	-11%	-42%	-100%	
Light commercial vehicle loan and financial leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	208	205	145	33	Yes
% change		2021	%	-	-1%	-30%	-84%	
Passenger car operational leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	133	77	25	0	Yes
% change		2021	%	-	-42%	-81%	-100%	
Light commercial vehicle operational leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	196	186	132	19	Yes
% change		2021	%	-	-5%	-33%	-90%	
Cement								
GHG intensity[2]	Granted	2021	t CO_2e / t cement	0.69	0.62	0.58	0.22	Yes
% change		2021	%	-	-9%	-16%	-68%	
Steel								
GHG intensity[2]	Granted	2021	t CO_2e / t steel	1.34	1.50	1.15	0.59	No
% change		2021	%	-	+12%	-14%	-56%	
Aluminium								
GHG intensity[2]	Granted	2021	t CO_2e / t aluminium	0.59	0.21	Stay well below the global sectoral intensity climate benchmark		Yes
% change		2021	%	-	-63%			

[1] Includes Scope 1 emissions
[2] Includes Scope 1 and 2 emissions
[3] We measure this by comparing the 2024 values against the values of the KBC portfolio-specific and scenario-based sectoral decarbonisation pathways (KBC benchmark value) for that same year. 'Yes' reflects either of the following options: the target is reached, the progress is at or below our target level, or the value is not more than 5% above our 2024 benchmark value. 'No' reflects that the value is more than 5% above our 2024 benchmark value. The table shows rounded figures, but the delta between 2024 measurements and benchmark values, as well as the resulting progress statement, are based on unrounded calculations.

We note that our GHG emissions reduction targets are not expressed in absolute GHG reductions. Instead, we use sector-specific carbon intensity metrics since we believe this is the most effective way to guide and track the decarbonisation efforts in our diverse loan and lease portfolios. The GHG emissions reduction targets for our lending portfolios cover the Scope 1 and, if applicable, the Scope 2 GHG emissions of the borrowers (as indicated in the table). The Scope 3 GHG emissions of our borrowers are not included in the target boundaries. Consistency of our targets with our inventory boundaries is ensured by the fact that we apply standard calculation methodologies as provided by the PCAF global standard and underlying data sources (client data, PACTA, PCAF emission factors). In addition, as described under 2.2.3.1.1, the Recalculation Policy applies to our loan portfolio to safeguard this consistency.

Calculating and setting climate-relevant targets requires a very diverse set of tools. This section aims to provide transparency about our target-setting approach for our lending portfolio and outlines their main conceptual building blocks.

Scenario-based GHG emissions reduction targets



As part of our engagement in the Collective Commitment to Climate Action (CCCA), we have set GHG emissions reduction targets for our lending portfolios, following the UNEP FI guidelines. These require the application of widely accepted science-based decarbonisation scenarios in line with the temperature goals of the Paris Agreement. Building on these requirements, we developed a four-step approach for science-based target setting, as outlined below:

- Step 1: we combined our loan portfolio data with climate-relevant data for each sector, thereby calculating portfolio CO_2e intensity metrics, either related to physical units (e.g., $kgCO_2e/MWh$, m^2, ton) or, where such data was not available, financial units (e.g., $tCO_2e/mEUR$ outstanding exposure). This calculation allowed us to determine the baseline values for our targets which were set for the base year 2021.
- Step 2: we selected the relevant climate scenarios from which the decarbonisation pathways of our loan portfolios could be deducted. In accordance with our engagement in the CCCA, we ensured the climate scenarios' consistency with the well-below 2°C temperature goal with no/low overshoot as well as their scientific reliability and granular sectoral coverage. We also prioritised scenarios with regional specific pathways reflecting our prominent EU focus. Consequently, we used regional NGFS (Network for Greening the Financial System) climate scenarios, where available, and EU PRIMES model data (used to calculate the EU Commission Net Zero 2050 - MIX scenario) or global scenarios. Please note that, for benchmarking purposes, we performed the analyses on more than one set of scenarios and then selected the best suited ones. The final scenarios selected are included in the table below.
- Step 3: we selected the best suited target-setting methodology and alignment calculation approach for each portfolio. For physical intensity metrics, we followed the convergence intensity approach, also known as the Sectoral Decarbonisation Approach ('SDA', see table) whereby the CO_2e intensity of our portfolio needs to converge towards the sector intensity target by the end date specified in the scenario. For the agricultural sector, where we selected a financial carbon intensity metric, we used the rate-of-reduction approach, which consists in applying the sectoral emission reduction rates relevant to the sector.
- Step 4: we projected the evolution of the relevant portfolios by combining in-house expert-based input (e.g., by incorporating redistribution effects on specific asset classes or estimated portfolio effects of government policies), company projections (i.e. by incorporating the implementation of public climate commitments taken on by companies in our portfolio) and our own proposed actions (i.e. focusing on stimulating positive evolutions, limiting negative impacts or a combination of both). This allowed us to assess the future alignment of our portfolios with the respective normative climate scenario benchmarks.

Non-scenario-based GHG emissions reduction targets

We have also defined 'partially science-based' targets for our loan portfolio, exclusively monitored through financial carbon intensity metrics. These targets are derived from the level of ambition of our science-based targets described above and, hence, are not directly based on forward-looking scenario-based benchmark constructions:

- Energy (whole sector), expressed in $tCO_2e/mEUR$ outstanding loan exposure;
- Commercial real estate and mortgages (whole sector excluding pure commercial development), expressed in $tCO_2e/mEUR$ outstanding.

Other targets

We have set two specific environmental targets related to our energy loan portfolio:

- A phase-out target for direct thermal coal-related activities (thus including electricity generation, district heating and mining), which was set in 2016 and achieved in 2023. The target was measured in absolute financial exposure value (millions of EUR granted). This target is aligned with the International Energy Agency (IEA) Net Zero Emissions by 2050 which requires a full phase-out of unabated coal by 2040.
- A target for the share of renewable energy in our total energy loan portfolio, which was set in 2021 and is measured as a percentage of our total energy loan portfolio (excluding transmission and distribution). This target is not science-based and does not rely on scientific climate scenarios.

Target-setting methodologies, significant assumptions and scientific evidence

White Paper sectors	(Sub)sector/product line within the scope of target setting		Measurement unit	Based on conclusive scientific evidence	Institution	Scenario reference/ name	Policy ambition	Target-setting method	Is the target externally assured?	Financed emissions in scope (in Mt CO_2e)	PCAF DQ score[1]
Energy	Full exit from direct thermal coal-related financing		Millions of EUR granted	Yes	IEA	Net Zero 2050	1.5°C	-	-	-	-
	Share of renewables in total energy loan portfolio (excluding transmission and distribution)		%	No	-	-	-	-	-	-	-
	Energy (whole sector)		tCO_2e/millions of EUR outstanding	Yes	-	-	-	-	No	1 326 299*	3.5
	Electricity		$kgCO_2e$/MWh	Yes	NGFS (phase 2)	Below 2°C	1.7°C	SDA	No	913 570	2.6
Real Estate[2]	Commercial real estate and mortgages (whole sector excl. pure commercial development)		tCO_2e/millions of EUR outstanding	Yes	-	-	-	-	No	1 985 288*	3.0
	Mortgages and commercial residential real estate		$kgCO_2e/m^2$/year	Yes	NGFS (phase 2)	Below 2°C	1.7°C	SDA	No	1 566 010*	3.0
Transport	Vehicle loans and financial lease	Passenger cars	gCO_2/km	Yes	European Commission	MIX (based on the EU PRIMES model)	Net Zero 2050 (i.e. 1.5°C-aligned)	SDA	No	249 696**	3.4
		Light commercial vehicles		Yes						119 305**	3.6
	Vehicle operational lease	Passenger cars		Yes						101 319**	1.0
		Light commercial vehicles		Yes						21 775**	1.1
Agriculture	Agriculture (whole sector)		tCO_2e/millions of EUR outstanding	Yes	NGFS (phase 2)	Below 2°C	1.7°C	Rate-of-reduction approach	No	5 497 085*	4.9
Building and construction	Cement producers		tCO_2e/t cement	Yes	IEA	ETP 2020 SDS	1.7°C	SDA	No	64 180*	3.2
Metals	Steel producers		tCO_2e/t steel	Yes	IEA	ETP 2020 SDS	1.7°C	SDA	No	360 058*	2.8
	Aluminium producers		tCO_2e/t aluminium	Yes	TPI***	Below 2°C	<2°C	SDA	No	7 929*	1.4

1 Data quality score of the target scope emissions only, i.e. Scope 1 or Scope 1 + 2. The PCAF data quality score ranges from 1 (highest score) to 5 (lowest score). Refer to section 2.2.3.2.2 for more information.

2 'Due to limitations in available information for all underlying financed assets we rely on our existing calculation approach of financed emission and KPIs for real estate (as referenced further under Section 2.2.3.2.2) which comes with a high level of uncertainty. The emission factors have been kept identical to those used in the baseline calculation. We invested in the platform and calculation methods and will refine our calculations and update our emission factors in the 2025 disclosures.

* Comprises Scope 1 and 2.

** Comprises Scope 1.

*** Transition Pathway Initiative

The metrics used to monitor our targets are based, to the extent possible, on actual financing (i.e. outstanding loan exposure) in order to reflect the actual climate impact of our portfolio. The only exception to this general rule relates to cement, steel and aluminium producers which, compared to the other sectors, are much smaller portfolios limited to a handful of counterparties. To avoid large fluctuations in our target monitoring, it was decided to base targets on granted loan exposure.

For financial year 2024, there are no changes in targets and corresponding metrics or underlying measurement methodologies related to our loan and lease portfolios. Accordingly, no recalculation of baseline values was triggered by our Recalculation Policy. We monitor the progress on our targets on a yearly basis and received a limited assurance on our disclosed target metrics since 2021. Furthermore, following the UNEP FI guidelines on climate target setting, we will review our targets at least every five years.

Below we summarise our performance against the disclosed targets for the aforementioned sectors and product lines:

- Energy: the GHG emission intensity of our electricity portfolio decreased by 56% since base year 2021. There are three reasons for this large decrease. Firstly, we financed new renewable energy assets. Secondly, existing renewable energy assets became operational as of this year, which means that the attribution of their zero emissions is now included in the calculation. Thirdly, we decreased our exposure to fossil-fuel-based power production, including through the accelerated wind-down of two of our international legacy files.
  The financed emission intensity of our overall energy portfolio decreased by 42% compared to our 2021 baseline. This decrease was mainly driven by the above-mentioned reduction in financed emissions within our electricity portfolio. Additionally, most countries are decreasing their exposure to the upstream oil and gas sub-sector. They are also shifting their exposure in this sector to lower-emission activities such as the storage, transmission and distribution of oil, gas and electricity.
  This positive evolution in our energy-related climate targets should be considered and evaluated with care. We remain committed to supporting the energy transition plans in our home countries. Subsequently, there may be volatility in our energy target progress over the course of the next few years. Our efforts regarding the 2030 target values will remain unaffected.
  Lastly, the share of renewable financing increased significantly to 67.5% of our total energy portfolio. This was driven by both a large increase in renewable energy loans and a (smaller) decrease in non-renewable loans in 2024. We are therefore on track again towards the 2030 target, though some volatility is possible along the way as country transition plans are reviewed as indicated above.
- Real estate: in 2024, the financed emission intensity of the overall real estate portfolio decreased by 15% compared to the 2021 baseline. This is largely explained by the 10% reduction in the emission intensity of the residential portion of the real estate portfolio. The main reason for the decrease in the emission intensity of the residential real estate portfolio is that newly granted mortgage loans had, on average, better EPC (Energy Performance Certificate) labels and lower habitable surface areas per million euros financed. Yet, despite this decrease, the residential real estate target itself is not yet fully in line with the 2024 KBC pathway value of 43 kg of CO_2e/m^2. However, we expect that a further decline can only be brought in line with the foreseen pathways if the governments also provide the necessary incentives and measures.
- Vehicle loans/financial lease and operational lease: the emission intensity of our passenger car portfolio is structurally decreasing compared to our base year 2021. The biggest decrease is in our operational lease portfolio, where we recorded a reduction of 42% compared to our base year 2021. We observe different speeds of electric vehicle (EV) adoption across the countries where KBC operates. Nevertheless, the majority of all new vehicles financed by KBC are EVs. This is in line with our 2030 targets. In the light commercial vehicle portfolio this decrease is more gradual (-5% compared to base year 2021) and mainly due to slow expansion of the availability of electrified vans.
- Agriculture: the financed emission intensity of the sector dropped significantly. Each year's progress measurement is based on measurements performed using the PCAF Global Standard. For this year's measurement, there are several factors that contributed to the overall portfolio evolution, including implementation effects of the PCAF Global Standard itself (such as an update and inflation adjustment of emission factors), portfolio evolutions, and improvements in emission data quality levels. Notwithstanding these data quality improvements, we emphasise that we remain confronted with overall lower quality levels of our measurements as reflected through our PCAF quality level scoring. Also, actual inflation does not necessarily coincide with inflation assumptions considered at the time we set the targets. Any potential reviews of our targets will be in observance of the experience acquired with the aforementioned measurement observations.
- Cement: the cement sector is one of the hard-to-abate industries, but despite this we note a first decrease in our portfolio emission intensity. This decrease is a combined result of our investments in better data quality (in turn leading to improved accuracy of our calculations) as well as the fact that one of the largest clients in our cement portfolio showed an improved emission intensity compared to last year. This improvement is an embodiment of this company’s public commitment to decarbonise its cement-producing activities, which has set out a decarbonisation strategy to support its target implementation. The progress made in 2024 reflects this evolution.
- Steel: our steel portfolio progress assessment showed an increased emission intensity compared to the 2021 baseline. Due to our portfolio being significantly concentrated on one major corporate group, the emission intensity of this entity remains a crucial determinant of the overall portfolio's emission intensity. This corporate group has implemented a net-zero action plan, which includes a steel production technology roadmap and associated capital expenditure impacts. Engagement discussions are ongoing to support them in their overall transition journey. While this commitment is reassuring, it is important to note that the targets we expressed in our 2022 Climate Report were aligned with the climate plans of the companies within the scope of our target. Therefore, any delays in these climate plans will inevitably impact the progress we make towards our target. Currently, there is a perceived delay in the critical capital expenditure plans of the company towards achieving net-zero steel production. We will continue to engage with our clients to support sustainability-linked investments as they navigate their significant transition challenges.
- Aluminium: our calculated carbon emission intensity of our aluminium portfolio is far lower than that of the global market. In 2024, our already low t CO_2e emissions per aluminium production decreased even further. While this evolution was entirely due to an improvement in the quality of the underlying client data used, it still solidifies the limited indirect climate impact of this portfolio and the dedication to staying well below the global emission intensity level of the sector.

Asset management activities (2.2.3.1.3)

For our asset management activities, we also set and monitor climate-related targets. The main objective of climate-related targets in this context is to redirect more (client) money towards responsible investing. In this regard, we note that the investment assets for unit-linked portfolios of clients of KBC Insurance and managed by KBC Asset Management are also included here. This supports our commitment to align our investing activities with the Paris Agreement, as outlined in our Environmental Policy.
The environmental targets for our asset management activities are set by KBC Asset Management and they have been reviewed and approved by the ISB and ExCo and endorsed by the Board.

Climate-related targets for asset management activities	Base year	Unit	Base year value	2024	2025 Target	2030 Target	Progress in line with target?
Share of RI funds in total DCM	2021	%	33%	44%[1]	45%	55%	Yes
Share of RI funds in total annual fund production (gross sales)	2021	%	55%	51%[1]	-	65%	Yes
Carbon intensity (Scope 1 + 2) of corporate investees in Responsible funds	2019	tCO_2e/million USD revenue	196	55[2]	-	98	Yes
% change	2019	%	-	-72%[2]	-	-50%	Yes

[1] Figure at end of fourth quarter of 2024
[2] Figure at end of third quarter of 2024

The targets related to the share of Responsible Investing funds cover DCM managed by KBC Asset Management and its subsidiaries. In this regard, we note that the RI funds focus on sustainability objectives beyond climate change mitigation. Considering our entire portfolio of RI funds, climate change mitigation is the most widely applied sustainability objective. For some funds, however, it is not the main sustainability-related focus.

Our target for carbon intensity of Responsible funds includes those RI funds for which carbon-related considerations are taken into account (for more details on the diversity of our RI funds, we refer to the Investment Policy for Responsible Investing funds in section 2.2.2.1). Within these RI funds, the target covers the Scope 1 and Scope 2 emissions from corporate investments, i.e. corporate bonds and equity, for which Trucost data is available (see section 2.2.3.2.2 for more information on our methodology). For all RI funds at least 90% of corporate investments are covered by GHG data. The funds-of-funds are not included in the indicator calculation to avoid double-counting. For the part not covered by the indicator, no data is currently available

It is worth mentioning that the representativeness of our 2019 baseline value is ensured since the calculation was based on benchmarks covering a wide scope of companies. Also, since the scope of the target is limited to investees' Scope 1 and Scope 2 emissions, insights on the progress are not affected by investees' Scope 3 emissions. The calculation of Scope 3 emissions is less standardised across companies, which would lead to more volatility and lower comparability.

The targets regarding the share of RI funds compared to the total DCM and the total gross sales, respectively, are calculated as such with no limitations or significant assumptions. The carbon intensity reduction target is inspired by the target set by the Net Zero Asset Managers Initiative. Hence, it is not based on conclusive scientific evidence.
For financial year 2024, there are no changes in targets and corresponding metrics or underlying measurement methodologies related to our investment portfolios.

In terms of monitoring, the targets related to the share of RI funds are calculated and followed up on a monthly basis. We are currently on track to achieve our targets. With regard to the target for the carbon intensity of corporate investees in the RI funds, we continuously monitor this as one of the ESG targets at portfolio level. The aggregated reduction target for asset management combines the specific targets of these funds under the assumption of a neutral asset allocation. The actual result is dependent on the asset allocation as well as on the GHG reductions achieved in the individual funds. We want to highlight that currently, the carbon intensity of our RI funds is already below the 2030 target. This is mainly driven by the fast implementation of the updated Investment Policy in 2021, which includes additional exclusion criteria regarding fossil fuels.

GHG emissions: gross Scope 1, 2, 3 and total emissions (2.2.3.2)

We calculate our direct and indirect carbon footprint in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Based on our Scope 1, 2 and 3 GHG emission calculations (for the definition of Scope 1, 2 and 3 emissions, we refer to section 2.2.3.1), the largest source of emissions results from our lending and investment activities, i.e. portfolio emissions, accounted under Scope 3 Category 15, 'Investments'. For KBC these sources account for more than 99% of reported Scope 1, 2 and 3 emissions. For our non-Category 15 Scope 3 emissions, we only report emission sources over which we have direct operational control and which we can use to create awareness amongst staff (i.e. business travel, commuter travel, paper and water consumption and waste generation), as shown in the table below:

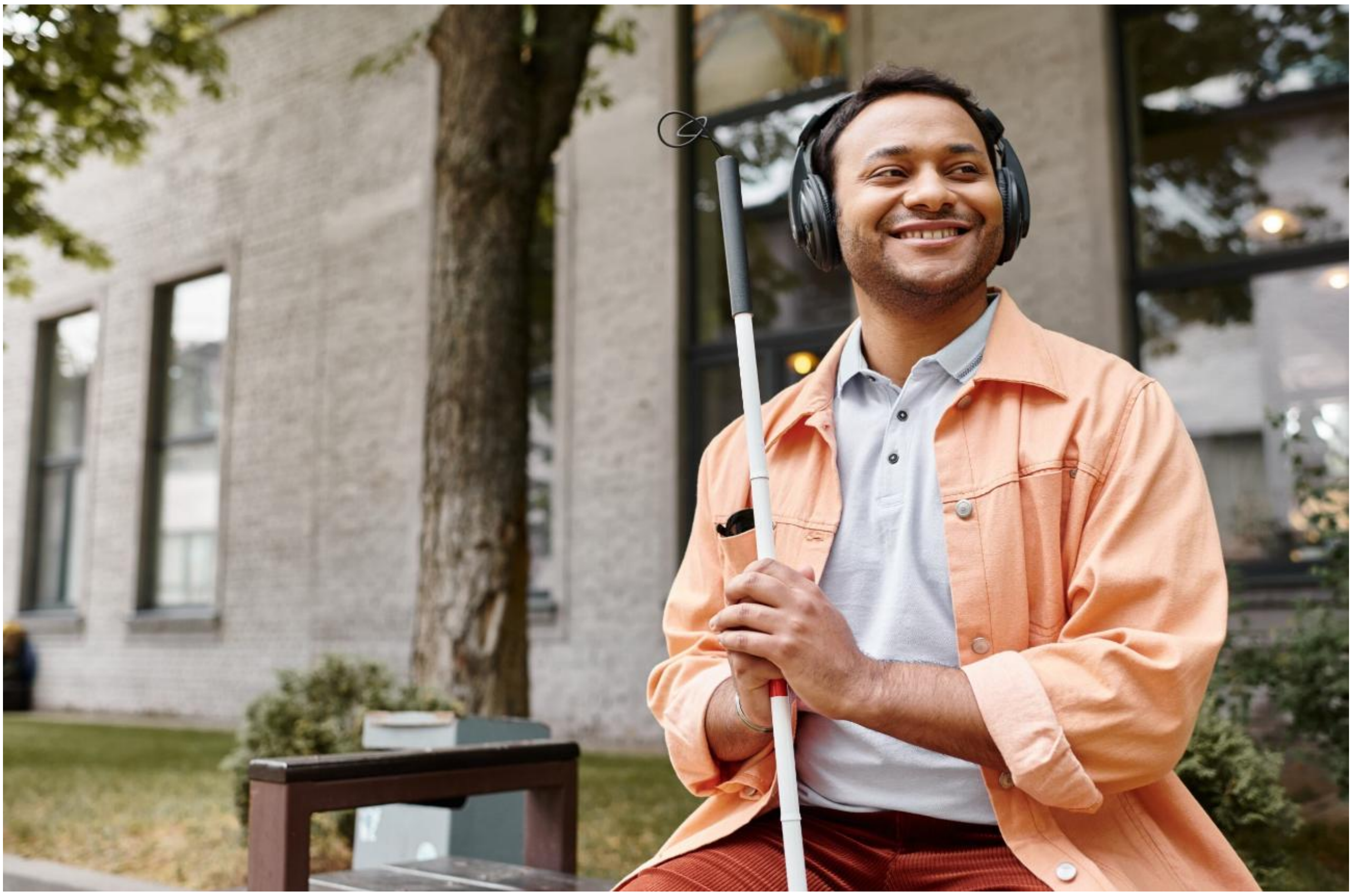
Source of GHG emissions	Scope and boundary of KBC GHG emissions
Upstream Scope 3	
Purchased goods and services (Category 1)	Includes emissions from paper and water consumption from all groupwide operations
Capital goods (Category 2)	Not relevant/material to KBC as a financial services company
Fuel- and energy-related activities (Category 3)	Not relevant/material to KBC as a financial services company
Upstream transportation and distribution (Category 4)	Not relevant/material to KBC as a financial services company
Waste generated in operations (Category 5)	Includes emissions from waste generation and waste processing of all groupwide operations
Business travel (Category 6)	Includes emissions from business travel by not-own fleet (vehicles, public transport and air travel) across all groupwide operations
Employee commuting (Category 7)	Includes emissions from employee commuting travel by not-own fleet (vehicles and public transport) across all groupwide operations
Upstream leased assets (Category 8)	Not relevant/material to KBC as a financial services company
Downstream Scope 3	
Downstream transportation and distribution (Category 9)	Not relevant/material to KBC as a financial services company
Processing of sold products (Category 10)	Not relevant/material to KBC as a financial services company
Use of sold products (Category 11)	Not relevant/material to KBC as a financial services company
End-of-life treatment of sold products (Category 12)	Not relevant/material to KBC as a financial services company
Downstream leased assets (Category 13)	Emissions from KBC's operational lease portfolio (Scope 1) included in Category 15
Franchises (Category 14)	Not relevant/material to KBC as a financial services company
Investments (Category 15)	Emissions from KBC's loan (Scope 1, 2 and 3) and lease (Scope 1) portfolio
	Emissions from KBC's bank sovereign bond portfolio (Scope 1 and 2)
Investments – optional (Category 15)	Emissions from KBC's asset management activities (Scope 1 and 2)

The table below provides an overview of our Scope 1, 2 and 3 GHG emissions. In 2024, we extended the scope of the entities for our own carbon footprint beyond the financial consolidation scope to also include entities over which KBC has operational control. For Scope 1 and 2 emissions, we provide the distinction between GHG emissions related to KBC (financial consolidation scope) and GHG emissions related to other entities over which KBC has operational control. Our own carbon footprint is defined as the GHG emissions related to Scope 1, Scope 2 and a selection of Scope 3 emissions sources over which we have direct operational control (i.e. business travel, commuter travel, paper and water consumption and waste generation).

Scope 3 Category 15 covers our loan portfolio. This category is further broken down into emissions related to White Paper sectors (defined in section 2.2.1.1) and emissions related to other sectors. In addition to the indirect emissions from our lending business, Scope 3 Category 15 also includes indirect emissions stemming from our asset management activities and the sovereign bond portfolio of KBC Bank. However, the corresponding absolute GHG emissions for our investment portfolios are not included in the table since absolute GHG emissions are not available at the reporting date. Instead, we separately provide carbon intensities for these components. The GHG intensity data cover more than 97% of these corporate and sovereign investments.

We do not calculate emissions for our non-financial assets (except for assets included in our own emissions calculations (see section 2.2.3.2.1)). For an overview of KBC's assets, we refer to the Consolidated balance sheet included in the Consolidated financial statements of this annual report.

As a general remark, we note that the GHG emissions shown in the table are not available at year-end. The figures shown are as at 30 September, which we consider to be a good proxy for the end-of-year figures.



			Milestones and target years[1]				
GHG emissions	**Base year**	**Comparative**	**2024**	**2025**	**2030**	**(2050)**	**Annual % target / Base year**
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO_2e)	-	-	21 082	-	-	-	-
Of which KBC Bank consolidated	-	-	21 035	-	-	-	-
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control		-	47	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	0%	-	-	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO_2e)	-	-	28 597	-	-	-	-
Of which KBC Bank consolidated	-	-	28 454	-	-	-	-
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control		-	143	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO_2e)	-	-	3 445	-	-	-	-
Of which KBC Bank consolidated	-	-	3 401	-	-	-	-
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control		-	44	-	-	-	-
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	-	-	45 818 995	-	-	-	-
1 Purchased goods and services	-	-	1 140	-	-	-	-
2 Capital goods	-	-	-	-	-	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	-	-	-	-	-	-
4 Upstream transportation and distribution	-	-	-	-	-	-	-
5 Waste generated in operations	-	-	679	-	-	-	-
6 Business travelling	-	-	3 079	-	-	-	-
7 Employee commuting	-	-	12 703	-	-	-	-
8 Upstream leased assets	-	-	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-
11 Use of sold products	-	-	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-	-	-
13 Downstream leased assets	Included in 15 Investments (Of which White Paper sectors & product lines)						
14 Franchises	-	-	-	-	-	-	-
15 Investments[2]	-	-	45 801 394	-	-	-	-
Of which White Paper sectors & product lines[3]	-	-	26 822 564	-	-	-	-
Of which remaining sectors[4]	-	-	18 978 830	-	-	-	-
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2e)	-	-	45 868 674	-	-	-	-
Total GHG emissions (market-based) (tCO_2e)	-		45 843 522	-	-	-	-
Emission intensities from our asset management activities							
Investments in corporates (in tCO_2e/million USD revenue)	-		58	-	-	-	-
Investments in sovereigns (in tCO_2e/million USD of GDP)[5]	-		532	-	-	-	-
Emission intensities from the sovereign bond portfolio of KBC Bank							
Investments in sovereigns (in tCO_2e/million USD of GDP)[5]	-		623	-	-	-	-

[1] Please note that the scope of the GHG emissions in this table differs from the scope of our GHG emissions reduction targets. We refer to section 2.2.3.1 for more information on our GHG emissions reduction targets, including a description of the scope for each target. For this reason, the columns related to targets could not be completed.
[2] The figure in column '2024' represents the total of financed Scope 1 (13 737 745 tCO2e), Scope 2 (1 970 149 tCO2e) and Scope 3 (30 093 500 tCO2e) emissions. Please note that this figure also includes operational leasing, which is not included in the scope of loan book reporting. Financed emissions associated with vehicle financing are double-counted due to vehicle loans granted in sectors for which separate financed emission calculations are made. Also, for an approximate 5% of the outstanding loan book, no PCAF calculation could be made.
[3] The figure in column '2024' represents the total of financed Scope 1 (11 621 420 tCO2e), Scope 2 (707 081 tCO2e) and Scope 3 (14 494 063 tCO2e) emissions. Calculations are made using the PCAF Global Standard Part A. There are varying underlying data quality levels for our financed emissions which are expressed in a data quality score (more information in Section 2.2.3.2.2 of this report). The following PCAF quality scores apply for our White Paper sectors: Agriculture ('4.9'), Building & Construction ('3.7' for Cement, '5.0' for the remaining part), Energy ('4.7' for Oil & Gas, '4.7' for Transmission & Distribution, '3.8' for Electricity and '5.0' for Energy Traders), Real Estate ('3.0' for mortgages and '3.4' for Commercial Real Estate), Food & Beverages ('5.0'), Metals ('2.6' for Steel, '3.6' for Aluminium and '5.0' for the remaining part), vehicle financing financial lease and loans ('3.4'), vehicle financing operational lease ('1.0'), Automotive ('5.0'), Shipping ('5.0'), Aviation ('5.0') and Chemicals ('5.0').
[4] The figure in column '2024' represents the total of financed Scope 1 (2 116 325 tCO2e), Scope 2 (1 263 068 tCO2e) and Scope 3 (15 599 437 tCO2e) emissions. Calculations are made using the PCAF Global Standard Part A. The overall data quality score is '5.0'. See Section 2.2.3.2.2 of this report for more information.
[5] Please note that the most recent year of GHG data of countries is modelled by our data provider Trucost (S&P) due to a time lag of one year on sovereign reported data. We calculated the weighted GHG intensity of the sovereign bond portfolio including updated imported emissions received in November 2024.

Own carbon footprint (2.2.3.2.1)

The calculation of the GHG emissions linked to our operational perimeter follows the GHG Protocol Corporate Accounting and Reporting Standard. We collect primary activity data of emission sources from each core country and account for 100% of the emissions from activities over which we have operational control. The percentage of emissions calculated using primary data is above 98%.

For Scope 1 and 2 GHG emissions, we apply the hybrid calculation method. We use supplier-specific emission factors where available, and standard emission factors from the IEA, Reliable Disclosure and the Association of Issuing Bodies, Department for Energy Security & Net Zero and KBC-specific emission factors as a fall-back option.
For the Scope 3 emissions related to our own operations, we use the average-data method for Categories 1, 5, 6 and 7. These categories are not material in KBC's footprint, but are mainly measured and tracked to raise awareness amongst staff on emissions sources over which we have operational control. Data is gathered for all operations in KBC.

For financial year 2024, there were some small changes in the measurement methodologies related to our GHG inventory:
- We started using net calorific value emission factors for fuel consumption, instead of gross calorific emission factors.
- We started reporting emissions for water supply under Scope 3 Category 1 (before: Scope 3 Category 5). Emissions for water treatment are still reported under Scope 3 Category 5.
- We changed our extrapolation logic for smaller subsidiaries (<100 FTE). Where before, we only used Full-Time Equivalent (FTE) as a parameter to extrapolate emissions, we now use FTE for transport-related emissions and floor area for building-related emissions. The amount of extrapolated emissions account for less than 2% of our total emissions.

Besides the Scope 1, 2 and 3 emissions related to our own carbon footprint, we also use the intensity metric shown in the table below to monitor the impact of our own operations.

Own carbon footprint	Unit	2024
GHG intensity per FTE	t CO_2e / FTE	1.49

This metric is calculated based on the total of Scope 1, Scope 2 (market-based) and Scope 3 own emissions. The metric has not been validated by an external body other than the assurance provider.

For 2024, we assume the share of contractual instruments used for the sale and purchase of energy of KBC Bank is similar to the one of KBC Group, being 87.7%. The types of contractual instruments used for the sale and purchase of energy for KBC Group are as follows:
- Energy attribute certificates: 2.2%
- Energy attribute certificates or contracts: 85.6%
- Supplier emission rates: 0.0%

This metric considers all purchased energy reported under Scope 2: electricity, heating, steam, cooling.

Financed emissions (2.2.3.2.2)

This section describes the calculation methodologies for our Scope 3 Category 15 financed emissions. The approach for our lending-related emissions differs from the approach for emissions linked to our investing activities.

Loan and lease portfolios

Calculating our financed emissions allows us to track performance against the targets we have set on our lending portfolios (see section 2.2.3.1) and to evaluate the effectiveness of our climate-change mitigation actions. This also helps us meet the reporting requirements from regulators and supervisors. We measure the financed emissions for our loan portfolio if and when calculation methods and/or data are available. As a result, for 4.6% of our loan portfolio no associated financed emissions could be calculated. For a definition and end-of-year figures of our 'loan portfolio', we refer to the 'Glossary of financial ratios and terms' section in this annual report. Our emission calculations are based on loan portfolio figures as at 30 September 2024, which are in line with the end-of-year figures.

For that measurement, we describe below the methodologies, assumptions and emission factors used for:
- Parts of the loan portfolio for which targets have been set (see section 2.2.3.1; further referred to as 'target sectors');
- Parts of the loan portfolio for which no targets have been set (referred to as 'non-target sectors' below).

As part of our Sustainable Finance Programme, we identified the most carbon-intensive sectors and product lines in our lending portfolios. To this end, we performed strategic assessments of sectors with the largest climate impact because of the nature of the activities (carbon-intensive industrial sectors) and took into account the size of our exposure to that sector. For each of the identified sectors, we assessed the environmental impacts, dependencies and associated risks and opportunities. All of these assessments were compiled in our White Papers. This was done for eight industry sectors (energy, commercial real estate, agriculture, food production, building and construction, chemicals, transport and metals), and the three most impactful product lines (mortgages, car loans and car leasing) in our portfolios.

We calculate the financed emissions related to our lending business based on GHG emissions data collected from our counterparties. For clients for which we do not have GHG emissions information, we fall back on the sector asset-based PCAF emission factors (secondary information, following the data quality hierarchy of PCAF). The percentage of emissions calculated using primary data is 2.6%. For all of our calculations, we follow the PCAF guidance as closely as possible. The quality of the financed emission calculation is reflected in a dedicated PCAF data quality score ranging from ‘1’ – highest – to ‘5’ – lowest). The PCAF quality score cards can be consulted in the PCAF Global Standard. Through our Data and Metrics programme we invest and have invested structurally over the years to build data gathering, calculation and reporting capabilities to support the ESG disclosures. Our main data collection and calculation platform for our loan portfolio GHG emissions is/will be also used for financial, risk and treasury reports; as such, the ESG reporting benefits from that infrastructure with embedded data quality management, master data management, reconciliation processes, security, archiving etc. Real estate is the only target sector for which the reporting remains outside the platform now. The programme endeavours to deliver the calculations aligned with PCAF through the platform to be ready for reporting over 2025.

<u>Target sectors</u>

Our White Papers include, but are broader than, our target sectors and sub-sectors (as disclosed under 2.2.3.1), for which we have developed detailed GHG emissions calculation methodologies at asset level. These methodologies take into account the data availability, the heterogeneity of the financed sectors and the relevance for our business. In line with the PCAF Global Standard, our financed emission calculations are based on actual financing (i.e. outstanding loan exposure) in order to reflect the actual climate impact of our portfolio. For some of our climate lending target metrics we use more appropriate (portfolio) weighted calculation methods to reflect the associated portfolios’ climate impacts. This approach is followed in cases where either the numerator of the emission intensity metric has too high a level of uncertainty or where the metric is related to committed loan exposure and not to actual financing. In such a case, the metric would become ineffective for management purposes. E.g., for our vehicle financing targets we decided to calculate the climate impact of the portfolios by calculating the average CO_2 emission intensity based on the emission intensity of the underlying vehicles financed rather than basing our calculations on financed activity (kilometres driven, i.e. information which for the largest part of our portfolio is unavailable). E.g., for our cement, steel and aluminium producers loan portfolios, the portfolio emission intensity is based on the loan-weighted emission intensity of the underlying companies financed. For these three concentrated sectors, it was decided to calculate the metrics on granted loan exposure to avoid large fluctuations in our target monitoring.

PCAF methodology
We use the PCAF methodology to calculate the financed emissions metrics for most of our target sectors. Please note that, while our target metrics only include Scope 1 and Scope 2 GHG emissions of the borrowers, we do separately calculate the Scope 1, 2 and 3 GHG emissions of our borrowers following the PCAF standard. At this stage, where client-specific GHG emissions data is not available, we use PCAF emission factors. We apply the most recent emission factors published by PCAF, version of March 2024. Exceptions are the real estate sector which uses the PCAF emission factor database version of March 2021 and the Energy sector which uses the PCAF emission factor database version of March 2022. These exceptions are due to technical reasons. Please note as a general remark that we apply the inflation correction formula recommended by PCAF to all our calculations where PCAF emission factors are used.

The PCAF methodology boils down to the following formula:

$$Financed\ emission = \sum_i Attribution\ factor_i \times Emissions_i \ \rightarrow Attribution\ factor_i = \frac{Outstanding\ amount_i}{Total\ equity + debt_i}$$
$$with\ i = borrower\ or\ investor$$

For the residential real estate sector, an entity-specific methodology has been developed at portfolio level which uses PCAF variables (e.g., EPC emission factors), however these are not always calculated on the level of each individual financed asset. Approximations were necessary due to the fact that PCAF relies on a loan-by-loan/asset-by-asset approach, for which data was not available for large parts of our portfolio. In this sector, the complexity to gather asset-level data is driven by the very high number of individual counterparties. Hence, where no or insufficient data was available at asset level, we estimate the financed floor area by using expert-based m^2 market values. We then apply the relevant PCAF emission factor to estimate the GHG emissions intensity of the assets. The method used is to be considered as a reasonable proxy for PCAF, emphasising the uncertainty with regards to this statement. KBC will implement in the near future the necessary changes to its data infrastructure in the near future to enable full application of the PCAF methodology.

PACTA
For cement and steel manufacturers, we apply the PACTA methodology. This forward-looking, scenario-based methodology, combines loan book information (in our case the granted exposure) for the sectors in scope with company-specific physical Asset Level Data (ALD) to calculate portfolio technology profiles and emission intensities. Where client-specific emission intensity is available, we prefer this data over the ALD PACTA dataset. We have been reporting using the PACTA methodology since 2019. We consider the PACTA dataset and methodology as a reliable source: the PACTA for Banks Methodology was developed by the 2° Investing Initiative together with 17 pilot banks and several non-governmental organisations (NGOs) and research institutions. The project is supported by the German Ministry for the Environment, Nature Conservation and Nuclear Safety and the EU Life programme.

Client data
For aluminium producers, the limited number of counterparties allows us to use client-specific data on GHG emissions intensity. For clients for which we do not have GHG emissions information, we fall back on the sector asset-based PCAF emission factors. We then apply the above outlined standard PCAF formula to calculate the financed emissions.

Non-target sectors

For the parts of our loan portfolio that are not covered by GHG emissions reduction targets, we apply a high-level, less detailed calculation methodology. This calculation method combines aggregated sector exposures with country-specific PCAF economic activity-based emission factors for that same aggregated sector (i.e. without further detailing the potential emission factor differences between the underlying subsectors).

Methodological limitations and data choices

The limitations of our calculation methodologies for the GHG emissions intensity metrics, as reported in section 2.2.3.1.2, mostly relate to data quality and availability issues. This is reflected in the PCAF data quality score, which we publish in addition to our target metric measurements. Following the PCAF methodology, we update the emission factors and proxies to align with market evolution. Furthermore, in our endeavour to increase the data quality and granularity of our GHG emissions calculation, we are working closely with our clients to improve the systematic collection of their reported GHG emissions. This will allow us to improve our overall PCAF data quality score, as we would be transitioning from sub-sector specific emission factors to asset/counterparty reported GHG emissions (i.e. PCAF data quality score 1 or 2). Given the breadth of our financing activities, we adopt a variety of methodologies to track and disclose the climate-related impact on, and of, our portfolios. The choice of the selected methodologies is driven by a combination of relevance and applicability for our business, as well as by data availability. If and when applicable where, given this context, we depart from the available market standards or data sources such as PCAF or PACTA, this is explicitly mentioned. We also apply different attribution approaches, especially for the real estate sector, due to differences in local data availability. Lastly, for the part of our portfolio not covered by our GHG emissions reduction targets, we apply PCAF's lowest data quality score for emission factors (score 5), which could lead to an overestimation of our financed emissions. The continuous improvement of our data quality scores may affect the outcomes of the calculations and artificially impact our GHG emissions performance, without being imputable to an improvement of our portfolio performance. We established a Recalculation Policy for our target metrics and direct footprint, which is further detailed in section 2.2.2.1 of this report. Improving our access to data also means that we are subsequently confronted with different sources of reported GHG emissions data. Hence, where data sources show different results for the same asset or counterparty, we engage with either the data provider, the client or both. This assessment helps us make informed decisions on the most suitable data source.

The metrics used for measuring and monitoring the carbon footprint of our loan portfolios are described in section 2.2.3.1.2. The methodology behind these metrics is largely described in the previous paragraphs. The carbon intensity metrics related to our loan portfolio have not been assured by an external party other than the assurance provider.

Asset management activities

This paragraph explains the methodologies used for measuring and monitoring the GHG emissions for our asset management activities. We calculate emissions for the DCM, Group Assets of KBC Insurance and KBC Pension Fund assets. This includes investment assets managed by KBC Asset Management for unit-linked portfolios of clients of KBC Insurance. We refer to section 2.2.3.1.3 for the related carbon intensity metrics used to monitor our progress.

For calculating the GHG emission intensities for our asset management activities, we distinguish between exposures to corporates and exposures to governments.
The carbon intensity metrics cover Scope 1 and 2 emissions of the corporate investees. Investees' Scope 3 emissions are excluded since these emissions are more volatile and less comparable across corporates. All data used for the calculation is obtained from the data provider Trucost, a subsidiary of S&P. Trucost in turn based approximately 12% of data inputs on exact values as disclosed by corporate investees (primary data).
For corporates, we calculate a weighted average GHG intensity based on investment exposure.
For sovereigns, we calculate GHG intensity as the sum of territorial and imported emissions, divided by Gross Domestic Product (GDP) in constant USD (i.e. inflation-adjusted). This provides insight into the GHG emissions of a country relative to its economic output.
The assessment of our government bond portfolio suggests that the GHG intensity of our aggregated portfolio is higher than the EMU benchmark (365 tCO_2e/million USD of GDP at the end of the third quarter of 2024). This outcome was expected due to high exposure to emerging market sovereigns and to countries with relatively higher GHG-intensity scores, such as Belgium, the Netherlands, Hungary and the Czech Republic.

Our carbon intensity metrics have not been assured by an external party other than the assurance provider. We note that the quality of our calculations depends to a great extent on the data quality of the GHG emissions data provided by Trucost. In this context, we performed checks on both Trucost's input data and methodology.

Sovereign bond portfolio of KBC Bank

In 2024, we calculated the GHG emission intensity of the own sovereign bond portfolio of KBC Bank for the first time. For the calculation, we used Trucost data and the same methodology as for the investments in sovereigns within our asset management activities. The intensity metric covers the entire sovereign bond portfolio of KBC Bank. Apart from the assurance provider, it has not been assured by an external party.

We note that the GHG intensity of the sovereign bond portfolio is higher than the EMU benchmark. This is driven by large exposures in our core countries and more specifically in Czech Republic and Belgium, which have relatively higher carbon intensities.

GHG intensity (2.2.3.2.3)

We have set a range of targets in terms of carbon intensity for our lending and investing activities. We measure and monitor our direct and indirect carbon footprint through various GHG intensity metrics. The way our intensity metrics are defined depends on the context in which they are applied:

- The carbon intensity metric we use for our own carbon footprint is expressed in terms of FTE (see section 2.2.3.2.1);
- Our sector-specific lending targets are expressed relative to sector-specific physical output metrics or relative to the financed monetary amount (see section 2.2.3.1.2);
- The carbon intensity targets for our investment portfolios are measured relative to the revenue of the underlying corporates and relative to the GDP of the underlying sovereigns (see section 2.2.3.1.3).

As a financial institution active in banking and asset management, we believe this is the most effective way to track our carbon impact. Given the structure and complexity of our organisation, we do not define and disclose a single total GHG intensity metric.

GHG removals and GHG mitigation projects financed through carbon credits (2.2.3.3)

The portion of our own footprint that cannot yet be eliminated is offset using carbon credits. In practice, we calculate our own emissions at the end of the year, then negotiate a contract based on the calculated volumes, and cancel these carbon credits at the beginning of the next year. This means that the amount of carbon credits cancelled in the reporting year is used to offset our own footprint of the year before. The total amount of carbon credits planned to be cancelled in 2025 is therefore not based on existing contractual agreements.
As the offsetting of emissions is done at group level, the numbers below also reflect those of KBC Group.

Emission reductions or removals (tonnes of CO2eq)

Amount of GHG emission reductions or removals from climate change mitigation projects outside our value chain we have financed in the reporting year 2024	56 000
Share from reduction projects (%)	90%
Share from removal projects (%)	10%
Share of removal projects from biogenic sinks (%)	100%
Share of removal projects from technological sinks (%)	0%
Share from Verra Carbon Standard (%)	100%
Share issued from projects in the EU (%)	0%
Share that qualifies as a corresponding adjustment under Article 6 of the Paris Agreement (%)	-
Total amount of carbon credits outside value chain that are verified against recognised quality standards and cancelled in the reporting year 2024	56 000
Amount of carbon credits planned to be cancelled in 2025	54 000

Since 2021, we have aimed to achieve net climate neutrality with respect to our own operations. We took three steps to achieve this goal: measure, reduce and offset. As described in ‘Own carbon footprint targets (2.2.3.1.1)’, KBC has set targets to reduce the CO_2e emissions from its own operations. Avoided emissions are therefore not taken into account as carbon offsets do not contribute to achieving this target. Each year the emissions from our own operations (i.e. remaining after actions to reduce emissions) are offset, hence achieving net carbon neutrality. To this end, we have selected high quality projects certified under internationally recognised standards. Moreover, we specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. Our due diligence process is aimed at selecting projects with a demonstrated real-world impact. However, ultimately this process relies on information supplied by third parties and is dependent on the availability of credits within those projects. The above offsetting is not validated by an external body other than our assurance provider.

Internal carbon pricing (ICP) (2.2.3.4)

In 2021 we established a first ICP framework which is built around the four-dimensional framework of the 2017 ‘How-to Guide to Corporate ICP’ report of CDP/Ecofys. CDP is a credible methodological standard setter in environmental reporting, known for its collaborations with reputable organisations, alignment with global standards, and commitment to data quality and transparency. We put in place our first ICP levels in 2021, and our Sustainability and Economic departments review the prices annually. We chose to identify evolutionary ICP trajectories which since our 2022 review extend up until 2050 for two major EU-relevant transition pathways, i.e. a well-below 2° (WB2D) and a net zero 2050 (NZ2050) pathway based on NGFS (Network for Greening the Financial System) climate scenarios. The NGFS carbon price data is averaged over the different models, interpolated, adjusted to 2020 price levels and converted to euro, resulting in one uniform metric that can be used in internal management processes.

As a result of our 2024 application of this calculation method, our latest internal carbon price stands at 35 EUR/t CO_2 and 99 EUR/t CO_2 under WB2D and NZ2050 pathways, respectively. To reflect the associated transition under each pathway, we establish price increase assumptions of 77% and 201% by 2030 for the WB2D and NZ2050 internal carbon price levels, respectively. These price increases mirror those averaged over the different NGFS climate scenario models.

Our internal carbon price is currently used as a shadow price to inform credit decision-making for companies operating in carbon-intensive industries. As a result, our internal carbon price is currently only applied to our Scope 3 Category 15 emissions. Overall, this leads to an estimated 0.5% of our financed Scope 1 and 2 emissions potentially being subject to ICP considerations; none of our Scope 1 and 2 emissions are subject to such pricing considerations. Going forward, as data availability is expected to increase (due to initiatives such as the CSRD), we plan to increase the scope of application.
The measurement of the carbon prices is not validated by an external body other than the assurance provider of the Sustainability Statement.

Water and marine resources (2.3)

Water and marine resources: Impact, risk and opportunity management (2.3.1)

Policies related to water and marine resources (2.3.1.1)

Sustainability Policy Framework

As explained in section 2.2.2.1 on climate-related policies, our Group Sustainability Policy Framework contains different policies which are indirectly related to water, such as the Biodiversity Policy, Mining Policy and Energy policy.

Biodiversity Policy

This policy (further explained in section 2.4.2.1) contains water-related elements, such as the restriction that KBC does not finance, insure or provide advisory services to fishing practices that irreversibly damage aquatic habitats and ecosystems, shark finning or commercial whaling. Moreover, KBC encourages its clients to subscribe to and implement voluntary standards such as the Marine Stewardship Council and the Aquaculture Stewardship Council.

Mining Policy

While the mining industry provides essential resources to most sectors of the economy, at the same time mining activities can have a negative impact on the environment and on society in terms of water use and water quality, community relations, health and safety, land use, ecosystems, waste and bribery and corruption. This policy therefore aims to limit these negative effects as much as possible, while preserving the benefits of the mining industry to the economy in general. Under this policy, the provision of financing, insurance or advisory services related to mining activities is subject to strict conditions, such as compliance with a set of external standards (e.g., the Extractive Industry Transparency Initiative).
This policy has a worldwide scope and applies to all financing, insurance and advisory services related to companies involved in mining activities. Monitoring of compliance with this policy follows the same process as described in section 2.2.2.1 on climate-related policies.

Other

KBC has sites located in areas of high-water stress (for instance, the World Resources Institute considers a large part of Flanders as an area of extremely high-water stress). Therefore, we use potable water efficiently and monitor its use carefully. This happens on a continuous basis and on top of various initiatives taken by the government related to both the supply and demand side in cases of water stress. We do not have a specific policy regarding water supply as we have efforts in place related to our water use. Moreover, this is also supported by the outcome of our materiality assessment, where own water use did not emerge as a material matter for KBC.

Actions and resources related to water and marine resources (2.3.1.2)

Managing water-related risks

For more information on how water-related risk is embedded in our Risk Management Framework, we refer to section 2.2.2.2, which – besides climate-related actions – also sets out more general actions.

More specifically, we assess water-related risk explicitly in the ERIM, it is included in the sectoral Environmental & Social Heatmap (used in loan origination and for monitoring purposes) and in the scope of the NAPP standard (see section 2.2.2.2).
We are taking a step-by-step approach where follow-up actions are defined based on the insights gained from our previous actions/analyses. Our approach advances in sync with improvements in the availability and quality of data and methodologies.

White Papers

In 2023 we extended the scope of our White Papers. As a result, in addition to the initial focus on climate change they include other environmental objectives such as water for sectors where water is a material topic. So far, we have included water in White Papers on agriculture and food and beverages. For 2025, we plan to dedicate a thematic White Paper to water. Our aim with these White Papers is to increase our understanding of water-related impacts, risks and opportunities and, where possible, formulate actions to reduce the negative impact and increase the positive impact of our lending activities on water consumption, withdrawals and discharges. For more information on the White Papers, we refer to section 2.2.2.2.

Water and marine resources: metrics and targets (2.3.2)

Targets related to water and marine resources (2.3.2.1)

At this point in time, we do not have water and marine resources-related targets in place nor have we defined any ambition level indicators to evaluate progress. However, we do track the effectiveness of our policies and actions via a strict due diligence process to monitor compliance of our lending and advisory service operations with our sustainability framework. For this, we also use third-party ESG analysts' data on the sustainability of companies, including controversies in which they could be involved. Our due diligence process includes the possibility of requesting advice on sustainability-related matters, including water-related topics, for individual cases from sustainability experts. Reputational risk aspects are also taken into account within the scope of this advice. For certain policy domains, this advice is obligatory prior to any business transaction. In other cases, it can be requested in case of doubt. We monitor the number of requests for this expert advice and disclose them in our yearly Sustainability Report.

When deemed feasible and appropriate, our White Papers propose follow-up actions related to the topics analysed. The topics to be addressed in White Paper analyses are presented for approval to the ISB.

Biodiversity and ecosystems (2.4)

Biodiversity and ecosystems strategy (2.4.1)

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (2.4.1.1)

We acknowledge that our impacts and dependencies on biodiversity and ecosystems can influence our strategy and business model, and can thus result in risks and opportunities.

We analyse the risks stemming from biodiversity loss and ecosystem damage via our ERIM, through which the materiality of several environmental risks is assessed. Consequently,

- we assess risks for KBC, but separate maps are also constructed for the banking and asset management activities. Further breakdowns are made for our core countries;
- we structurally assess the risks stemming from biodiversity loss and ecosystem damage for the short term (0-3 years), the medium term (3-10 years) and the long term (beyond 10 years);
- experts estimated risk impacts separately for all traditional risk types, taking into account the full value chain.

The assessment considers both transition and physical risks that could potentially stem from biodiversity loss and ecosystem damage. To identify and assess dependencies on biodiversity and ecosystems for our own operations and in our value chain, we focused on the physical risk assessment, whereas transition risks were considered to identify and assess impacts on biodiversity and ecosystems. Within these exercises, we also consider potential future macroeconomic evolutions and systemic risks related to biodiversity loss and underpin the conclusions by internal exercises such as the ENCORE analysis and other internal exercises (see section 2.4.2.2).

The outcome shows that potential risks might predominantly materialise through our downstream activities (lending and investing), in particular in case of macroeconomic impacts and related systemic risks. These feed into our main risk management processes, such as Risk Appetite and ICAAP/ILAAP, presented to the ExCo, RCC and Board on regular basis.

Biodiversity and ecosystems: Impact, risk and opportunity management (2.4.2)

Policies related to biodiversity and ecosystems (2.4.2.1)

We have policies in place to manage our material impacts and risks related to biodiversity and ecosystems. All policies aim to focus on actions to mitigate nature and biodiversity loss.

Our Sustainability Policy Framework contains different policies (see section 2.2.2.1), some of which are directly and indirectly related to biodiversity, such as the Biodiversity Policy, the Mining Policy and the Exclusion Policy for Responsible Investing funds. It also includes requirements for clients in scope regarding sustainable land, sustainable agriculture practices and sustainable oceans, and also contains policies to address deforestation.

As biodiversity opportunities are not material for KBC (following the results of our materiality assessment), they are not covered in this document.

Biodiversity Policy

This policy includes requirements for:

- producers and traders of forest commodities;
- activities in or near protected areas;
- activities involving endangered or invasive species;
- cattle farming and fisheries.

Biodiversity Policy	
Climate change	Not directly addressed, however addressed indirectly through requirements for producers and traders of forest commodities
Land-use change; freshwater-use change, sea-use change	1) KBC does not finance, insure or provide advisory services in relation to activities located in or significantly impacting certain protected areas. 2) Secondly, as the production of forest commodities such as palm oil and soy often involves deforestation, KBC has several requirements for producers and traders of forest commodities, as well as for cattle farming. 3) KBC refrains from financing, insuring or providing advisory services relating to the exploration and development of unconventional oil and gas (including Arctic and Antarctic on- and offshore oil and gas deep-water drilling, tar sands, shale oil and gas, coalbed methane) and the exploration of any other new oil or gas fields.
Direct exploitations	KBC has several restrictions for the forestry and fisheries sector
Invasive alien species	KBC does not provide services to activities involving trade in invasive alien species
Pollution	Not directly addressed, however activities that significantly impact protected areas (including through pollution) are excluded
Other	KBC will not finance, insure or provide advisory services to a number of animal-related activities such as trade in endangered species and activities where animal welfare is compromised
Relation to material impacts	The policy covers impacts in the value chain, which our double materiality assessment considered material with respect to biodiversity
Relation to material physical and transition risks	The policy defines our risk playing field and is translated into underlying risk standards such as the Credit Risk Standards for Responsible and Sustainable Lending and the Investment Policy
Supports traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain	The Biodiversity Policy supports this traceability through its requirements for the production and trade of forest commodities. The producers and traders in scope must commit to have their plantation and/or supply chain fully certified under an internationally recognised certification scheme. These certification schemes often include specific measures on traceability of these commodities
Addresses production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity status and gains or losses	The described policy addresses this in the sense that production of forest commodities is covered, as well as activities in protected areas
Social consequences addressed	Considering the production and trade of forest commodities, KBC requires clients in scope to be certified under an internationally recognised certification scheme. Apart from sustainable production from an environmental perspective, these certificates can also include social safeguards

Mining Policy

Our Mining Policy (see 2.3.1.1) has restrictions regarding mining activities in order to mitigate the associated environmental risks such as greenhouse gas emissions, land-use change and water and air pollution. This policy directly addresses the human rights impacts of mining activities as well as the social consequences of the impacts of mining on the environment. It defines our risk playing field and is translated into underlying risk standards such as the Credit Risk Standards for Responsible and Sustainable Lending and the Investment Policy.

Exclusion Policy for Responsible Investing funds

In this Asset Management Policy, biodiversity is addressed in the following way:

Exclusion Policy for Responsible Investing funds	
Climate change	The exclusion Policy for RI funds includes restrictions for issuers involved in non-sustainable energy solutions, such as thermal coal, oil and gas
Land-use change; freshwater-use change, sea-use change	All companies with a high or severe controversy score related to Land Use and Biodiversity, for subindustries in which the topic is considered a high or severe risk as well as companies with a severe controversy score related to Land Use and Biodiversity for all other subindustries (e.g., sustainable land, sustainable agriculture, sustainable oceans and deforestation) are excluded. In addition, all companies with a severe controversy score related to Land Use and Biodiversity in their supply chain are excluded. In addition, all companies with activities that have a negative impact on biodiversity and do not take sufficient measures to reduce their impact are excluded. This would concern the following: - All companies operating in Fishing that are not members of the Aquaculture Stewardship Council or the Marine Stewardship Council; - All companies operating in Palm Oil Farming that are not members of the Roundtable on Sustainable Palm Oil; - All companies operating in Soybean Farming that are not members of the Roundtable on Responsible Soy; - All companies operating in Beef Cattle Ranching Farming that do not pass a stringent ad hoc process conducted by the Responsible Investing Team; - All companies operating in Cocoa Farming that are not certified by the Rainforest Alliance; - All companies operating in Sugarcane Farming that are not members of the Bonsucro.
Direct exploitations	We refer to the restrictions for fishing as well as controversy screening on land use and biodiversity
Invasive alien species	Not addressed in this policy

Pollution	Not addressed in this policy
Other	Animal welfare: all companies that derive at least 5% of their revenue from the production or 10% of their revenue from the sale of fur or special leather are excluded
Relation to material impacts	The Exclusion Policy for Responsible Investing funds covers the exclusion of financing of activities which are considered to have a negative impact on biodiversity
Relation to material physical and transition risks	Given that the Exclusion Policy is applicable to all Responsible Investing funds, the physical and transition risks stemming from biodiversity loss and ecosystem damage are considered in all RI funds
Supports traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain	As the different certifications in scope of the Exclusion Policy for biodiversity include very specific requirements with regard to the value chains, the traceability of products, components and raw materials is implicitly covered
Addresses production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity status and gains or losses	This is addressed indirectly through controversy screening and the requirement for producers of certain commodities to be a member of certification bodies
Social consequences addressed	Companies involved in activities with a negative impact on biodiversity need to be certified under an internationally recognised certification scheme in order to be allowed in the Responsible Investing funds. These certificates can also include social safeguards

Actions and resources related to biodiversity and ecosystems (2.4.2.2)

Managing biodiversity risks

For an overview of the continuous efforts that we make to integrate biodiversity risks into our Risk Management Framework and processes, we refer to section 2.2.2.2. We are taking a step-by-step approach in which we define follow-up actions based on the insights gained from our previous actions/analyses. Our approach advances in sync with improvements in the availability and quality of data and methodologies.

Specifically with respect to biodiversity risks we define the following actions:
- KBC assessed biodiversity transition and physical risks in the ERIM and included these in the sectoral Environmental & Social Heatmap (used in loan origination and for monitoring purposes);
- We dedicated a White Paper to risks and opportunities related to biodiversity loss (in particular: deforestation);
- A high-level assessment of biodiversity impact and dependencies in our loan portfolio has been executed (see section 1.3.3.1);
- Biodiversity risks are in scope of the NAPP standard (see section 2.2.2.2).

White Papers

We extended the scope of our White Papers from the initial focus on climate change to include other environmental objectives such as biodiversity. We initially included biodiversity-related topics for agriculture, food and beverages and construction. In 2024 we dedicated a White Paper entirely to deforestation where we assessed the deforestation-related risks and opportunities in KBC's lending activities.

Additional biodiversity screening in the Exclusion Policy for Responsible Investing funds

As part of the Exclusion Policy for Responsible Investing funds, we added additional screening concerning fishing, palm oil and soybean farming, beef cattle ranching and cocoa and sugarcane farming. The scope is limited to farming and does not contain other value chain processing. We exclude companies involved in these activities not complying with best practices on biodiversity.

Other

We did not use biodiversity offsets in our action plans, nor did we incorporate local and indigenous knowledge and nature-based solutions into biodiversity and ecosystems-related actions.

Biodiversity and ecosystems: metrics and targets (2.4.3)

Targets related to biodiversity and ecosystems (2.4.3.1)

We do not have biodiversity-related targets in place, nor have we defined a level of ambition or qualitative or quantitative indicators to evaluate progress. However, we do track the effectiveness of our policies and actions via a strict due diligence process. This is the same process as the one described in section 2.3.2.1 on targets related to water and marine resources.

Social information

Own workforce (3.1)

Own workforce: impact, risk and opportunity management (3.1.1)

Policies related to own workforce (3.1.1.1)

We have the following policies in place to manage our material impacts on our own workforce. These also mitigate risks (including non-financial risks) such as operational risk, litigation and reputational risks. The policies are published on www.kbc.com.

Code of Conduct for employees

The Code of Conduct gives guidance regarding key behaviour we expect from all employees within KBC. It refers to the KBC PEARL+ values and to a strong corporate culture that encourages responsible behaviour to build trust and strike a long-term, sustainable balance between the interests of all our stakeholders: our clients, our employees, our shareholders and society as a whole. We refer to the ‘Our business model’ section (which is not subject to external assurance) for more details. We also foster and promote an entrepreneurial mindset, lifelong learning, diversity, equal treatment and respect. We expect compliance with the rules and regulations that govern our activities.

As regards our own workforce, the following topics are included:
- Respect, diversity and equal treatment;
- Duty of discretion regarding clients and employee personal data;
- Whistleblowing;
- Compliance with rules and regulations;
- Speak-up culture.

Regular training and awareness sessions are organised by the Compliance department.

Code of Conduct for employees

Scope	Applicable to all employees of KBC Group and its subsidiaries
Most senior level accountable	The Board ensures that we have processes in place for monitoring our compliance with laws and other regulations, as well as for the application of related internal guidelines. In this respect, the Board approves the Code of Conduct. Top management of the business units is responsible for ensuring that activities are conducted in line with the Code of Conduct
Reference to third-party agreements	This policy among other things contributes to our commitment to observe the UN Global Compact Principles and to the OECD Guidelines for Multinational Enterprises on responsible business conduct
Consideration key stakeholders	Core considerations: • Striking a long-term, sustainable balance between the interests of all our stakeholders (clients, employees, shareholders and society as a whole) • Gaining and retaining the trust of those stakeholders • Acting in the interest of the client to mitigate the risk that KBC's culture, organisation, behaviour and actions would result in poor outcomes and would be detrimental to clients The Code (and every change) is shared and discussed upfront with social partners/trade unions
Disclosure	Published externally on www.kbc.com. Available internally for all employees. There is mandatory training for all employees, who are required to underwrite the Code

Whistleblower Protection Policy and Procedure

This policy outlines the general principles and procedures for reporting concerns related to immoral, unethical or illegal activities within our organisation. Our goal is to ensure that all employees and other stakeholders are and feel protected when raising concerns. By fostering an environment where whistleblowing is encouraged and safeguarded, we aim to uphold our core values and promote a culture of responsible behaviour throughout KBC.

While the scope primarily pertains to employees and other persons linked to a work-related context, it is extended to everyone (e.g., also consumers – see below) in case of a breach in the area of financial services, products and markets, prevention of money laundering and terrorist financing.

As a minimum, reporting concerns breaches in the ten areas of Union law enumerated in the EU directive 2019/1937 (on the protection of persons who report breaches of Union law and in the areas added by local legislation). Reporting of immoral or unethical conduct, or conduct that compromises the credibility and reputation of KBC (including all subsidiaries) in general, is also in scope.

We provide various channels for reporting. The identity of any person who reports in good faith will remain strictly confidential and the person is protected against any form of retaliation or negative impact. The person that is the subject of the report is entitled to receive information about the reported breaches and to communicate their own position and exercise their right of defence. An independent unit investigates all cases. The Compliance department is the central point of contact and reports the outcome of investigations to the ExCo, and the general status of implementation to the RCC.

The Compliance department organises regular training and awareness sessions for our employees.

Whistleblower Protection Policy

Most senior level accountable	This policy is approved by the ExCo. Top management is responsible for implementation in every entity
Consideration key stakeholders	The interest of stakeholders is considered while drafting the policy, e.g., protection measures and facilitation of reporting through a broad range of channels. We consult with social partners/trade unions
Disclosure	Published externally on www.kbc.com. Available internally for all employees. Recurrent awareness campaigns and training for all staff

Remuneration Policy for the Board and the ExCo

The purpose of this policy is to create a remuneration framework (for members of the Board and ExCo of KBC Group NV, KBC Bank NV and KBC Insurance NV) that not only complies with prevailing European and national legislation and regulations, but is also in line with, and contributes to, the business strategy (including the sustainability strategy). It aims to ensure consistency with sound and effective risk management in line with the Risk Appetite Statement, as approved by the Board, to prevent excessive risk-taking and to be aligned with the long-term interests of KBC.
The policy stipulates that remuneration schemes (including the conditions for awarding and paying remuneration) are gender-neutral in order to guarantee equal pay for equal work of equal value.

The base remuneration of Board members is set at a level that reflects the qualifications and efforts required in view of KBC's complexity, the extent of their responsibilities and the number of Board meetings. The Chairman of the Board is entitled to an additional base remuneration. The remuneration of the members of the ExCo is set at a level that is consistent with their decision-making powers, tasks, expertise and responsibilities. It reflects their contribution to the management and growth of KBC and it ensures KBC's continued ability to attract and retain the best qualified individuals as members of the ExCo. To emphasise the fact that the ExCo acts as a committee which bears collective responsibility, the remuneration for all the members, apart from the president, is largely identical (except for a small difference in how the CRO's variable remuneration is calculated, as required by regulation). Detailed information on the renumeration of the Board and ExCo is provided in the Corporate Governance Statement.

Remuneration Policy for the Board and the ExCo

Most senior level accountable	The General Meeting of Shareholders approves the Remuneration Policy (as legally required). The Board (and the RC) is accountable for the implementation of the policy
Reference to third-party agreements	The policy is implemented with respect for the applicable legislation and regulation, the Corporate Governance Code (on a comply or explain basis) and the possible remarks of the supervisor

Remuneration Policy

The remuneration for all our staff takes into account market practices, competitiveness, risks, long-term objectives of the company and its stakeholders and continuously changing regulations.

The Remuneration Policy outlines the guidelines and procedures for remuneration within KBC, focusing on sustainability, risk management, and alignment with long-term interests:

- Policy purpose and scope: the policy aims to create a sound remuneration framework aligned with KBC's sustainability strategy and European and national legislations, covering all staff except non-executive members of the Supervisory Board and Members of the Executive Committee.
- General remuneration guidelines: the guidelines require all remuneration schemes to comply with the Remuneration Policy, be aligned with local practices and legislation, and be compatible with stakeholders' interests and the Corporate Sustainability strategy. The remuneration schemes are gender-neutral in order to guarantee equal pay for workers of all genders for equal work of equal value.
- Performance measurement: performance is measured based on a performance and appraisal process, which includes setting objectives, continuous feedback, self-evaluation, third-party feedback, and a calibration mechanism for relative performance measurement.
- Global remuneration structure: remuneration schemes consist of fixed and variable components, based on competences, job weightings, skills, contribution, and performance, with maximum ratios between fixed and variable remuneration set for different salary levels.
- Specific guidelines for Key Identified Staff (KIS): Key Identified Staff are those who could have a material impact on the company's risk profile, with specific requirements for non-cash instruments, deferral, and performance-based remuneration to promote sound risk behaviour.

Remuneration Policy

Most senior level accountable	Board
Reference to third-party agreements	Reporting on remuneration details is aligned with reporting required by local supervisors and the European Banking Authority
Consideration key stakeholders	The policy complies with all legislation and regulatory requirements
Disclosure	The General Remuneration Principles which summarise the basic principles of the Remuneration Policy are included in the annual 'KBC Group Compensation Report' which is published on www.kbc.com

Diversity and Inclusion Policy

This policy aims at the elimination of discrimination (including harassment) and promoting equal opportunities. The policy prohibits all discrimination and unequal treatment, regardless of whether it is directly or indirectly based on race, ethnicity, gender, nationality, marital status, sexual orientation, age, family status, education, disability or religion.

A zero tolerance is applied in case of flagrant disrespectful behaviour towards a colleague such as insults, undermining the integrity or dignity, bullying, harassing or discriminating colleagues. We also refer to the Code of Conduct for employees above.

In case of suspicion about actual or potential wrongdoing, every employee is encouraged to report this, which will lead to an independent, confidential and impartial investigation. We strive with this policy to create a corporate culture where an open mindset prevails and where respect and responsible behaviour are key values. A general commitment is requested from all managers throughout KBC on the following principles: respect as a basis and equal opportunities for all employees.

We report yearly on the evolution of diversity and inclusion to the ExCo and the Board.

Diversity and Inclusion Policy

Scope	The policy is applicable to both management and employees. All types of diversity are part of the policy but there is a specific focus on gender diversity and disability inclusion
Most senior level accountable	The ExCo is accountable. We apply a top-down approach: - Every manager is requested to commit to the diversity and inclusion principles/values - Every employee must act in a responsible and respectful manner The diversity and inclusion agenda is part of the Corporate Culture Unit at Corporate HR. This function supports the ExCo on policy matters related to diversity, consolidates the reporting and promotes awareness throughout the organisation. Each core country has a similar local function, embedded in the local HR department
Consideration key stakeholders	The interests of all employees and the Board are considered via consultation of: - the ERG (Employee Resource Group) 'Diversity Rocks' (see 3.1.1.2); - trade unions; - the HR function; - advisory group of employees with a physical disability.
Disclosure	Published externally on www.kbc.com. Available internally for all employees.

Policy on Human Rights

We commit to meeting our responsibility to respect human rights towards all stakeholders, among which the own workforce. By acting responsibly, our employees contribute to minimising negative human rights impacts/risks.

We comply with the core conventions and labour standards set by the International Labour Organisation, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact Principles. We are aligned with the OECD Guidelines for Multinational Enterprises which set the standard for responsible business conduct and respect for human rights within our operations. The relevant legal requirements as set out in the labour codes go beyond these conventions and standards.

Our Human Rights Policy refers to other policies such as the 'Code of Conduct for Employees' and the 'Whistleblower Protection Policy' (see above). The latter was brought in line with the European legislation (i.e. EU Directive 2019/1937 on the protection of persons who report breaches of Union Law).

Several channels are in place to address human rights impacts, including the Workers' Council, a prevention advisory council or equivalent per country, HR mediators or equivalent per country, and a whistleblower reporting tool. We refer to section 3.1.1.3 for more details.

Policy on Human Rights

Scope	All core stakeholders, being clients, suppliers and own employees of the group, through specific policies and human rights due diligence processes
Most senior level accountable	The ExCo has the highest level of direct responsibility for sustainability, including human rights
Reference to third-party agreements	UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises The principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work UK Modern Slavery Act UN Universal Declaration of Human Rights UN Global Compact Principles

Our policies relating to our own workforce do not explicitly address trafficking in human beings, forced labour, compulsory labour and child labour as these are prohibited by law. We have a workplace accident prevention policy in place in all our core countries.

Processes for engaging with own workers and workers' representatives about impacts (3.1.1.2)

The perspectives and views of the own workforce inform our decisions and activities through considering the actual and potential impacts on the own workforce. We engage with our employees by conducting employee engagement surveys every six months, via regular social dialogue with our employees and through formal employee representation groups on issues regarding reward, employment conditions, reorganisations and well-being (in accordance with local practices and laws of each country we are operating in).

The CEO and HR managers have the operational responsibility to ensure that this engagement survey happens, and that the results of the employee engagement are taken into account in defining the company's organisation.

The effectiveness of the engagement survey is monitored based on the level of the response rate and satisfaction rate.

We have Employee Resource Groups (ERGs) such as Diversity Rocks where the focus lies on diversity and inclusion. It brings together a diverse range of employees working on issues related to age, disabilities and nationality. Other ERGs exist like Proud@CSOB and Proud@KBC which are LGBTQIA+ ERGs.

Processes to remediate negative impacts and channels for own workers to raise concerns (3.1.1.3)

As a general approach, we put in place several preventive measures to avoid negative impacts on our own workforce:

- Top management is primarily responsible for creating the right environment, nurturing the right behaviour in the organisation and actively shaping the collective attitudes in the group;
- At the same time, all employees are accountable for behaving responsibly in all circumstances and along the lines of KBC values. Several policies, guidelines and actions are put in place to support this approach:
  - Code of Conduct for employees and the responsible behaviour compass, including awareness sessions and mandatory trainings;
  - Promotion of a 'speak up' culture;
  - Diversity and Inclusion Policy containing the prohibition of discrimination and a zero tolerance on flagrant disrespectful behaviour towards colleagues.

We have a whistleblower process (see 3.1.1.1) in place that allows employees to report immoral, unethical or disrespectful behaviour. Every submission will lead to an independent, confidential and impartial investigation. Reporting is done via:

- a dedicated reporting tool which is made available on intranet;
- the KBC website;
- a dedicated mailbox;
- face-to-face contact with the local compliance function.

Employees also have the possibility to report negative impacts directly to their supervisor, to the General Manager of the HR department, to the employee representatives, the Workers' Council, the prevention counsellor and the HR mediator or equivalent per country. We guarantee confidentiality related to the identity of the employee and protection against retaliation. For more information on the whistleblower process, we refer to section 3.2.1.1.

Taking action on material impacts and approaches to mitigating risks related to own workforce (3.1.1.4)

Based on our principle of local embeddedness, every business or country can decide to define specific initiatives in line with the context they are operating in. As a consequence, we have not defined groupwide key actions related to own workforce.

Some examples of local initiatives:

- In Hungary, an initiative started in 2024 to revise the well-being approach by creating focus groups in some pilot businesses, inviting them to generate ideas on the subject. The focus was on learning about physical and mental health as well as on community building. In 2025 the approach derived will be rolled out to the whole company.
- In Belgium we launched a so-called Team Blue Challenge in September 2024 with a first part inviting colleagues to support non-profit organisations through volunteering. The second part, planned for 2025, will concentrate on encouraging employees to take first aid courses and donate blood and plasma. In this way, we also increase workplace safety.
- In the Czech Republic there is an academy for parents that provides support in the form of six workshops for colleagues planning to return to work after parental leave. An academy for fathers was created in 2024, offering workshops on flexibility, communication, vision and innovation.
- In Bulgaria in 2024 a first issue of a publication called '*Healthy! Compass for a Better Life*' was released, providing up-to-date information on the opportunities available to employees to maintain their health and spirit.

None of these local initiatives qualify as key actions sufficiently material from KBC's perspective to be included in this statement.

The management of social risks (linked to our own workforce) is in scope of our Risk Management Framework (see section 2.2.2.2). Within our Risk Appetite, a specific objective is dedicated to attracting, developing and retaining high-quality and committed staff. KBC, as a European financial institution, is strictly regulated and complies with regulatory requirements in the context of e.g., discrimination, working conditions and data protection (EU General Data Protection Regulation, GDPR) for its own workforce. When needed, a data protection impact assessment is performed. Employees are informed about the processing of their personal data via a dedicated HR Privacy Statement. A dedicated channel is put in place for our employees to exercise their data subject rights.

Employee data is protected from cyberattacks, given our explicit actions in that area (see section 3.2.1.4). In the exceptional event of a workforce strike or unavailability of workforce, business continuity plans are in place.

Own workforce: metrics and targets (3.1.2)

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (3.1.2.1)

Based on our principle of local embeddedness, we have not defined group-wide key targets. None of the local ambitions qualify as targets sufficiently material from KBC's perspective to be included in this statement.

However, we do track the effectiveness of our policies, for example:

- With regard to gender diversity, the long-term ambition is to work towards a gender distribution at all leadership levels which is in line with the general workforce proportion. Our core countries and business units define the approach they deem necessary, adapted to the local culture and situation. As an absolute minimum, all legal obligations on the matter need to be implemented in every country. We monitor the evolution of the defined ambition levels on a yearly basis. The results of this monitoring exercise is reported to the ExCo.
- Several metrics (as mentioned below) are also monitored from a risk perspective (e.g., from a reputational risk angle).

Characteristics of our employees (3.1.2.2)

To ensure consistency in the reported data throughout the group, we have determined a common definition that is approved and applied by all countries.
Employee numbers in this statement are in headcount, unless otherwise mentioned, and they are calculated at year-end. By 'headcount' we understand all people having an active labour contract with KBC, and receiving a regular salary.
By 'FTE' we mean all full-time equivalent employees, being calculated as 'total hours worked (excluding overtime) divided by the average hours worked in a full-time job'. Only people included in the headcount figure, have a corresponding FTE figure calculated.

The figures below deviate from the figures in Note 3.8 of the Consolidated Financial Statements because the calculation method is not the same (in Note 3.8, figures are based on averages at month-end during the calendar year).

Employee headcount by gender	31-12-2024
Male	11 999
Female	17 862
Other*	0
Not reported	N/A
Total	29 861

* KBC does not register data related to another, often more neutral gender as specified by the employees themselves

Employee headcount by country – countries with at least 50 employees representing at least 10% of total number of employees	31-12-2024
Belgium	9 187
Czech Republic	9 839
Hungary	3 405
Bulgaria	4 199

Employees by contract type and gender (FTE), 31-12-2024

	Female	Male	Other	Not disclosed	Total
Number of employees	16 607	11 574	0	-	28 182
Number of permanent employees	15 650	11 004	0	-	26 654
Number of temporary employees	891	535	0	-	1 426
Number of non-guaranteed hours employees	66	35	0	-	101
Number of full-time employees	14 161	10 975	0	-	25 136
Number of part-time employees	2 446	599	0	-	3 046

Employees by contract type and geography (FTE), 31-12-2024

	Belgium	Czech Republic	Slovakia	Hungary	Bulgaria	Rest of the world	Total
Number of employees	8 526	9 086	2 643	3 360	4 172	395	28 182
Number of full-time employees	6 283	8 519	2 577	3 244	4 139	374	25 136
Number of part-time employees	2 243	567	66	116	33	21	3 046

Employee turnover[1] (headcount) and turnover rate[2], 2024

Turnover in headcount	3 921
Turnover rate	13.1%

1 Turnover: during the reporting period a number of employees left KBC, voluntarily or due to dismissal, retirement, or death in service
2 For the calculation of the turnover rate, we divided the total number of employee turnovers by the total number of employees at the end of the year

Collective bargaining coverage and social dialogue (3.1.2.3)

In total, 96.1% of KBC's employees are covered by collective bargaining agreements, and 95.8% are covered by workers' representatives participating in the social dialogue.

The table below shows, for each country in the European Economic Area (EEA) in which we have significant employment (this means: at least 50 employees by headcount representing at least 10% of our total employees), the rate of employees covered by a collective bargaining agreement and by social dialogue.

Collective bargaining coverage and social dialogue, coverage rate, 2024	Collective bargaining coverage for employees – EEA	Social dialogue; workplace representation (EEA)
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	Belgium Bulgaria Czech Republic Hungary	Belgium Bulgaria Czech Republic Hungary

We have an agreement with our employees for representation by a European Workers' Council, signed on 15 November 2012.

Diversity metrics (3.1.2.4)

Employees at top management level* (headcount) broken down by gender, 31-12-2024

	Female	Male	Other	Not disclosed	Total
Number of employees at top management level	45	135	0	-	180
% of employees at top management level	25%	75%	0%	-	100%

* Top management level at KBC is defined as 'Top 300', a specific list of Senior Management Positions within the competence of Corporate HR as approved by the ExCo, and not including ExCo members.

Distribution of total employees by age group (headcount), 31-12-2024

% of employees under 30 years old	12.3%
% of employees between 30 and 50 years old	56.9%
% of employees over 50 years old	30.8%

Adequate wages (3.1.2.5)

We pay all our employees an adequate wage, at least in line with the minimum wages defined by the local legislation.

Health and safety metrics (3.1.2.6)

Health and safety metrics, 2024	
% of employees covered by a health and safety management system	100.0%
Number of fatalities as a result of work-related injuries and work-related ill health, number of employees	0
Number of fatalities as a result of work-related injuries and work-related ill health, number of other workers working on our sites	0
Number of work-related accidents	55
% of work-related accidents	1.1%

Compensation metrics (3.1.2.7)

Compensation metrics, 31-12-2024	
Gender pay gap	32.0%
Adjusted gender pay gap	3.8%
Annual total renumeration ratio	99

Gender pay gap – contextual information

The gender pay gap represents the raw difference in average pay between male and female employees. This basic calculation highlights to some extent the gender pay gap, but it does not account for factors like salary differences across countries, different salary packages, local economic context, job roles or experience.
As KBC operates in different core countries with different salaries (in absolute figures) and different composition of workforce in terms of gender, the calculation of a gender pay gap at group level does not consider the influence of these differences.
Also, other gender-neutral and objective factors should be considered to get a better view on the pay gap. Therefore, we calculate an adjusted pay gap, following a weighted average methodology. All employees are divided in subgroups according to these 3 parameters: country, Hay level and managerial responsibility. According to our analysis, these are the factors which explain for the largest part the pay gap. We believe that this provides a more insightful view on gender pay gap.
The adjusted gender pay gap according to the above-mentioned method is 3.8%.
Further data analysis will be done per country and subgroup to detect other objective gender-neutral factors which can explain the remaining pay gap. Where necessary, actions will be taken to reduce it further.

Annual total remuneration ratio – contextual information

For the Annual Total Remuneration ratio, the specific structure of KBC should be taken into account. Our core countries have large differences in local remuneration in absolute figures. Every country has its own CEO. The annual total remuneration ratio is therefore more meaningful and comparable if we consider such ratio at country level, by comparing the local highest paid individual with the local median remuneration.

Incidents, complaints and severe human rights impacts (3.1.2.8)

Numbers of incidents of discrimination including harassment, 2024	
Total number of incidents of discrimination, including harassment	14
Of which justified incidents/complaints of discrimination, including harassment	3
Number of complaints filed through channels for people in own workforce to raise concerns (other work related complaints)	9
Number of complaints filed through the National Contact Points for OECD	0

Regarding discrimination, it concerns cases on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or any other form of discrimination – including harassment. We did not pay any fines or penalties nor did we receive any requests for compensation for damages as a result of the incidents and complaints disclosed in the table above. As a result, nothing was taken up in the financial statements.

There were no severe human rights incidents related to our employees in the reporting period, including cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises. We did not pay any fines or penalties nor did we receive any requests for compensation for damages for incidents related to human rights. As a result, nothing was taken up in the financial statements.

The measurement of all the metrics in this section has not been validated by an external body other than the assurance provider.

Consumers and end-users (3.2)

Consumers and end-users: impact, risk and opportunity management (3.2.1)

Policies related to consumers and end-users (3.2.1.1)

In addition to respecting the regulatory environment in which we operate, we see it as our responsibility to embed KBC's material impacts on consumers, and the associated material risks, in our policies.

Integrity Policy

The Integrity Policy sets out the KBC principles on integrity and ethical behaviour. It addresses conduct risk (the risk arising from the inappropriate provision of financial services) and focuses on the following areas with respect to all our consumers:

- Protecting investors and insurance policyholders;
- Respecting rules on consumer protection including fair commercial practices in payment and lending services;
- Complaints handling;
- Data protection and privacy, confidentiality of information and duty of discretion.

For a full description of the Integrity Policy, we refer to section 4.1.1.1.

Code of Conduct for employees

This Code of Conduct sets out our values, calls for responsible behaviour and addresses, among other things, key behaviour expected from all employees towards all our consumers, related to:

- data protection and discretion regarding confidential information;
- fair treatment of clients;
- provision of clear, straightforward and accurate information.

There is a key role for our product approval process (NAPP, see section 2.2.2.2) in the pre-sale context, the rule of only offering services appropriate for the client during sales and the analysis of breaches and handling complaints as part of fair client treatment in post-sales.
For more details regarding the Code of Conduct for employees, we refer to section 3.1.1.1.

Information Security Policy

In order to protect all our clients and shareholders, we consider our Information Security Strategy a key element of our Information Security Governance. This is accomplished by the information security controls that we continuously implement and maintain. It is a dynamic, living set of security controls, based on the most appropriate elements of ISO standards, the NIST Cybersecurity Framework and our own experience with information security. At the same time, these controls also establish the binding regulatory requirements to which KBC adheres, including but not limited to the EU General Data Protection Regulation (GDPR) and Digital Operational Resilience Act (DORA). The nature of these key controls ranges from governance, prevention, detection and response, and covers the entire information security life cycle.

A 'Three Lines of Defence' model is in place across the organisation, as described in the Enterprise Risk Management Framework (ERMF). The Information Security Officers and Local Operational Risk Managers act as first line of defence. For the second line, the Operational Resilience division of Group Risk jointly covers information risks, including information security, IT-related risks and Business Continuity Management together with the local risk function. It also includes the Group Cyber Expertise and Response Team (CERT). Internal Audit provides independent reasonable assurance on the adequacy and effectiveness of the control environment, which constitutes our third line of defence.

The information security strategy, under the accountability of the Chief Risk Officer and the Chief Innovation Officer, applies to KBC and all its subsidiaries and covers the full IT-security universe.

Whistleblower Protection Policy and Procedure

This policy is relevant for all our consumers and end-users as unethical or illegal activities affecting consumers and end-users are also explicitly in scope of the policy, such as:

- breaches relating to financial services, products and markets (including the prevention of money laundering and terrorist financing);
- breaches in the area of consumer and investor protection;
- breaches affecting the protection of privacy and personal data and the security of network and information systems.

In addition to persons linked to a work-related environment (who are the main focus of the policy), anyone – including clients – can report a breach in the areas of financial services, products and markets. For a description of the Whistleblower Protection Policy and Procedure, we refer to section 4.1.1.1.

The Code of Conduct for employees, the Whistleblower Protection Policy and Procedure and the Information Security Policy are publicly available on www.kbc.com.

Human rights commitments

As a financial institution, our highest risk in terms of potential involvement with human rights violations and potential human rights impact arises from our business relationships (through our credit portfolio, our advisory services, our asset management activities and our own investments). The KBC Human Rights Policy refers to other, more specific, sustainability policies and describes our process in place, which is in line with the OECD Guidelines for Multinational Enterprises, the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

For our engagement towards consumers and end-users, we refer to section 3.2.1.2, and for the measures through which we provide and/or enable remedy for human rights impacts, we refer to sections 3.2.1.3 and 3.2.1.4.

Monitoring compliance with these Human Rights Policy commitments is embedded in our due diligence process (see section 1.2.4). In the reporting year, we did not identify any severe human rights issues and incidents related to our consumers and end-users.

Alignment with internationally recognised instruments

KBC considers internationally recognised instruments relevant to consumers, as demonstrated by the following:
- We are a signatory of the UN Global Compact Principles
- We apply the UN Guiding Principles on Business and Human Rights
- We are committed to respect the letter and the spirit of:
  - the United Nations Universal Declaration of Human Rights;
  - the OECD Guidelines for Multinational Enterprises;
  - other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

Our commitment to respect these instruments, and in particular the OECD Guidelines for Multinational Enterprises, includes the commitment to observe consumer interests, such as:
- fair marketing practices;
- provision of accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions;
- protection of consumers' privacy;
- information about available dispute resolution and redress options;
- accessibility of information in plain language and for disabled people.

Through our policies related to consumers and end-users and the actions and processes described in this chapter, we protect the human rights and interests of KBC's consumers in line with these commitments.

None of the OECD National Contact Points received a referral concerning KBC in the reporting year.

Processes for engaging with consumers and end-users about impacts (3.2.1.2)

We have several processes in place for engaging with our affected consumers, their legitimate representatives, or with credible proxies that have insight into their situation.
We continuously follow-up on surveys and research on, for example, consumer behaviour (at group as well as local level). We regularly organise working groups with consumers to gain their insights. In Belgium, for example, we organise annual roundtables (in 2024, the theme was the accessibility of our products and services). We also address consumer-related topics on an ad hoc basis in our regular engagements with the ESB. In close collaboration with our Complaints Management departments, we carefully follow up on consumers' complaints. Our Sustainability Dashboard follows up on the implementation of our sustainability strategy, including our regular stakeholders' dialogue and the follow up on the concerns of our stakeholders. The dashboard is presented twice a year to the ExCo and the Board.

The follow-up of information gathered via stakeholders' engagements is organised by different departments. The general or senior general manager of each of these departments has the operational responsibility to ensure that this engagement happens and that the outcome is communicated to the manager who is best placed to take the views and interests of the stakeholders into account. Through our different engagements with consumers, we also aim to gain insight into the perspectives of consumers and end-users that may be particularly vulnerable to, for example, access to our products and services (e.g., consumers with disabilities, refugees), financial literacy (e.g., students and young adults). With respect to marketing practices and privacy, specific attention is given to the situation of children.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (3.2.1.3)

For our general approach and processes related to preventing and providing a remedy to negative impacts (in cases where we would cause or contribute to a material negative impact to consumers), we refer to our NAPP process and other actions described in section 3.2.1.4.

We have different channels through which our consumers and other stakeholders can voice complaints. We aim to address these concerns and consequently improve our products, services and processes. We recommend that our consumers first contact their bank branch or relationship manager. This is the person who knows the consumer best and is best placed to help find a tailored solution to the consumers' potential grievances. We also have formal channels in place in all our core countries through which our consumers can report complaints. Information about these channels is available on the commercial websites of the various subsidiaries in our core countries, in the banking apps and in brochures and product sheets. We closely follow up all complaints and handle these within strict time frames with appropriate action. The complaints handling function is assigned to an independent unit or person outside of the commercial organisational structure. Where needed, the Compliance department is involved. The complaints channels are actively used by a broad range of consumers. The overall numbers, evolutions and nature of the complaints are monitored and reported at local entity or business unit level, and to the ExCo and Board. The reports show that our consumers are aware of, and trust our complaints channels and processes. Moreover, the relevant product or service department analyses ex-post all complaints together with the Risk and Compliance departments in order to assess needs for improvement.

In addition to our own complaints channels, our clients have access to the Alternative Dispute Resolution Channels for consumers that have been recognised for financial services by authorities in our core countries, such as Ombudsfin for banking services disputes in Belgium. KBC is a member of these dispute resolution bodies.

In addition to persons in a work-related environment, being the legal target group of the whistleblowing channel, anyone can use this channel to report unethical or illegal activities in the area of financial services, products and markets and enjoy protection against retaliation. Reporting can also be done anonymously.

We have dedicated channels for our clients and end-users in all countries and subsidiaries, to exercise their privacy and data protection rights, including a Data Protection Officer (who can be contacted for all issues related to the processing of their personal data) and groupwide hotlines that serve as a single contact point to report cybercrime against KBC or its clients (e.g., Secure4U in Belgium). Our complaints channels are also directly accessible for consumers and end-users in their contact with KBC business relationships such as the relationships through which we distribute our products, or to whom client facing activities are outsourced. Certain sustainability-related inquiries or complaints are addressed by the Group Corporate Sustainability department (via csr.feedback@kbc.be).

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (3.2.1.4)

In addition to the above-mentioned policies, we have several processes and actions in place to manage, assess and follow up the impacts, risks and opportunities of our products and services related to consumers and end-users.

We did not identify any actual material negative impacts on our consumers and end-users in the reporting year. Although we do our utmost to avoid this, we might still have a potential negative impact in the future on our consumers and end-users related to privacy and marketing practices, and through cyber risks.

Integrating social topics into the risk management framework and compliance risk management

We refer to section 2.2.2.2 (describing the action on ESG integration in our Risk Management Framework (RMF)) for an overview of the continuous efforts that we make to integrate ESG risks (including social risks) into our RMF and processes. We are taking a step-by-step approach whereby follow-up actions are defined based on the insights gained from our previous actions/analyses. Our approach advances in sync with improvements in the availability and quality of data and methodologies.

Specifically with respect to social risks:
- within our Risk Appetite, a specific objective is dedicated to responsible behaviour;
- we carried out a pilot risk identification exercise on social risks to identify the most material social risks for KBC. Risks are identified for the full value chain (covering non-financial risks for our own and upstream operations, but also financial risks for downstream operations, e.g., in case corporate clients do not respect social legislation or standards);
- social risk scenarios were included in our stress testing mix, e.g., by applying stress on high social risk sectors/counterparts and by simulating a cyber event;
- within our operational risk management processes, several controls are in place to manage cyber risk (see also under 'Managing cyber risks' below), model risk (e.g., avoiding bias in models), business continuity (e.g., ensuring continuity of services provided to clients), legal risk and process risk (ensuring safe, reliable and efficient processes and services for clients);

- from a credit and reputational risk perspective, we use a sectoral Environmental and Social Heatmap within our loan origination and monitoring processes.

Protection of consumers, investors and policyholders, and data protection involve compliance risks that are in scope of the Compliance function:

- The following risks are identified as compliance risks: fair marketing practices, observance of the rules regarding provision of clear, straightforward and accurate information as specified in legislations related to various products, offering products in line with the client's needs and profile, protection of the personal data of clients, etc.;
  - We continuously follow up on regulatory evolutions, interpret them and define requirements, when necessary. The compliance function advises on the correct implementation while also first line controls are carefully followed up on and effective implementation is monitored;
  - Checks are installed in the NAPP process as described in the action on NAPP (see below);
- Several initiatives are taken to protect our clients' data, and governance is in place to ensure that General Data Protection Regulation (GDPR) is observed and the privacy of our clients is protected. Among others things,
  - we perform Data Protection Impact Assessments when required;
  - we have established a Cloud Enablement Forum to assess and mitigate risks when data is exchanged with third parties in the context of cloud services;
  - procedures are in place regarding notification and handling of potential data breaches;
  - mandatory training for all employees on privacy and data protection is established (general and job-specific).
  - within every KBC entity, the necessary information for our clients on how their personal data is handled is publicly available in our privacy and data protection statements;
  - channels are in place via which our clients can exercise their data subject rights;
- We have legal checklists and guidance in place which must be considered when developing a new marketing campaign. Furthermore, proactive advice of the compliance function is mandatory before the launch of a new campaign (or any marketing-related documents). In some cases, pre-approval of specific documentation and marketing material by local supervising authorities is required.

Managing cyber risks

Information- and cyber-related risks are identified and managed by dedicated teams in the first line of defence (Information Risk Management (IRM) team). The second line of defence executes several assurance activities regarding cyber threats and cyber risk-related events (such as setting standards, setting and testing controls, and groupwide reporting on actions and events). See also the above-mentioned Information Security Policy.

Management of cyber risk is integrated into the Risk Management Framework, including analysis, reporting, registration and follow-up. This ensures alignment with broader risk oversight and KBC objectives.
The actions implemented to manage cyber risk have a groupwide coverage and are part of a continuous process.

KBC actively identifies cyber risks by:

- monitoring the evolving cyber threat landscape, leveraging cyber threat intelligence from trusted sources, including industry reports, open and commercial threat information feeds, and government information. This ensures early awareness about active and emerging cyber threats;
- structured vulnerability management to identify, assess, and address security weaknesses across IT systems and infrastructure;
- comprehensive attack surface management to identify and map all externally exposed assets, identifying areas at risk for cyber threats;
- third-party and supply-chain management. A thorough vetting process is in place to assess the cybersecurity practices of suppliers, contractors and partners before engagement. By maintaining transparency and collaboration with third parties, KBC mitigates risks associated with external dependencies and ensures a secure and resilient supply chain;
- regular ethical hacks, challenges, tabletop exercises and stress tests to recognise cyber threats;
- targeted training and awareness programmes ensure employees across all levels are equipped to identify and report suspicious activities. By fostering a culture of vigilance and preparedness, we strengthen our workforce against cyber risks. To achieve this, we – among other things – regularly conduct internal phishing tests;
- monitoring the evolving cyber fraud landscape to enhance client protection and safeguard stakeholder data and financial assets. Continuous analysis and adaptation of security measures supports the commitment to stakeholder protection.

By combining cyber threat intelligence with insights and findings from the above activities, we proactively identify, assess and understand cyber risks that could target our company and stakeholders, enhancing our ability to defend against and respond to cyber threats effectively. Cyber risks are specifically analysed based on likelihood and impact, enabling risk prioritisation and mitigation efforts. Mitigation strategies include implementing robust technical controls, and ensuring adherence to best practices, industry standards and government regulations.

New and Active Products Process (NAPP) and governance framework to proactively identify, prevent, remedy and manage potential negative impacts and risks related to consumers and end-users

As specified in section 2.2.2.2, NAPP is an important tool to mitigate several ESG risks (in particular related to consumer protection and greenwashing). It is a groupwide process for KBC and all its subsidiaries that are active in the financial sector or acting as intermediaries for financial services (for all of their products, services and client-facing processes which directly impact the external client). Related to consumers and end-users, it aims to:

- ensure fair treatment of the client;
- safeguard the strategic fit of products/services;
- pro-actively identify and mitigate risks related to products, services and changes to client-facing processes which might negatively impact the client and/or KBC;
- ensure compliance with regulation.

Within NAPP, all relevant risks need to be assessed. In particular for social risks, the control functions:

- ensure that the launch of any new products or client-facing processes complies with the legal and regulatory provisions in place, such as MiFID II, consumer protection regulations, Mortgage Credits Directive (MCD), Consumer Credits Directive, Payments Account Directive and other local and EU Regulations;
- assess risks related to data protection and conformity with General Data Protection Regulation (GDPR), ethical considerations (including non-discrimination of client groups, social inclusion), anti-money laundering and fraud, the use of models (including AI models), information security and ESG considerations.

Through advice and conditions established in the NAPP process, we determine the actions that need to be implemented to prevent negative impacts or to mitigate risks. The maturity of the NAPP process is periodically followed up and reported.

Actions regarding opportunities

We pursue material opportunities (i.e. advisory services related to, among other things, subsidies, (emerging) sustainability-related legislation) linked to consumers and end-users via our advisory services like webinars, third-party services and face-to-face interactions.

Actions that positively contribute to improved social outcomes for our consumers and end-users

We have additional actions in place that positively contribute to improved social outcomes for our consumers and end-users, such as:

- allowing access to financial services at fair market conditions;
- providing banking and asset management products and services that are accessible to everyone in accordance with their needs;
- enhancing financial literacy in Belgium among young adults to create awareness on debt pitfalls;
- by taking up our role in society and organising information sessions and campaigns to create awareness among our clients on cyber risks.

Resources allocated to the management of material impacts

As highlighted above:

- in first line, a Data Protection Officer (DPO) can be contacted by our consumers for all issues related to the processing of their personal data. The DPO is supported by colleagues in the Compliance department to adequately and timely address the reported issues;
- in second line, our material risks in the context of consumers and end-users are managed via the NAPP process. This process also allows us to address the negative and advance positive impacts. The NAPP process is applied groupwide and involves several departments within the organisation (such as the Compliance department, Risk department, Legal department, Business departments, senior managers presiding over the NAPP);
- moreover, our internationally recognised and certified Group Cyber Emergency and Response Team engages in specific activities related to cyber crisis and incident handling, cyber threat intelligence, cyber resilience and readiness training.

Consumers and end-users: metrics and targets (3.2.2)

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities (3.2.2.1)

We do not have specific time-bound and outcome-oriented targets or indicators related to reducing negative impacts and/or advancing positive impacts and/or managing material risks and opportunities related to consumers and end-users.

We refer to sections 3.2.1.4 and 3.2.1.1, where we explain the ongoing processes in which we track the effectiveness of our policies and actions. Our level of ambition is:

- to not cause any material negative impacts on our consumers and end-users;
- to advance positive impacts where possible;
- to manage all our material risks and opportunities related to consumers and end-users.

Governance information

Business conduct (4.1)

Business conduct: impact, risk and opportunity management (4.1.1)

Business conduct policies and corporate culture (4.1.1.1)

Responsible business conduct is crucial for KBC. It allows us to gain and keep the trust of our stakeholders, which is the foundation of our existence and our 'social licence to operate'. Our corporate culture is a key enabler for embedding responsible and ethical behaviour throughout our organisation. This section lists our policies related to business conduct matters. These policies underpin the role we have as a financial institution in society and guide our day-to-day decisions and interactions.

In relation to these policies we organise recurrent awareness campaigns and mandatory training (in the form of, e.g., in-class training, web-based learning courses and webinars) for all employees within KBC. These cover business conduct topics such as whistleblowing; anti-corruption and anti-bribery; tax strategy; anti-money laundering and countering the financing of terrorism; group ethics and fraud; integrity and responsible behaviour. We offer specific mandatory training for every new employee and a three-yearly mandatory update training course for all staff (including top management, the ExCo and employees in functions at risk), specifically linked to the codes of conduct and the anti-corruption programme. In 2024, 98% of the target group followed the training. Full awareness and commitment at ExCo and Board level is assured by ExCo and Board approval of the Group Anti-Corruption and Bribery Policy and an explicit preceding statement about the anti-corruption culture and zero tolerance by the CEO and the Chairman of the Board. This ensures that we create and maintain a satisfying awareness and knowledge level among all employees that is commensurate with their business activities and position.
More detailed information regarding training on ethics, avoiding conflicts of interest and combating corruption, anti-money laundering and data protection are provided in the 'Corporate Governance Statement' section (not audited).

Sustainability Policy Framework

The Sustainability Policy Framework encompasses all our sustainability-related policies (see section 2.2.2.1). It describes responsible behaviour and business ethics as the basic layer of sustainability at KBC.

Integrity Policy

The Integrity Policy sets out the KBC principles on ethical behaviour and integrity and the values of KBC linked to its strategy, which are essential components of sound business practices. It covers the identification and management of compliance risks. A core topic is 'conduct risk', a concept that identifies the risk arising from the inappropriate provision of financial services.

The Integrity Policy focuses primarily on the following areas, for which – where appropriate – specific group-wide compliance rules have been issued:

- Preventing the financial system from being used for money laundering and terrorism financing (including human trafficking activities, which are often underlying offences), observing embargoes, and preventing financing of proliferation of weapons of mass destruction;
- Tax fraud prevention;
- Protecting investors and insurance policyholders;
- Respecting rules on consumer protection, including fair commercial practices in payment and lending services;
- Complaints handling;
- Data protection and privacy, confidentiality of information and the duty of discretion;
- Fostering ethics and responsible behaviour as the foundation on which the strategy is built;
- Coordinating fraud prevention;
- Complying with anti-discrimination legislation;
- Respecting the governance aspects of CRD IV and V, Solvency II and/or local laws, and the provision of advice on outsourcing and sustainability regulations.

The policy describes the accountabilities within KBC related to the management of compliance risks and the role of the Compliance function. The Compliance function is preventive when identifying, assessing and analysing risks, and is controlling when monitoring, investigating and supervising the observance of the Integrity Policy.

Integrity Policy

Scope	Applicable to all employees within KBC and its subsidiaries. It sets the minimum requirements for all these entities, which are required to draft their own local integrity policy, taking into consideration, where needed, local provisions for the activities performed
Most senior level accountable	This policy is approved by the Board. The ExCo is accountable for its elaboration and implementation. Top management is responsible for the implementation of the policy and for the management of the compliance risk
Consideration key stakeholders	Treating our clients and all other stakeholders in a fair, honest and professional manner is a key consideration in the Integrity Policy
Disclosure	The Integrity Policy is made available to all employees through internal communication channels. Dedicated awareness campaigns are regularly organised for many topics addressed by the policy

Code of Conduct for employees

The way in which we expect our employees to behave responsibly is outlined in our Code of Conduct for employees (see also section 3.1.1.1). It stresses the importance of a strong corporate culture that calls for responsible behaviour and explicitly addresses the following business conduct matters (non-exhaustive):

- Fighting money laundering and terrorism financing;
- Zero tolerance for fraud;
- Protection of investors and capital markets;
- Data protection and confidential information;
- Client focus and avoidance of conduct risk;
- Tax laws and regulations;
- Zero tolerance for corruption;
- Preventing conflicts of interest;
- Strict rules on gifts, entertainment and sponsorship;
- Whistleblowing and general speak-up culture;
- Competition rules.

Anti-Corruption and Bribery Policy

The Anti-Corruption and Bribery Policy provides clarity about KBC's zero tolerance for all forms of corruption for all employees and third parties with whom KBC has a contractual relationship and sets out the criteria and principles for avoiding conflicts of interest. The following aspects are part of this policy:

- Top-level commitment to and governance of the KBC Anti-Corruption Programme;
- Anti-corruption procedures and controls in accounting;
- Investigation of alleged bribery cases by independent investigation units;
- Annual group-wide risk assessment on corruption and bribery risks;

- Internal controls, record-keeping and reporting;
- Ethical and anti-bribery due diligence and anti-corruption clauses in contracts;
- The principles related to 'Bribery and corruption' that are embedded in the screening methodology for investment decisions (including proprietary investments, investments conducted on behalf of clients and for the investment funds managed by KBC).

The functions that are most at risk in respect of corruption and bribery are in the following departments: Commercial Activities, Procurement, Sales, Marketing, Sponsorship, Lobbying, ICT and Real Estate, and departments involved in open banking and contracting third parties.

Anti-Corruption and Bribery Policy

Scope	Applicable to all employees of KBC and its subsidiaries as well as third parties with whom KBC has a contractual relationship (e.g., suppliers, joint ventures, service providers, etc.)
Most senior level accountable	This policy is approved by the ExCo and the Board. Top management is responsible for implementation in every entity
Reference to third-party agreements	The policy is based on principle 10 of the UN Global Compact and the OECD Guidelines for Multinational Enterprises on corruption
Consideration key stakeholders	The objective of this policy is to protect our clients, our business relationships and society against bribery and corruption. It aims to ensure that everyone, including all employees, is aware of their role and KBC's zero tolerance in this respect
Disclosure	Published externally on www.kbc.com. Available internally for all employees

Whistleblower Protection Policy and Procedure

Our Whistleblowing Policy outlines the general principles and procedures for reporting concerns related to unethical or illegal activities within our organisation (see also section 3.1.1.1).

Our goal is to ensure that all employees or other stakeholders, regardless of their location, feel empowered to raise concerns and feel protected when doing so. By fostering an environment where whistleblowing is encouraged and safeguarded, we aim to uphold our core values and promote a culture of responsible behaviour throughout the entire group.

KBC has set up specific whistleblowing channels where people can raise their concerns (including in an anonymous manner) without having to fear retaliation. As a minimum, reports can concern breaches in the 10 areas of Union law enumerated in EU Directive 2019/1937 on the protection of persons who report breaches of Union law and in the areas added by local legislation. All reports are investigated by an independent investigation unit, where confidentiality and objectivity are guaranteed. The compliance officer reports the results of the investigations to the ExCo via the customary reporting lines. Mitigating actions are taken if necessary.

Beyond the (legally required) procedures for following up on reports by whistleblowers, KBC has broadened the scope of the Whistleblowing Policy as follows:
- The scope of the content has been broadened to include immoral or unethical conduct and conduct that compromises the credibility and reputation of the KBC Group in general (including corruption and bribery);
- The scope of who can report has been broadened from persons in a work-related environment (being the legal target group of the whistleblowing channel) to anyone who reports unethical or illegal activities in the area of financial services, products and markets. They also benefit from the protection against retaliation.

Anti-Money Laundering Policy

The objective of this policy is to establish the general framework for the fight against money laundering and terrorism financing throughout KBC. We are committed to compliance with high standards of anti-money laundering (AML) and countering the financing of terrorism (CTF). Accordingly, management and employees are required to adhere to these standards in preventing the use of our products and services for money laundering or terrorism financing purposes.

To this end, all credit and other financial institutions that are part of KBC are expected to develop a comprehensive AML programme. It must be based on the Group Compliance Rules, which encompass 'Know Your Customer' and 'Know Your Transactions' requirements. The AML programmes are further transposed into local procedures, taking into account local regulatory requirements and guidelines issued by the European Banking Authority.

In addition, as part of our Compliance Monitoring Programme, we perform recurrent AML/CTF-related quality controls in order to ensure the effectiveness of our instructions, procedures and processes in this domain.

Group Anti-Money Laundering Policy

Scope	Applicable to all credit and other financial institutions within KBC
Most senior level accountable	The ExCo and in particular the Group Chief Risk Officer, who is a member of the ExCo
Consideration key stakeholders	The objective of the policy is to protect our clients, our business relationships and society against money laundering and to counter the financing of terrorism. KBC complies with strict regulation and legislation to mitigate these risks
Disclosure	Published externally on www.kbc.com. The Group Compliance Rules, which specify the associated requirements and instructions, are available internally for all employees

Dealing Code

The Dealing Code contains measures to avoid insider dealing and market manipulation. It aims to prevent key employees and managers from knowingly or unknowingly performing transactions that are viewed as constituting market abuse. The Code describes prohibited conduct, the corresponding requirements, the duty to report personal transactions to the compliance officer and the relevant conditions. It further requires a list to be drawn up of key employees, who cannot execute personal transactions during periods considered sensitive, called blocking periods. Transactions by employees with a managerial responsibility as well as persons connected with them need to be reported to the Belgian Financial Services and Markets Authority (FSMA).

Furthermore, the Code describes the duties of the compliance officer, such as keeping a list of key employees and notifying them of the existence and content of the Dealing Code. The compliance officer also performs regular checks to ensure that the rules imposed are complied with and takes measures where necessary.

Dealing Code

Scope	Applicable to KBC and its subsidiaries and in particular all key employees and managers as defined in the policy
Most senior level accountable	The ExCo is accountable for the implementation of the policy
Consideration key stakeholders	The objective of this policy is to protect our clients, our business relationships and society against Insider Trading, Unlawful Disclosure of Inside Information and Market Manipulation
Disclosure	Published externally on www.kbc.com. Every person in scope of the Dealing Code is notified of its existence and content and needs to confirm that they have read and understood the Code and have taken action to comply with it

Ethics and Fraud Policy

This policy aims to ensure that KBC takes all necessary steps to protect the good name, reputation and assets of KBC and its subsidiaries and of all employees, clients, suppliers and other stakeholders. This includes developing processes and procedures, monitoring, creating awareness and training to prevent fraud and misconduct.

It outlines the Fraud Risk Management Process, which consists of the following interdependent and mutually reinforcing steps:
- Establishing an anti-fraud culture;
- Performing fraud risk assessments;
- Implementing preventive measures;
- Implementing detection controls;
- Establishing a clear fraud response protocol;
- Establishing monitoring and reporting practices.

Ethics and Fraud Policy

Scope	Applicable to KBC and its subsidiaries
Most senior level accountable	Top management of the business units is responsible for the implementation of the policy
Consideration key stakeholders	Integrity of our operations and the protection and interests of our stakeholders and our clients are placed at the forefront of fraud risk assessments and policy implementation. The policy has been designed and implemented to provide comprehensive protection for assets of both KBC and our stakeholders
Disclosure	Published externally on www.kbc.com

Tax Strategy

The general objective of our Tax Strategy is to ensure that we act as responsible taxpayers based on professionally executed tax compliance and legitimate tax planning driven by valid business purposes. Consequently, our employees are not allowed to provide any kind of advice or assistance to clients in terms of tax avoidance or the violation of regulations. Our Tax department operates independently from the business and is mandatorily involved in the NAPP process. We have proactive tax risk management and our tax compliance is based on robust systems, tools and procedures. Moreover, there is full transparency both to the public (e.g., disclosure of country-by-country tax figures (we refer to Note 3.11 in the consolidated income statement), tax rulings) and to the tax authorities.

Tax Strategy

Scope	The KBC tax strategy applies to the entire group
Most senior level accountable	This policy is approved by the ExCo and the Board. The General Manager of Group Tax is responsible for the implementation of the Tax Strategy
Consideration key stakeholders	Our Tax Strategy has been drafted taking into account the interests and expectations of a wide base of key stakeholders, including tax administrations and governments, regulators, investors and shareholders, non-governmental organisations, the media and the general public, our clients and our employees
Disclosure	Published externally on www.kbc.com and available internally for all employees

Sustainability Code of Conduct for Suppliers

Our Sustainability Code of Conduct for Suppliers ensures that suppliers pay attention to and comply with social, ethical and environmental principles. It informs our suppliers that KBC is entitled to conduct interim screenings to evaluate whether suppliers comply with the agreed sustainability principles. To this end, KBC leverages external and internal databases which provide signals about suppliers. Signals such as lawsuits and other wrongdoings (e.g., negative media attention) of suppliers are captured, evaluated and decided upon by Procurement in consultation with the relevant competent departments (such as, e.g., Group Corporate Sustainability). If any violations come to light that cannot be fundamentally resolved within a reasonable period of time, KBC has the right to terminate all contracts with the supplier concerned.

Sustainability Code of Conduct for Suppliers

Scope	Applicable to all supplier entities (including parent companies and subsidiaries of KBC's contractual counterparties)
Most senior level accountable	The Sustainability Code of Conduct for Suppliers is part of our sourcing relationships, which are largely regulated via contracts. Contract ownership is decentralised at KBC and lies with the beneficiary of the goods and services. In practice, the key beneficiary is usually the Senior General Manager of the department receiving the goods or services (i.e. top management)
Reference to third-party agreements	This policy contributes to our commitment to observe the UN Global Compact Principles
Consideration key stakeholders	This policy has been challenged by our ISB, representing the interest of key stakeholders
Disclosure	Published externally on www.kbc.com

Corporate culture

To grow and maintain the trust of our stakeholders, it is crucial that all our employees always behave responsibly in everything they do, across all layers of the organisation. Responsible behaviour is a cornerstone of our corporate culture and is strongly rooted in all the above-mentioned policies, including the related training and awareness programmes. We have developed a 'Responsible Behaviour Compass' for our employees, a document that outlines basic principles of common sense around responsible behaviour and fair decision-making. It addresses the risks, standards, policies, processes and structures involved in maintaining KBC's high standards on responsible behaviour.

The foundations of our corporate culture are our three core values: be respectful, be responsive and be result-driven. These three attitudes are closely linked to each other and cannot be seen independently from one another. Our corporate culture is summed up in the acronym 'PEARL+' and was established in 2012, when the Strategy was updated. It was decided by the ExCo. We evaluate our corporate culture by conducting employee engagement surveys every six months (see 3.1.1.2). We refer to the 'Our business model' section (which is not subject to external assurance) for more details.

Responsible behaviour is embedded in the whole organisation and is not limited to managers, but is expected from all our employees. All employees should be aware of the company culture, in which people are encouraged to feel both empowered and accountable to report unethical behaviour. As there is space for alternative views and even mistakes, without taboos, speaking up is encouraged at three levels: peer to peer, towards line management and/or via the whistleblowing channels (we refer to our whistleblowing policy). Observed violations of our Code of Conduct for employees, such as unlawful behaviour, are sanctioned in line with work regulations.

Management of relationships with suppliers (4.1.1.2)

KBC is committed to meeting the contractual terms that have been agreed with its suppliers. This includes paying each supplier in a timely manner, i.e. within the contractual payment period. We monitor the timeliness of our payments to suppliers and report to a steering committee at management level. Cases where timely payment is not possible because of certain circumstances, such as issues that are to be resolved with the supplier, are closely followed up. In this regard, all suppliers, including SMEs, are treated equally.

When it comes to managing the risks as well as ESG-related impacts associated with our supplier relationships, we have several processes in place throughout the selection process and contract lifecycle.
First of all, we have defined a blacklist of suppliers based on ESG factors. In this way, companies that are involved, either directly or via a subsidiary, in controversial activities such as the production of nuclear weapons or white phosphorus are excluded from being selected as candidate suppliers. Furthermore, in preparation for a purchase, candidate suppliers are screened as part of our onboarding process. This screening includes a check on financial health, embargoes, lawsuits and convictions. We also perform dedicated ESG screening based on a standard questionnaire for all purchases above 250 000 euros and other purchases when deemed appropriate. KBC encourages suppliers to provide detailed ESG-related information in their product and service offers. The provision of such information can be considered as a positive criterion during supplier selection.

On concluding a contract, each supplier must agree to comply with the social, ethical and environmental principles in our Sustainability Code of Conduct for Suppliers (as described in section 4.1.1.1).
During the contract lifecycle, we actively monitor the contractual performance of our suppliers. In addition, we screen active suppliers on a monthly basis using the KBC internal alerting system, which includes financial health, embargoes, lawsuits and

convictions. The setup for monitoring suppliers' ESG-related performance is reviewed as part of the wider reviews of our procurement processes and tooling.

Actions in relation to business conduct policies (4.1.1.3)

In addition to the above-mentioned policies, we have actions in place to manage, assess and follow up the impacts and risks related to business conduct matters.

Integrating governance topics into the risk management framework and compliance risk management

We refer to section 2.2.2.2, describing the action on ESG integration in our Risk Management Framework (RMF), for an overview of the continuous efforts that we make to integrate ESG risks (including governance risks) in our RMF and processes.

Specifically with respect to governance risks, we have implemented the following:
- Within our risk appetite, specific objectives are dedicated to promoting strong corporate culture, corporate governance and risk & compliance management;
- Governance risks are assessed as part of the NAPP (as described in section 2.2.2.2). In particular for business conduct, within the NAPP process risks and potential negative impacts are assessed and necessary actions defined related to conduct risk (the risk of offering financial services and products in an inappropriate or unethical way), fraud, sustainability, anti-money laundering requirements, embargoes, tax fraud and regulatory incompliancy;
- Management quality is assessed for large corporates as part of the loan origination process (in the context of credit risk management).

Our compliance risk management focuses in particular on integrity, including ethical behaviour and management of conduct risk. Protection of consumers and investors, prevention of money laundering and terrorism financing, corruption and bribery, fostering ethics and responsible behaviour and aspects of corporate governance are core compliance domains. While the Executive Committee and top management of business units are primarily accountable for the management of compliance risks, the compliance function also plays a fundamental role.

Prevention and detection of corruption and bribery (4.1.1.4)

We have established several procedures to prevent, detect and address allegations or incidents of corruption and bribery. They are mentioned in the Anti-Corruption and Bribery Policy (we refer to section 4.1.1.1) and involve (this list is not exhaustive):
- Conflict of interest policies;
- Policy on Gifts, Entertainment, Donations and Sponsorship;
- Due diligence, pre-employment screening when appointing board members and top management;
- Four-eye principle in our recruitment process;
- Specific anti-corruption procedures and controls in accounting;
- Yearly anti-bribery and corruption risk assessments in each entity, taking into account the country risk, sector risk, transaction risk, business opportunity risk, business partnership risk and due diligence risk;
- Mandatory training and awareness sessions for all staff;
- Implementation of various first-line controls in the business lines to prevent corruption and bribery, which are additionally monitored in compliance monitoring programmes by the compliance function;
- Record-keeping of breaches.

Our Whistleblower Protection Policy, our speak-up culture as mentioned in the Code of Conduct for employees, our Anti-Money Laundering Policy and our Sustainability Code of Conduct for Suppliers (including anti-corruption due diligence procedures and written commitments and clauses in all contractual agreements) support our approach to corruption and bribery. We refer to section 4.1.1.1 for further information on these policies.

The investigations related to corruption and bribery are conducted by an independent investigation unit under the supervision of the compliance function. Incidents and outcomes of corruption- and bribery-related investigations (if any) are reported to local management or the ExCo, and the RCC.

For more information on training related to corruption and bribery, we refer to section 4.1.1.1.

Business conduct: metrics and targets (4.1.2)

Confirmed incidents (4.1.2.1)

KBC has no convictions nor received any fines for violating anti-corruption and anti-bribery laws during the reporting period. This information is not externally validated by an external body other than the assurance provider.

Payment practices (4.1.2.2)

As mentioned in section 4.1.1.2, KBC is committed to paying all its invoices from suppliers (including suppliers which are SMEs) on time. At KBC, the most commonly used standard payment term is 30 days after the receipt of a correct invoice. This payment term is applied to about 86% of our annual invoices by value, and is used across KBC and its subsidiaries and equally for all suppliers and types of invoices. For invoices related to our leasing activities in Bulgaria, which represent 13% of our annual invoices, we use a standard payment term of 5 days. We further note that for less than 1% of our annual invoices, the payment term deviates at the level of local subsidiaries or as a result of negotiations at the level of individual contracts.

In 2024, the average number of days between the payment date and the date of receipt of an invoice was 15 days. This metric is not externally validated by an external body other than the assurance provider. It was calculated for the first time for the purpose of this Sustainability Statement. The calculation is based on actual invoice data from KBC Bank and its subsidiaries in our five core countries and excludes payments to employees, intra-group items and payments to tax authorities. The consolidated figure at the level of KBC Bank represents a weighted average based on the total number of invoices.

Cases where KBC does not respect the payment period are mostly related to processing issues, such as incorrect invoices where, for instance, the amount, price or VAT is not in line with the data in our financial systems. The team that resolves these issues has to report to our Procurement management the number of blocked invoices and the period needed to resolve the issues.
Additionally, we note that KBC Bank (including all its subsidiaries) does not have any outstanding legal proceedings for late payments.

Independent auditor's limited assurance report on the consolidated sustainability information of KBC Bank NV

FREE TRANSLATION OF A LIMITED ASSURANCE REPORT ORIGINALLY PREPARED IN DUTCH

To the general meeting

In the context of the legal limited assurance engagement on the consolidated sustainability information of KBC Bank NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our report on this engagement.

We were appointed by the general meeting of April 24, 2024 in accordance with the proposal of the board of directors on the recommendation of the audit committee and as presented by the workers' council of the Company to perform a limited assurance engagement on the consolidated sustainability information of the Group included in the section Report of the Board of Directors – Sustainability statement of the Annual report KBC Bank 2024 as of December 31, 2024 and for the year ended on this date (the "sustainability information").

Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2024. This is the first year that we have performed the assurance engagement on the sustainability information of the Group.

Limited assurance conclusion

We have performed a limited assurance engagement on the sustainability information of the Group.

Based on the procedures performed and assurance evidence obtained, nothing has come to our attention to cause us to believe that the sustainability information of the Group is in all material respects:

- not prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European standards for sustainability information (European Sustainability Reporting Standards (ESRS));
- not in compliance with the process carried out by the Group to identify the sustainability information ("the Process") in accordance with the European Standards as disclosed in section 'Description of the processes to identify and assess material impact, risks and opportunities (1.4.1)' of the sustainability information; and

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Luchthaven Brussel Nationaal 1K
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KPMG Bedrijfsrevisoren - KPMG Réviseurs d'Entreprises BV/SRL
Ondernemingsnummer / Numéro d'entreprise 0419.122.548
BTW - TVA BE 0419.122.548
RPR Brussel - RPM Bruxelles
IBAN : BE 95 0018 4771 0358
BIC : GEBABEBB

- not in compliance with article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the publication of the disclosure included in the section EU-taxonomy – detailed tables of the Annual report KBC Bank 2024.

Our conclusion on the sustainability information does not extend to any other information that accompanies or contains the sustainability information and our report.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), as adopted in Belgium.

Our responsibilities under this standard are further described in the "Responsibilities of the independent auditor for the limited assurance engagement on the sustainability information" section of our report.

We have complied with the ethical requirements that are relevant to our assurance engagement on the sustainability information in Belgium, including the independence requirements.

Our firm applies International Standard on Quality Management (ISQM) 1. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for our limited assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The scope of our procedures is limited to our limited assurance engagement on the sustainability information of the Group. Our limited assurance engagement does not extend to information relating to the comparative figures.

Interconnectivity between the sustainability information and the consolidated financial statements

The board of directors is responsible for referencing the sustainability information to the amounts reported in the consolidated financial statements to ensure the interconnectivity between the sustainability information and the consolidated financial statements. Our conclusion included in the section "Limited assurance conclusion" does not extend to the interconnectivity between the sustainability information and the consolidated financial statements, and we do not express any assurance conclusion thereon. In the context of our limited assurance engagement, we are responsible, as contractually determined, to verify the referencing from the sustainability information to the amounts reported in the consolidated financial statements. In the context of the procedures carried out in this respect, we did not identify any material misstatements that we have to report to you.

Board of directors' responsibilities for the preparation of the sustainability information

The board of directors of the Company is responsible for designing and implementing the Process and for disclosing this Process in section 'Description of the processes to identify and assess material impact, risks and opportunities (1.4.1)' of the sustainability information. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability information, which includes the information determined by the Process:

- in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European standards for sustainability information (European Sustainability Reporting Standards (ESRS)); and

- in compliance with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the publication of the information included the section EU-taxonomy – detailed tables of the Annual report KBC Bank 2024.

This responsibility entails:

- designing, implementing and maintaining such internal controls that the board of directors determines are necessary to enable the preparation of the sustainability information such that it is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee is responsible for overseeing the Company's sustainability information reporting process.

Inherent limitations in preparing the sustainability information

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected and the deviations may be material.

Responsibilities of the Independent auditor for the limited assurance engagement on the sustainability information

It is our responsibility to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability information as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as adopted in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work carried out in an engagement with a view to obtaining a limited degree of assurance, for which we refer to the section "Summary of the work performed", is less in extent than for a reasonable assurance engagement. We therefore do not express a reasonable assurance conclusion.

As the forward-looking information contained in the sustainability information and the assumptions on which it is based, relate to the future, it may be affected by events that may occur and/or by possible actions of the Group. The actual outcome is likely to differ from the assumptions, as the anticipated events will frequently not occur as expected and the deviations may be material. Our conclusion is therefore not a guarantee that the actual outcomes reported will be consistent with those included in the forward-looking information included in the sustainability information.

Our responsibilities in relation to the Process for reporting the sustainability information, include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in section 'Description of the processes to identify and assess material impact, risks and opportunities (1.4.1)' of the sustainability information.

Our other responsibilities in respect of the sustainability information include:

- obtaining an understanding of the Group's control environment, relevant processes and information systems for the preparation of the sustainability information but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- identifying areas in the sustainability information where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures focused on disclosures in the sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain assurance evidence about the sustainability information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of our procedures depend on our professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability information.

In conducting our limited assurance engagement with respect to the Process, we have:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group's internal documentation of its Process; and
- evaluated whether the assurance evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in section 'Description of the processes to identify and assess material impact, risks and opportunities (1.4.1)' of the sustainability information.

In conducting our limited assurance engagement with respect to the sustainability information, we have amongst others:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability information by, through the performance of inquiries, obtaining an understanding of the Group's control environment, relevant processes and information systems for the preparation of the sustainability information;
- evaluated whether material information identified by the Process is included in the sustainability information;
- evaluated whether the structure and the presentation of the sustainability information is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected disclosures in the sustainability information;

- performed substantive assurance procedures based on the basis of a limited sample on selected disclosures in the sustainability information;
- obtained assurance evidence on the methods for developing material estimates and forward-looking information as further described in the "Responsibilities of the Independent auditor for the limited assurance engagement on the sustainability information" section of our report;
- obtained an understanding of the process of the Group to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability information.

Information about the independence

Our audit firm and our network have not performed any engagement which is incompatible with the limited assurance engagement and our audit firm remained independent of the Group during the term of our mandate.

Zaventem, March 28, 2025

KPMG Bedrijfsrevisoren
Independent Auditor
represented by

Kenneth Vermeire Bedrijfsrevisor	Steven Mulkens Bedrijfsrevisor

Consolidated financial statements

Abbreviations used

- **AC** = amortised cost
- **FVO** = fair value option
- **FVOCI** = fair value through other comprehensive income
- **FVPL** = fair value through profit or loss
- **HFT** = held for trading
- **MFVPL** = mandatorily measured at fair value through profit or loss
- **OCI** = other comprehensive income
- **POCI** = purchased or originated credit impaired assets

Consolidated income statement

(in millions of EUR)	Note	2024	2023
Net interest income	3.1	5 142	5 044
Interest income	*3.1*	*19 583*	*19 996*
Interest expense	*3.1*	*-14 441*	*-14 952*
Dividend income	3.2	21	18
Net result from financial instruments at fair value through profit or loss	3.3	80	219
Net fee and commission income	3.4	2 608	2 387
Fee and commission income	3.4	*3 405*	*3 137*
Fee and commission expense	3.4	*- 798*	*- 750*
Net other income	3.5	89	578
TOTAL INCOME		**7 940**	**8 246**
Operating expenses	3.7	-4 544	-4 624
Total Opex without banking tax	3.7	*-3 951*	*-3 966*
Total bank tax	3.7	*- 592*	*- 657*
Impairment	3.9	- 241	- 180
on FA at amortised cost and at FVOCI	3.9	*- 202*	*18*
on goodwill	3.9	*0*	*- 109*
other	3.9	*- 39*	*- 88*
Share in results of associated companies and joint ventures	3.10	80	- 4
RESULT BEFORE TAX		**3 236**	**3 439**
Income tax expense	3.11	- 367	- 608
Net post-tax result from discontinued operations		0	0
RESULT AFTER TAX		**2 869**	**2 831**
Attributable to minority interests		- 1	- 1
Attributable to equity holders of the parent		2 869	2 832

- We have dealt with the main items in the income statement in the ‘Report of the Board of Directors’ under the ‘Our financial report’ and ‘Our business units’ sections. The statutory auditor has not audited these sections.
- The breakdown of interest income and interest expense on financial instruments calculated using the effective interest rate method and on other financial instruments (not calculated using the effective interest rate method) is provided in Note 3.1.
- For a breakdown of the operating expenses by nature, see Note 3.7.
- The impact of the most important acquisitions and disposals made in 2024 and 2023 is set out in Note 6.6.

Consolidated statement of comprehensive income

(comprehensive income)

(in millions of EUR)	2024	2023
RESULT AFTER TAX	**2 869**	**2 831**
Attributable to minority interests	- 1	- 1
Attributable to equity holders of the parent	2 869	2 832
OCI THAT MAY BE RECYCLED TO PROFIT OR LOSS	**- 142**	**409**
Net change in revaluation reserve (FVOCI debt instruments)	- 40	106
Fair value adjustments before tax	- 58	130
Deferred tax on fair value changes	20	- 26
Transfer from reserve to net result	- 2	2
Impairment	*0*	*0*
Net gains/losses on disposal	*- 1*	*2*
Deferred taxes on income	*- 1*	*0*
Net change in hedging reserve (cashflow hedges)	71	356
Fair value adjustments before tax	- 9	385
Deferred tax on fair value changes	10	- 74
Transfer from reserve to net result	70	45
Gross amount	*101*	*61*
Deferred taxes on income	*- 30*	*- 15*
Net change in translation differences	- 215	- 103
Gross amount	- 215	- 103
Deferred taxes on income	0	0
Hedge of net investments in foreign operations	42	52
Fair value adjustments before tax	48	84
Deferred tax on fair value changes	- 12	- 23
Transfer from reserve to net result	6	- 10
Gross amount	*8*	*- 13*
Deferred taxes on income	*- 2*	*3*
Net change in respect of associated companies and joint ventures	0	0
Gross amount	0	0
Deferred taxes on income	0	0
Other movements	1	- 2
OCI THAT WILL NOT BE RECYCLED TO PROFIT OR LOSS	**49**	**- 22**
Net change in revaluation reserve (FVOCI equity instruments)	10	3
Fair value adjustments before tax	12	5
Deferred tax on fair value changes	- 2	- 2
Net change in defined benefit plans	39	- 26
Remeasurements	51	- 34
Deferred tax on remeasurements	- 11	9
Net change in own credit risk	0	0
Fair value adjustments before tax	0	0
Deferred tax on fair value changes	0	0
Net change in respect of associated companies and joint ventures	0	0
Remeasurements	0	0
Deferred tax on remeasurements	0	0
TOTAL COMPREHENSIVE INCOME	**2 776**	**3 219**
Attributable to minority interests	- 1	- 1
Attributable to equity holders of the parent	2 777	3 219

- Revaluation reserves in 2024:
    - The net change in the ‘revaluation reserve (FVOCI debt instruments)’ came to -40 million euros, which was mainly accounted for by the higher interest rates of primarily government bonds in most countries, partly offset by the unwinding effect of the negative outstanding revaluation reserve.
    - The net change in the hedging reserve (cashflow hedge) of +71 million euros was mainly attributable to the unwinding effect of the negative outstanding hedging reserve.
    - The net change in translation differences of -215 million euros was caused primarily by the depreciation of the Czech koruna and the Hungarian forint against the euro. This was partly offset by the hedge of net investments in foreign entities (+42 million euros). The hedging policy of foreign exchange participations is aimed at stabilising the group capital ratio (and not the equity).
    - The net change in defined benefit plans (+39 million euros) was mainly accounted for by the impact of lower inflation and the positive return on plan assets, partly offset by a slightly lower discount rate applied to the liabilities.
- Revaluation reserves in 2023:
    - The net change in the ‘revaluation reserve (FVOCI debt instruments)’ came to +106 million euros, which was mainly accounted for by the lower interest rates and the unwinding effect of the negative outstanding revaluation reserve.
    - The net change in the hedging reserve (cashflow hedge) of +356 million euros was mainly attributable to the unwinding effect of the negative outstanding hedging reserve and positive mark-to-market on receiver swaps due to the lower interest rates.
    - The net change in translation differences of -103 million euros was caused primarily by the depreciation of the Czech koruna against the euro, partly offset by the appreciation of the Hungarian forint against the euro. This was partly offset by the hedge of net investments in foreign entities (+52 million euros). The hedging policy of foreign exchange participations is aimed at stabilising the group capital ratio (and not the equity).
    - The net change in defined benefit plans of -26 million euros was accounted for by the impact of the lower discount rate applied to the liabilities, partly offset by the lower expected inflation rate and the positive returns on plan assets.

Consolidated balance sheet

(in millions of EUR)	Note	31-12-2024	31-12-2023
ASSETS			
Cash, cash balances with central banks and other demand deposits with credit institutions		46 802	34 512
Financial assets	4.0	282 908	273 067
Amortised cost	*4.0*	*260 350*	*258 099*
Fair value through OCI	*4.0*	*10 805*	*5 479*
Fair value through profit or loss	*4.0*	*11 488*	*9 202*
of which held for trading	*4.0*	*10 523*	*8 343*
Hedging derivatives	*4.0*	*264*	*287*
Profit/loss on positions in portfolios hedged for interest rate risk		-1 930	-2 402
Tax assets	5.2	938	812
Current tax assets	*5.2*	*34*	*134*
Deferred tax assets	*5.2*	*904*	*678*
Non-current assets held for sale and disposal groups		1	4
Investments in associated companies and joint ventures	5.3	117	31
Property, equipment and investment property	5.4	3 599	3 322
Goodwill and other intangible assets	5.5	1 933	1 886
Other assets	5.1	1 261	1 101
TOTAL ASSETS		335 629	312 334
LIABILITIES AND EQUITY			
Financial liabilities	4.0	313 528	290 885
Amortised cost	*4.0*	*306 448*	*282 036*
Fair value through profit or loss	*4.0*	*6 768*	*8 451*
of which held for trading	*4.0*	*5 733*	*7 092*
Hedging derivatives	*4.0*	*312*	*398*
Profit/loss on positions in portfolios hedged for interest rate risk		- 386	- 505
Tax liabilities	5.2	168	151
Current tax liabilities	*5.2*	*102*	*86*
Deferred tax liabilities	*5.2*	*67*	*66*
Liabilities associated with disposal groups		0	0
Provisions for risks and charges	5.7	139	180
Other liabilities	5.8	1 757	1 678
TOTAL LIABILITIES		315 206	292 389
Total equity	5.10	20 423	19 945
Parent shareholders' equity	5.10	18 559	17 695
Additional tier-1 instruments included in equity	5.10	1 864	2 250
Minority interests		0	0
TOTAL LIABILITIES AND EQUITY		335 629	312 334

- An analysis of the most material items on the balance sheet can be found in the ‘Report of the Board of Directors’ section under ‘Our financial report’. The statutory auditor has not audited that section.

Consolidated statement of changes in equity

(in millions of EUR)	Issued and paid up share capital	Share premium	Treasury shares	Retained earnings	Total revaluation reserves	Parent shareholders' equity	AT1 instruments included in equity	Minority interests	Total equity
2024									
Balance at the beginning of the period	9 732	2 066	0	6 391	- 495	17 695	2 250	0	19 945
Restatement related to previous year(s)				- 41	0	- 41			- 41
Restated balance at the beginning of the period	9 732	2 066	0	6 350	- 495	17 654	2 250	0	19 904
Net result for the period	0	0	0	2 869	0	2 869	0	- 1	2 869
Other comprehensive income for the period	0	0	0	1	- 94	- 93	0	0	- 93
Subtotal	0	0	0	2 871	- 94	2 777	0	- 1	2 776
Dividends	0	0	0	- 1 782	0	- 1 782	0	0	- 1 782
Coupon on AT1	0	0	0	- 88	0	- 88	0	0	- 88
Issue/repurchase of AT1 included in equity	0	0	0	- 2	0	- 2	- 386	0	- 388
Capital increase	0	0	0	0	0	0	0	0	0
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	8	- 8	0	0	0	0
Change in scope	0	0	0	0	0	0	0	1	1
Change in minorities interests	0	0	0	0	0	0	0	0	0
Total change	0	0	0	1 007	- 102	905	- 386	0	519
Balance at the end of the period	9 732	2 066	0	7 357	- 596	18 559	1 864	0	20 423
2023									
Balance at the beginning of the period	9 732	2 066	0	5 401	- 887	16 313	1 500	0	17 813
Net result for the period	0	0	0	2 832	0	2 832	0	- 1	2 831
Other comprehensive income for the period	0	0	0	- 2	389	387	0	0	387
Subtotal	0	0	0	2 830	389	3 219	0	- 1	3 219
Dividends	0	0	0	- 1 782	0	- 1 782	0	0	- 1 782
Coupon on AT1	0	0	0	- 52	0	- 52	0	0	- 52
Issue/repurchase of AT1 included in equity	0	0	0	- 3	0	- 3	750	0	747
Capital increase	0	0	0	0	0	0	0	0	0
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	- 3	3	0	0	0	0
Change in scope	0	0	0	0	0	0	0	1	1
Change in minorities interests	0	0	0	0	0	0	0	0	0
Total change	0	0	0	991	392	1 383	750	0	2 133
Balance at the end of the period	9 732	2 066	0	6 391	- 495	17 695	2 250	0	19 945

- An explanation of the changes in the revaluation reserves is provided under ‘Consolidated statement of comprehensive income’.
- For information on the shareholder structure, see the ‘Report of the Board of Directors’ in the ‘Corporate governance statement’ section.
- ‘Restatement related to previous year(s)’ involves an adjustment of the tax calculation in the Czech Republic. Given the relatively limited impact, the balance sheet and income statement were not retroactively restated.
- For information on capital increases, additional tier-1 instruments, treasury share buybacks and the number of shares, see Note 5.10.
- The ‘Dividends’ item in 2023 (1 782 million euros) includes the final dividend for financial year 2022 of 1 194 million euros, paid in May 2023, and an interim dividend of 587 million euros, paid in August 2023. The ‘Dividends’ item in 2024 (1 782 million euros) includes the final dividend for financial year 2023 of 806 million euros, paid in May 2024, and an interim dividend of 975 million euros, paid in August 2024.
- We propose to the General Meeting of Shareholders of 24 April 2025 a total dividend of 1 473 million euros related to 2024, comprising the interim dividend of 975 million euros, paid in August 2024, and a final dividend of 498 million euros, payable in May 2025.

Composition of the 'Total revaluation reserves' column in the previous table (in millions of EUR)	31-12-2024	31-12-2023	31-12-2022
Total	- 596	- 495	- 887
Revaluation reserve (FVOCI debt instruments)	- 81	- 40	- 147
Revaluation reserve (FVOCI equity instruments)	16	14	8
Hedging reserve (cashflow hedges)	- 509	- 580	- 936
Translation differences	- 455	- 240	- 137
Hedge of net investments in foreign operations	168	126	75
Remeasurement of defined benefit plans	264	224	250
Own credit risk through OCI	0	0	0

Consolidated cashflow statement

(in millions of EUR)	Note[1]	2024	2023
OPERATING ACTIVITIES			
Result before tax	Cons. income stat.	3 236	3 439
Adjustments for non-cash items in profit & loss		895	- 142
Result before tax from discontinued operations	*Cons. income stat.*	*0*	*0*
Depreciation, impairment and amortisation of property, plant and equipment, intangible fixed assets, investment property and securities	*3.9, 4.2, 5.4, 5.5*	*320*	*480*
Profit/Loss on the disposal of investments	—	*- 23*	*- 449*
Change in impairment on loans and advances	*3.9*	*202*	*- 18*
Change in other provisions	*5.7*	*- 2*	*- 145*
Other unrealised gains/losses	—	*478*	*- 13*
Income from associated companies and joint ventures	*3.11*	*- 80*	*4*
Cashflows from operating profit before tax and before changes in operating assets and liabilities	—	4 131	3 297
Changes in operating assets (excluding cash and cash equivalents)		-17 379	-6 149
Financial assets at amortised cost (excluding debt securities)	*4.1*	*-9 474*	*-4 633*
Financial assets at fair value through OCI	*4.1*	*-5 412*	*-1 772*
Financial assets at fair value through profit or loss	*4.1*	*-2 358*	*- 59*
of which financial assets held for trading	*4.1*	*-2 194*	*103*
Hedging derivatives	*4.1*	*22*	*239*
Operating assets associated with disposal groups, and other assets	—	*- 157*	*76*
Changes in operating liabilities (excluding cash and cash equivalents)		23 473	-18 831
Financial liabilities at amortised cost	*4.1*	*24 780*	*-16 965*
Financial liabilities at fair value through profit or loss	*4.1*	*-1 361*	*-1 914*
of which financial liabilities held for trading	*4.1*	*-1 341*	*-2 038*
Hedging derivatives	*4.1*	*- 94*	*214*
Operating liabilities associated with disposal groups and other liabilities	—	*149*	*- 166*
Income taxes paid		- 584	- 429
Net cash from or used in operating activities		9 642	-22 112
INVESTING ACTIVITIES			
Purchase of debt securities at amortised cost	4.1	-5 213	-9 708
Proceeds from the repayment of debt securities at amortised cost	4.1	6 378	6 665
Acquisition of a subsidiary or a business unit, net of cash acquired (including increases in percentage interest held)	6.6		- 42
Proceeds from the disposal of a subsidiary or business unit, net of cash disposed of (including decreases in percentage interest held)		0	6 480
Purchase of shares in associated companies and joint ventures	—	- 6	- 1
Proceeds from the disposal of shares in associated companies and joint ventures	—	0	23
Dividends received from associated companies and joint ventures	—	0	0
Purchase of investment property	5.4	- 134	- 3
Proceeds from the sale of investment property	5.4	14	76
Purchase of intangible fixed assets (excluding goodwill)	5.5	*- 234*	*- 222*
Proceeds from the sale of intangible fixed assets (excluding goodwill)	5.5	*5*	*1*
Purchase of property, plant and equipment	5.4	*- 945*	*- 949*
Proceeds from the sale of property, plant and equipment	5.4	*335*	*285*
Net cash from or used in investing activities		199	2 606

(in millions of EUR)	Note[1]	2024	2023
FINANCING ACTIVITIES			
Purchase or sale of treasury shares	Cons. stat. of changes in equity	0	0
Issue or repayment of promissory notes and other debt securities	4.1	1 482	2 374
Proceeds from or repayment of subordinated liabilities	4.1	-1 007	5 052
Proceeds from the issuance of share capital	Cons. stat. of changes in equity	0	0
Issue of additional tier-1 instruments	Cons. stat. of changes in equity	- 388	747
Dividends paid	Cons. stat. of changes in equity	-1 782	-1 782
Coupon additional Tier-1 instruments	Cons. stat. of changes in equity	- 88	- 52
Net cash from or used in financing activities		-1 783	6 339
CHANGE IN CASH AND CASH EQUIVALENTS			
Net increase or decrease in cash and cash equivalents		8 058	-13 167
Cash and cash equivalents at the beginning of the period		53 942	67 439
Effects of exchange rate changes on opening cash and cash equivalents		- 626	- 330
Cash and cash equivalents at the end of the period		61 374	53 942
ADDITIONAL INFORMATION			
Interest paid[2]	3.1	-14 441	-14 952
Interest received[2]	3.1	19 583	19 996
Dividends received (including equity method)	3.2	21	18
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and cash balances with central banks and other demand deposits with credit institutions	Cons. balance sheet	46 802	34 512
Term loans to banks at not more than three months (excl. reverse repos)	4.1	224	221
Reverse repos with credit institutions and investment firms at not more than three months	4.1	20 804	25 345
Deposits from banks repayable on demand	4.1	-6 457	-6 136
Cash and cash equivalents belonging to disposal groups		0	0
Total		61 374	53 942
of which not available		*0*	*0*

[1]The notes referred to do not always contain the exact same amounts as those included in the cashflow statement, as - among other things - adjustments have been made to take account of acquisitions or disposals of subsidiaries, as set out in IAS 7.
[2]'Interest paid' and 'Interest received' in this overview are the equivalent of the 'Interest expense' and 'Interest income' items in the consolidated income statement. Given the large number of underlying contracts that generate interest expense and interest income, it would take an exceptional administrative effort to establish actual cashflows. Moreover, it is reasonable to assume that actual cashflows for a bank-insurance company do not differ much from the accrued interest expense and accrued interest income, as most rate products pay interest regularly within the year.

- KBC uses the indirect method to report on cashflows from operating activities.
- Net cash from or used in operating activities:
  - In 2024, this item included growth in customer deposits (related in part to the recovery of the outflow to the Belgian State Note in 2023) and a strong increase in repos, partly offset by a decrease in deposits from credit institutions (including the repayment of the remaining 2.6 billion euros borrowed under TLTRO III) and certificates of deposit as well as an increase in mortgage loans and term loans;
  - In 2023, this item included a repayment of part of the amount borrowed under TLTRO III (12.9 billion euros), lower demand deposits and savings deposits (partly due to the outflow to the Belgian State Note in September 2023), lower repos and higher mortgage loans and term loans;
- Net cash from or used in investing activities:
  - In 2024, this item included a decline in debt securities at amortised cost (+1 164 million euros), partly offset by additional investments in tangible and intangible fixed assets (-959 million euros);
  - In 2023, this item included the cash proceeds from the finalisation of the sale in Ireland, partly offset by additional investments in debt securities at amortised cost.
- Net cash from or used in financing activities:
  - In 2024, this item included the dividend payout (-1.8 billion euros), the issue or repayment of promissory notes and other debt securities (+1.5 billion euros). KBC IFIMA, ČSOB Czech Republic and KBC Bank NV accounted for the bulk of the figure for 2024, which related primarily to 1.2 billion euros' worth of these instruments being issued. Furthermore, net cash related to financing activities was impacted by the net repayment of subordinated liabilities (-1 billion euros; KBC Bank NV accounted for the bulk of the figure, which related primarily to 3.9 billion euros' worth of these instruments being issued and 5.3 billion euros being redeemed) and AT1 (with +0.75 billion euros' worth of these instruments being issued and 1.14 billion euros being redeemed);
  - In 2023, this item included the dividend payout (-1.8 billion euros) and the issue or repayment of promissory notes and other debt securities (+2.4 billion euros). KBC IFIMA, ČSOB Bank and KBC Bank NV accounted for the bulk of the figure for 2023, which related primarily to 3.2 billion euros' worth of these instruments being issued and 0.9 billion euros being redeemed. This item also included the proceeds from or repayment of subordinated liabilities (+5.1 billion euros; KBC Bank NV accounted for the bulk of the figure, which related primarily to 6.9 billion euros' worth of these instruments being issued and 1.7 billion euros being redeemed), and the issue of a new AT1 instrument (+0.75 billion euros).

1.0 Notes on the accounting policies

Note 1.1: Statement of compliance

The consolidated financial statements of KBC Bank NV, including all the notes, were authorised for issue on 13 March 2025 by the Board of Directors. They have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union ('endorsed IFRS') and present one year of comparative information. All amounts are shown in millions of euros and rounded to the million (unless otherwise stated).

The following standards became effective on 1 January 2024:
- The IASB has published several limited amendments to existing IFRSs, the impact of which is negligible for KBC.

The following IFRS standards were issued but not yet effective in 2024. KBC will apply these standards when they become mandatory.
- IFRS 18 (Presentation and Disclosure in Financial Statements), applicable from 2027, with limited impact on the presentation and disclosures;
- IFRS 19 (Subsidiaries without public accountability), with no impact expected;
- The IASB has published several limited amendments to existing IFRSs and IFRICs. They will be applied when they become mandatory, but their impact is currently estimated to be negligible.

As of 1 January 2024, we have revised our multi-tier approach for the assessment of a significant increase in credit risk. The indicators based on a 12-month probability of default (Internal rating and Internal rating backstop) were replaced by an assessment based on lifetime probability of default (LTPD) and a watch list indicator. KBC applied the revised approach for the first time in the first quarter of 2024. This resulted in an ECL release of 17 million euros, recognised in 'Impairment on financial assets at AC and at FVOCI'. See also under 'Significant increase in credit risk since initial recognition' in Note 1.2.

The loan portfolio accounts for the largest share of the financial assets. Based on internal management reports, the composition and quality of the loan portfolio is set out in detail in the 'How do we manage our risks?' section (under 'Credit risk'). All parts of that particular section which have been audited by the statutory auditor are specified in that section.

Note 1.2: Summary of material accounting policies

General / Basic principle

The general accounting principles of KBC Group NV ('KBC') are based on the IFRS Accounting Standards as adopted by the European Union, and on the IFRS Framework. The financial statements of KBC are prepared based on the going concern assumption. KBC presents each material class of similar items separately. Dissimilar items are presented separately unless they are immaterial, and items are only offset when explicitly required or permitted by the relevant IFRS.

Financial assets

KBC has applied all the requirements of IFRS 9 since 1 January 2018, except for hedge accounting transactions, which continue to be accounted for in accordance with IAS 39.

Financial assets – recognition and derecognition

Recognition: financial assets and liabilities are recognised in the balance sheet when KBC becomes party to the contractual provisions of the instruments. Regular-way purchases or sales of financial assets are recognised using settlement date accounting. All financial assets – except those measured at fair value through profit or loss – are measured initially at fair value plus transaction costs directly attributable to their acquisition.

Derecognition and modification: KBC derecognises a financial asset when the contractual cashflows from the asset expire or when KBC transfers its rights to receive contractual cashflows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. If the terms and conditions change during the term of a financial asset, KBC assesses whether the new terms are substantially different from the original ones and whether the changes indicate that the rights to the cashflows from the instrument have expired. If it is concluded that the terms are substantially different, the transaction is accounted for as a financial asset derecognition, which means that the existing financial asset is removed from the balance sheet and that a new financial asset is recognised based on the revised terms. Conversely, when KBC assesses that the terms are not substantially different, the transaction is accounted for as a financial asset modification.

Write-offs: KBC writes off the gross carrying value of financial assets (or the part of the gross carrying value) it deems uncollectable. This means that there is no reasonable expectation that KBC will recover any interest or principal in a timely manner. The timing of write-offs depends on several factors, including the portfolio, the existence and type of collateral, the settlement process in each jurisdiction, and local legislation. If a loan is uncollectable, the gross carrying value is written off directly against the corresponding impairment. Recoveries of amounts previously written off are recognised as reversals of impairments in the income statement. KBC differentiates between write-offs for financial reporting purposes (which are still subject to credit enforcement activities) and debt forgiveness. The latter entails the forfeiture of the legal right to recover all or part of the debt outstanding to the client.

Classification of equity instruments and debt instruments

On initial recognition of a financial asset, KBC first assesses the contractual terms of the instrument in order to classify it as an equity instrument or a debt instrument. An equity instrument is defined as any contract that evidences a residual interest in another entity's net assets. To satisfy this condition, KBC checks that the instrument does not include a contractual obligation requiring the issuer to deliver cash or exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. Any instruments that do not meet the criteria to qualify as equity instruments are classified as debt instruments by KBC, with the exception of derivatives.

Classification and measurement – debt instruments

If KBC concludes that a financial asset is a debt instrument, then – upon initial recognition – it can be classified in one of the following categories:

- Measured at fair value through profit or loss (FVPL);
  - Mandatorily measured at fair value through profit or loss (MFVPL) – this category includes held-for-trading instruments (HFT);
  - Designated upon initial recognition at fair value through profit or loss (FVO);
- Measured at fair value through other comprehensive income (FVOCI);
- Measured at amortised cost (AC).

Debt instruments have to be classified in the FVPL category where (i) they are not held within a business model whose objective is to hold assets in order to collect contractual cashflows or within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets or, alternatively, (ii) they are held within a business model but, on specified dates, the contractual terms of the instrument give rise to cashflows that are not solely payments of principal and interest on the principal amount outstanding.

Furthermore, KBC may in some cases – on initial recognition – irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVOCI as at fair value (FVO) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated to be measured at FVO:

- The asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets;
- The contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at AC only if it meets both of the following conditions and is not designated to be measured at FVO:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cashflows;
- The contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The business model is assessed to determine whether debt instruments should be measured at AC or FVOCI. In performing the assessment, KBC reviews at portfolio level the objective of the business model in which an asset is held because this best reflects how the business is managed and how information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and how those policies operate in practice (in particular, whether management's strategy focuses on earning contractual interest income, maintaining a specific interest rate profile, matching the duration of the financial assets to that of the liabilities that fund those assets, or realising cashflows through the sale of the assets);
- how the performance of the portfolio is evaluated and reported to KBC's Executive Committee and Board of Directors;
- the risks that affect the performance of the business model (and the financial assets held within that model) and how those risks are managed;
- how managers of the business are rewarded (for instance, whether remuneration is based on the fair value of the assets managed or the contractual cashflows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and KBC's expectations of future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how KBC's stated objective for managing the financial assets is achieved and how cashflows are realised.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVPL, because they are neither held for collecting contractual cashflows, nor held for both collecting contractual cashflows and selling financial assets.

Assessment whether contractual cashflows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin. In assessing whether contractual cashflows are solely payments of principal and interest, KBC considers the contractual terms of the instrument, which entails assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cashflows such that the instrument would not meet this condition. In making the assessment, KBC considers:

- contingent events that could change the amount and timing of cashflows;
- leverage features;
- prepayment and extension terms;
- terms that limit KBC's claim to cashflows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g., periodic resets of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition except in a period after KBC changes its business model for managing financial assets, which can occur when KBC begins or ceases to perform an activity that is significant to its operations (e.g., when KBC acquires, disposes of, or terminates a business line). Reclassification takes place from the start of the reporting period immediately following the change.

Classification and measurement – equity instruments

Financial equity instruments are classified in one of the following categories:

- Mandatorily measured at fair value through profit or loss (MFVPL) – only includes equity instruments held for trading (HFT);
- Equity instruments elected to be measured at fair value through other comprehensive income (FVOCI).

There is a rebuttable presumption that all equity instruments are to be regarded as FVOCI if held for neither trading nor a contingent consideration in a business combination to which IFRS 3 applies. The election to include equity instruments in the FVOCI category is irrevocable on initial recognition and can be done on an investment-by-investment basis, which is interpreted by KBC as a share-by-share basis. Equity instruments categorised as FVOCI are subsequently measured at fair value, with all value changes recognised in other comprehensive income and without any recycling to the income statement, even when the investment is disposed of. The only exception applies to dividend income, which is recognised in the income statement under 'Dividend income'.

Classification and measurement – derivatives (trading and hedging)

KBC can recognise derivative instruments either for trading purposes or as hedging derivatives. They can be accounted for as assets or liabilities depending on their current market value.

Trading derivatives

Derivatives are always measured at fair value and KBC draws distinctions as follows:

- Derivatives that are held with the intent of hedging, but for which hedge accounting cannot be or is not applied (economic hedges): hedging instruments can be acquired with the intention of economically hedging an external exposure but without applying hedge accounting. The interest component of these derivatives is recognised under 'Net interest income', while all other fair value changes are recognised under 'Net result from financial instruments at fair value through profit or loss'.
- Derivatives held with no intent of hedging (trading derivatives): KBC entities can also contract derivatives without any intention to hedge a position economically. Such activity can relate to closing or selling an external position in the near term or for short-term profit-taking purposes. All fair value changes (including interest) on such derivatives are recognised under 'Net result from financial instruments at fair value through profit or loss'.

Hedging derivatives

Hedging derivatives are derivatives that are specifically designated in a hedging relationship. The process for accounting for such derivatives is detailed in 'Hedge accounting'.

Financial assets – impairment

Definition of default

KBC defines defaulted financial assets in the same way as the definition for internal risk management purposes and in line with the guidance and standards of financial industry regulators. A financial asset is considered in default if any of the following conditions is fulfilled:

- There is a significant deterioration in creditworthiness;
- The asset is flagged as non-accrual;
- The asset is forborne and meets the default criteria in accordance with the internal policies for forbearance (for example, when an additional forbearance measure is extended to a forborne asset that did not reach default status within two years of the first forbearance measure being granted, or when a forborne asset becomes more than 30 days past due within the two-year period);
- KBC has filed for the borrower's bankruptcy;
- The counterparty has filed for bankruptcy or sought similar protection measures;
- The credit facility granted to the client has been terminated.

KBC applies a backstop for facilities whose status is '90 days or more past due'. In this context, a backstop is used as a final control to ensure that all the assets that should have been designated as defaulted are properly identified.

Expected credit loss model (ECL model) – general

The ECL model is used to measure impairment of financial assets.

The scope of the ECL model is based on how financial assets are classified. The model is applicable to the following financial assets:

- Financial assets measured at AC and at FVOCI;
- Loan commitments and financial guarantees;
- Finance lease receivables;
- Trade and other receivables.

No ECLs are calculated for investments in equity instruments.

Financial assets that are in scope of the ECL model carry impairment in an amount equal to the lifetime ECL if the credit risk increases significantly after initial recognition. Otherwise, the loss allowance is equal to the 12-month ECL (see below for more information on the significant increase in credit risk).

To distinguish the various stages with regard to quantifying ECL, KBC uses the internationally accepted terminology for ‘Stage 1’, ‘Stage 2’ and ‘Stage 3’ financial assets.

Unless they are already credit impaired, all financial assets are classified in ‘Stage 1’ at the time of initial recognition and 12-month ECL is recognised. Once a significant increase in credit risk occurs after initial recognition, the asset is moved into ‘Stage 2’ and lifetime ECL is recognised. Once an asset meets the definition of default, it is moved into ‘Stage 3’.
For trade receivables, IFRS 9 allows for a practical expedient. The ECL for trade receivables can be measured in an amount equal to their lifetime ECL. KBC applies this practical expedient to trade and other receivables.
Impairment gains and losses on financial assets are recognised under the ‘Impairment’ heading in the income statement.

Financial assets that are measured at AC are presented in the balance sheet at their net carrying value, which is the gross carrying value less impairment. Debt instruments measured at FVOCI are presented in the balance sheet at their carrying value, which is their fair value on the reporting date. The adjustment for the ECL is recognised as a reclassification adjustment between the income statement and OCI.

Significant increase in credit risk since initial recognition

In accordance with the ECL model, financial assets attract lifetime ECL once their credit risk increases significantly after initial recognition. Therefore, the assessment of a significant increase in credit risk is important for the staging of financial assets. The assessment of a significant increase in credit risk is a relative assessment based on the credit risk that was assigned upon initial recognition. This is a multi-factor assessment and, therefore, KBC has developed a multi-tier approach for both the bond portfolio and the loan portfolio.

Multi-tier approach (MTA) – bond portfolio

For the bond portfolio, the MTA consists of three tiers:

- Low-credit exception: 12-month ECL is always recognised for bonds if they have a low credit risk on the reporting date (i.e. ‘Stage 1’). KBC uses this exception for investment grade bonds.
- Lifetime probability of default (LTPD) (only applicable if the first-tier criterion is not met): this is a relative assessment that compares the lifetime probability of default (LTPD) upon initial recognition to that on the reporting date. The relative change in LTPD that triggers staging is an increase of 200%.
- Management assessment: lastly, management review and assess the significant increase in credit risk for financial assets at an individual (i.e. counterparty) and portfolio level, when it is concluded that idiosyncratic events are not adequately captured in the first two tiers of the MTA. Examples of idiosyncratic events are unexpected developments in the macroeconomic environment (for example, the coronavirus crisis), uncertainties about geopolitical events (such as a war) and the secondary impact of material defaults (e.g., on the suppliers, clients and employees of a defaulted company).

If none of these triggers results in a move into ‘Stage 2’, the bond remains in ‘Stage 1’. A financial asset is considered as ‘Stage 3’ as soon as it meets the definition of default. The MTA is symmetrical, i.e. bonds that have been moved into ‘Stage 2’ or ‘Stage 3’ can revert to ‘Stage 1’ or ‘Stage 2’ if the tier criterion that triggered the migration is not met on a subsequent reporting date.

Loan portfolio

For the loan portfolio, KBC uses a five-tier approach. This MTA is a waterfall approach (i.e. if assessing the first tier does not result in a move into ‘Stage 2’, the second tier is assessed, and so on). In the end, if all tiers are assessed without triggering a migration to ‘Stage 2’, the credit remains in ‘Stage 1’.

- Lifetime probability of default (LTPD): the LTPD is used as the main criterion for assessing an increase in credit risk. It is a relative assessment that compares the lifetime probability of default (LTPD) upon initial recognition to that on the reporting date. KBC does the assessment at facility level for each reporting period. The relative change in LTPD that triggers staging is an increase of 200%.
- Forbearance: forborne financial assets are always considered as 'Stage 2' unless they are already defaulted, in which case they are moved into 'Stage 3'.
- Days past due: KBC uses the backstop defined in the standard. A financial asset that is more than 30 days past due is moved into 'Stage 2'.
- Watch list: KBC uses the watch list criterion as a backstop for its loan portfolio to move into 'Stage 2'. The watch list includes credit with an increased credit risk but which is not (yet) classified as default/non-performing and which is subject to enhanced monitoring and review by the bank. KBC does this assessment at client level for each reporting period.
- Management assessment: lastly, management review and assess the significant increase in credit risk for financial assets at an individual (i.e. counterparty) and portfolio level, when it is concluded that idiosyncratic events are not adequately captured in the first four tiers of the MTA (see above for a number of examples).

A financial asset in scope of the ECL model is considered as 'Stage 3' as soon as it meets the definition of default. The MTA is symmetrical, i.e. credit that has been moved into 'Stage 2' or 'Stage 3' can revert to 'Stage 1' or 'Stage 2' if the tier criterion that triggered the migration is not met on a subsequent reporting date.

Measurement of ECL

ECL is calculated as the product of probability of default (PD), estimated exposure at default (EAD) and loss given default (LGD).

ECL is calculated to reflect:
- an unbiased, probability-weighted amount;
- the time value of money; and
- information about past events, current conditions and forecast economic conditions.

Lifetime ECL represents the sum of ECL over the lifetime of the financial asset discounted at the original effective interest rate. The 12-month ECL represents the portion of lifetime ECL resulting from a default in the 12-month period after the reporting date.

KBC uses specific IFRS 9 models for PD, EAD and LGD in order to calculate ECL. As much as possible and to promote efficiency, KBC uses modelling techniques similar to those developed for prudential purposes (i.e. Basel models). More information on the credit risk models developed by KBC is provided in the 'Internal Modelling' section of the Risk Report at www.kbc.com. That said, KBC ensures that the Basel models are adapted so they comply with IFRS 9:
- KBC removes the conservatism that is required by the regulator for Basel models;
- KBC adjusts how macroeconomic parameters affect the outcome to ensure that the IFRS 9 models reflect a 'point-in-time' estimate rather than one that is 'through the cycle' (as required by the regulator);
- KBC applies forward-looking macroeconomic information in the models.

As regards loans that are in default, the ECL is also calculated as the product of the PD, EAD and LGD. In this specific case, however, the PD is set at 100%, the EAD is known given the default status and the LGD takes into account the net present value of the (un)recoverable amount.

KBC uses the IRB and Standardised models to assign the Basel PD, which then serves as input for IFRS 9 ECL calculations and staging. If there is no Basel PD model with a similar scope to the IFRS 9 model, the long-term observed default rate is used as the PD for all facilities in the portfolio. For low default portfolios, there may have been no or only a small number of defaults in the period being considered, in which case the PD is determined based on expert input and external ratings.

KBC considers forward-looking information in the calculation of ECL via macroeconomic variables and based on management's assessment of any idiosyncratic events. KBC's Chief Economist develops three different macroeconomic scenarios (base-case, up and down) for all the KBC Core Countries and sets a corresponding probability for each scenario. On a quarterly basis, KBC updates the economic scenarios and attributed weightings to be used for the ECL calculation based on the input of the Chief Economist. The incorporation of the macroeconomic variables included in these scenarios in the PD, EAD and LGD components of the ECL calculation is based on statistical correlation in historical datasets.

The maximum period for measurement of ECL is the maximum contractual period (including extensions), except for specific financial assets that include a drawn and an undrawn amount available on demand, and KBC's contractual ability to request repayment of the drawn amount and cancel the undrawn commitment does not limit the exposure to credit risk to the contractual period. Only for such assets can a measurement period extend beyond the contractual period.

Purchased or originated credit impaired (POCI) assets

KBC defines POCI assets as financial assets in scope of the IFRS 9 impairment standard that are already defaulted at origination (i.e. they then meet the definition of default). POCI assets are initially recognised at an amount net of impairment and are measured at amortised cost using a credit-adjusted effective interest rate. In subsequent periods, any changes to the lifetime ECL are recognised in the income statement. Favourable changes are recognised as an impairment gain, even if the lifetime ECL on the reporting date is lower than the lifetime ECL at origination.

Significant judgements and uncertainties

Calculating ECL (and the significant increase in credit risk since initial recognition) requires significant judgement of various aspects, including the borrowers' financial position and repayment capabilities, the value and recoverability of collateral, projections and macroeconomic information. KBC applies a neutral, bias-free approach when dealing with uncertainties and making decisions based on significant judgements.

Cash, cash balances with central banks and other demand deposits with credit institutions

Cash comprises cash on hand and demand deposits, e.g., cheques, petty cash and cash balances at central and other banks.

Financial liabilities

Financial instruments or their component parts are classified on initial recognition as liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments. A financial instrument is classified as a liability if:

- KBC has a contractual obligation to deliver cash or another financial asset to the holder or to exchange another financial instrument with the holder under conditions that are potentially unfavourable to KBC; or
- KBC has a contractual obligation to settle the financial instrument in a variable number of its own shares.

A financial instrument is classified as an equity instrument if neither condition is met. In that case, it is accounted for in the way set out under 'Equity'.

Financial liabilities – recognition and derecognition

KBC recognises a financial liability when it becomes party to the contractual provisions of the relevant instrument. This is typically the date when the consideration in the form of cash or some other financial asset is received. Upon initial recognition, the financial liability is recognised at fair value less transaction costs directly attributable to issuance of the instrument, except for financial liabilities at fair value through profit or loss.

Financial liabilities are derecognised when they are extinguished, i.e. the obligation specified in the contract is discharged or cancelled, or it expires. KBC can also derecognise the financial liability and recognise a new one where an exchange takes place between KBC and the lenders of the financial liability, each with substantially different terms, or if there are substantial modifications to the terms of the existing financial liabilities. In assessing whether terms differ, KBC compares the discounted present value of cashflows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, and the discounted present value of the remaining cashflows of the original financial liability. If the difference is 10% or more, KBC derecognises the original financial liability and recognises a new one. Where the exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

Financial liabilities – classification and measurement

KBC classifies recognised financial liabilities in three different categories, as provided for by IFRS 9:

- Financial liabilities held for trading (HFT). These are financial liabilities incurred principally for generating a profit from short-term fluctuations in price or dealer's margin. A liability also qualifies as a trading liability if it belongs to a portfolio of financial instruments held for trading separately by the trading desk and for which there is a recent pattern of short-term profit-taking. Held-for-trading liabilities can include derivatives, short positions in debt and equity instruments, time deposits and debt certificates. Derivative liabilities are split by KBC into trading and hedging derivatives as in the case of derivative assets. Initially, held-for-trading liabilities are measured at fair value. At the end of the reporting period, derivative liabilities are measured at fair value. Fair value adjustments are always recorded in the income statement.
- Financial liabilities designated by the entity as liabilities at fair value through profit or loss upon initial recognition (FVO). Under IFRS 9, a financial liability or group of financial liabilities can be measured upon initial recognition at fair value, whereby fair value changes are recognised in the income statement except for fair value changes related to changes in own credit risk, which are presented separately in OCI. The fair value designation is used by KBC for the following reasons:
    - managed on an FV basis: KBC designates a financial liability or a group of financial liabilities at fair value where it is managed and its performance is evaluated on a fair value basis. It is used to account for (unbundled) deposit components (i.e. financial liabilities that do not include a discretionary participation feature);
    - Accounting mismatch: the fair value option can be used when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases;
    - Hybrid instruments: a financial instrument is regarded as hybrid when it contains one or more embedded derivatives that are not closely related to the host contract. The fair value option can be used when it is not possible to separate the non-closely-related embedded derivative from the host contract, in which case the entire hybrid instrument can be designated at fair value. This means that both the embedded derivative and the host contract are measured at fair value. KBC uses this option when structured products contain non-closely-related embedded derivatives, in which case both the host contract and the embedded derivative is measured at fair value.

- Financial liabilities measured at amortised cost (AC). KBC classifies most of its financial liabilities under this category, including those used to fund trading activities where no trading intent is present in them (e.g., issued bonds). These financial liabilities are initially measured at cost, which is the fair value of the consideration received including transaction costs. Subsequently, they are measured at amortised cost, which is the amount at which the funding liability was initially recognised minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. The difference between the amount made available and the nominal value is recorded on an accruals basis as an interest expense. Interest expenses accrued but not yet paid are recorded under accruals and deferrals.

Financial liabilities – own credit risk

For financial liabilities designated at fair value, IFRS 9 requires the financial liability to be measured at fair value upon initial recognition. Any changes in fair value are subsequently recognised in the income statement, except for changes in own credit risk, which are presented separately in OCI.
Accordingly, movements in the fair value of the liability are presented in different places: changes in own credit risk are presented in OCI and all other fair value changes are presented in the income statement under 'Net result from financial instruments at fair value through profit or loss'. Amounts recognised in OCI relating to own credit risk are not recycled to the income statement even if the liability is derecognised and the amounts are realised. Although recycling is prohibited, KBC does transfer the amounts in OCI to retained earnings within equity upon derecognition. The only situation in which presentation of own credit risk in OCI is not applied is where this would create an accounting mismatch in the income statement. This could arise if there is a close economic relationship between the financial liability designated at fair value (for which the own credit risk is recognised in OCI), while all changes in fair value of the corresponding financial asset are measured and recognised at fair value through profit or loss. This is the case with unit-linked investment contracts, where changes in fair value of the liability position are fully offset by the asset position.

Financial liabilities – financial guarantee contract

A financial guarantee contract is one that requires KBC to make specified payments to reimburse holders for losses they incur because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract is initially recognised at fair value and is subsequently measured at the higher of (a) the amount determined in accordance with the impairment provisions of IFRS 9 (see 'Financial assets – impairment') and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition principle of IFRS 15.

Reverse repos and repos

A reverse repo is a transaction in which KBC purchases a financial asset and simultaneously enters into an agreement to sell the asset (or a similar asset) on a future date at a fixed price; this agreement is accounted for as a loan or advance, and the underlying asset is not recognised in the financial statements.

In a repo transaction, KBC sells a security and simultaneously agrees to repurchase the security (or a substantially similar asset) on a future date at a fixed price. KBC continues to recognise the securities in their entirety because it retains substantially all of the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and the financial liability is recognised as the obligation to pay the repurchase price.

Offsetting

For a financial asset and financial liability, KBC offsets and presents a net amount in its balance sheet if and only if (i) it currently has a legally enforceable right to set off the recognised amounts and (ii) it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fair value

KBC defines 'fair value' as 'the price that would be received for sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. Fair value is not the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale. An imbalance between supply and demand (e.g., fewer buyers than sellers, thereby forcing prices down) is not the same as a forced transaction or distress sale.

Market value adjustments are recognised on all positions that are measured at fair value, with fair value changes being reported in the income statement or in OCI. They relate to close-out costs, adjustments for less-liquid positions or markets, mark-to-model-related valuation adjustments, counterparty risk (credit value adjustment) and funding costs:

- Credit value adjustments (CVAs) are used when measuring derivatives to ensure that their market value is adjusted to reflect the credit risk of the counterparty. In making this adjustment, both the mark-to-market value of the contract and its expected future fair value are taken into account. These valuations are weighted based on the counterparty credit risk that is determined using a quoted Credit Default Swap (CDS) spread, or, if there is no such spread, on the counterparty credit risk that is derived from bonds whose issuers are similar to the derivative counterparty in terms of rating, sector and geographical location. A debt value adjustment (DVA) is made for contracts where the counterparty is exposed to KBC. It is similar to a CVA, but the expected future negative fair value of the contracts is taken into consideration.
- A funding value adjustment (FVA) is a correction made to the fair value of uncollateralised derivatives in order to ensure that the (future) funding costs or income attached to entering into and hedging such instruments are factored in when measuring their value.

Hedge accounting

KBC has elected to apply the hedge accounting principles under IAS 39 (EU carve-out version). KBC designates certain derivatives held for risk management purposes, as well as certain non-derivative financial instruments, as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, KBC formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. KBC makes an assessment, both at inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is/are expected to be highly effective in offsetting the changes in the fair value or cashflows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125%. KBC makes an assessment for a cashflow hedge of a forecast transaction of whether it is highly probable to occur and presents an exposure to variations in cashflows that could ultimately affect the income statement.

KBC uses the following hedge accounting techniques: cashflow hedges, fair value micro hedges, fair value hedges for a portfolio of interest rate risk, and hedges of net investments in foreign operations.

Cashflow hedges: if a derivative is designated as the hedging instrument in a hedge of the variability in cashflows attributable to a particular risk associated with a recognised asset, liability or highly probable forecast transaction that could affect the income statement, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve (cashflow hedge) within OCI. Any ineffective portion of changes in the fair value of a derivative is immediately recognised in the income statement under 'Net result from financial instruments at fair value through profit or loss'. The amount recognised in OCI is reclassified to the income statement (as a reclassification adjustment in the same period as the hedged cashflows affect the income statement) under 'Net interest income'. If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cashflow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any cumulative gain or loss existing in OCI at that time remains in OCI and is recognised under 'Net result from financial instruments at fair value through profit or loss' when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately recycled to the income statement under 'Net result from financial instruments at fair value through profit or loss'.

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Fair value micro hedging: when a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability (portfolio of recognised assets or liabilities) or a firm commitment that could affect the income statement, changes in the fair value of the derivative are immediately recognised in the income statement together with changes in the fair value of the hedged item that are attributable to the hedged risk (in the same item in the income statement as the hedged item). However, accrued interest income from interest rate swaps is recognised in 'Net interest income'. If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to the point of discontinuation that is made to a hedged item for which the effective interest method is used is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life or recognised directly when the hedged item is derecognised.

Fair value hedges for a portfolio of interest-rate risk (macro hedging): the EU's macro hedging carve-out means that a group of derivatives (or proportions of them) can be viewed in combination and jointly designated as a hedging instrument, and removes some of the limitations on fair value hedge accounting relating to hedging core deposits and underhedging strategies. Under the EU carve-out, hedge accounting may be applied to core deposits and will be ineffective only when the revised estimate of the amount of cashflows in scheduled time buckets falls below the designated amount of that bucket. KBC hedges the interest rate risk of the financial asset portfolios and the financial liability portfolios. Interest rate swaps are measured at fair value, with fair-value changes being reported in the income statement. Accrued interest income from interest rate swaps is recognised in 'Net Interest Income'. The hedged amount of financial assets and liabilities is measured at fair value as well, with fair value changes being reported in the income statement. For hedged items measured at amortised cost, the fair value of the hedged amount is presented as a separate item on the assets or liabilities side of the balance sheet. If a hedge is ineffective, the cumulative fair value change in the hedged amount that was presented as a separate item on the balance sheet will be amortised to the income statement over the remaining lifetime of the hedged assets or will be immediately removed from the balance sheet if ineffectiveness is due to derecognition of the corresponding financial assets and liabilities.

Hedge of net investments in foreign operations: when a derivative instrument or a non-derivative financial instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation having a different functional currency than the direct holding company of the foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in the hedging reserve (investment in foreign operation) in OCI. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in the income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation (which includes a dividend distribution or capital decrease).

Leasing

All leases are required to be classified as either finance leases or operating leases. The classification under IFRS 16 is based on the extent to which risk and rewards incidental to ownership of leased assets lie with the lessor or the lessee. A finance lease transfers substantially all the risks and rewards incidental to ownership of an asset.

This classification is crucial for positions as a lessor, but less important for positions as a lessee, since both classifications result in similar recognition and measurement of the lease on the balance sheet and in the income statement.

Equity

Equity represents the residual interest in KBC's total assets after deduction of all its liabilities (referred to as 'net assets') and encompasses all shares issued by KBC, reserves attributable to the holders of the shares and minority interests.

KBC classifies all issued financial instruments as equity or as a financial liability based on the substance of the contractual arrangements. The critical feature that distinguishes a financial liability from a share is whether KBC has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation.
Minority interests represent the equity in a subsidiary that is not attributable to the holders of KBC shares. When the proportion of the equity held by the minority interests changes, KBC adjusts the carrying value of the controlling and minority interests to reflect changes in their relative interests in the consolidated companies. KBC recognises in equity any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received, and allocates it to its controlling stake.

KBC can buy back its own shares within the legal framework. These treasury shares (ordinary shares) are initially recognised on the balance sheet on the transaction date under the 'Treasury shares' heading. The acquisition price (including transaction costs) is deducted from equity. The dividend income from 'treasury shares' is recognised in equity.

Employee benefits

Short-term employee benefits

Short-term employee benefits, such as salaries, paid absences, performance-related cash awards and social security contributions, are recognised over the period in which the employees provide the corresponding services. The related expenses are presented in the income statement as 'Operating expenses' under the 'Staff expenses' heading.

Post-employment benefits

KBC offers its employees pension schemes in the form of defined contribution or defined benefit plans. Under the defined contribution plans, KBC's statutory or constructive obligation is limited to the amount that it agrees to contribute to the fund. The amount of the post-employment benefit to be received by the employee is determined by the amount of the contributions paid by KBC and the employee into the post-employment benefit plan, as well as by the investment returns arising from those contributions. The actuarial risk is borne by the employee.

Conversely, under the defined benefit plans, KBC's obligation is to provide the agreed benefits to current and former employees and, in substance, the actuarial risk and investment risk fall on KBC. This means that if, from an actuarial or investment viewpoint, things turn out worse than expected, KBC's obligation may be increased.

In Belgium, defined contribution plans have a legally guaranteed minimum return and the actual return can be lower than the legally required return. In addition, these plans have defined benefit plan features and KBC treats them as defined benefit plans.

Liabilities under the defined benefit plans and the Belgian defined contribution plans (or pension liabilities) are included under 'Other liabilities' and relate to the liabilities for retirement and survivor's pensions, early retirement benefits and similar pensions and annuities.

The pension obligations for employees under the defined benefit plans are calculated using the projected-unit-credit method, with each period of service granting additional entitlement to pension benefits.

Actuarial valuations are performed every reporting period. The defined benefit liabilities are discounted using rates equivalent to the yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have a maturity similar to the related pension liabilities.

Changes in the net defined benefit liability/asset, apart from cash movements, are grouped into three main categories and recognised in operating expenses (service costs), interest expenses (net interest costs) and other comprehensive income (remeasurements).

Net fee and commission income

Most net fee and commission income falls under the scope of IFRS 15 (Revenue from Contracts with Customers), as it relates to the services that KBC provides to its clients and is outside the scope of other IFRS standards. For the recognition of revenue, KBC identifies the contract and defines the promises (performance obligations) in the transaction. Revenue is recognised only when KBC has satisfied the performance obligation.
The revenue presented under 'Securities and asset management' falls under the scope of IFRS 15 and, in principle, entails KBC keeping assets in a trust for the beneficiary ('fund') and being responsible for investing the amounts received from clients to their benefit. These transactions are straightforward, because KBC provides a series of distinct services which clients use at the same time when receiving the benefits. In return, KBC receives a monthly or quarterly management fee, which is calculated as a fixed percentage of the net asset value, or a subscription fee retained from the beneficiary. The fees do not include a variable component. Revenue reported as 'Margin on life insurance investment contracts without DPF' represents the amount realised on investment contracts without a discretionary participation feature, i.e. a fixed percentage or fixed amount is withheld from the client's payments, enabling the insurance company to cover its expenses.

Payment services, where KBC charges clients for certain current-account transactions, domestic or foreign payments, for payment services provided through ATMs, etc., are usually settled when the actual transaction is carried out, enabling the relevant fee to be recognised directly at that time.

Levies

Public authorities can impose various levies on KBC. The size of the levies can depend on the amount of revenue (mainly interest income) generated by KBC, the amount of deposits accepted from clients, and the total balance sheet volume, including corrections based on certain, specific ratios. In accordance with IFRIC 21, levies are recognised when the obligating event that gives rise to recognition of the liability has occurred as stated in the relevant legislation. Depending on the obligating event, levies can be recognised at a single point in time or over time. Most of the levies imposed on KBC have to be recognised at a single point in time, which is mainly the beginning of the financial year. KBC recognises levies under 'Operating expenses'.

Income tax

Income tax consists of three items, namely taxes paid/payable over the reporting period, underprovisioning/overprovisioning in previous years, and changes in deferred tax assets/deferred tax liabilities. It is accounted for either in the income statement or in other comprehensive income, depending on where the items that triggered the tax are recorded. Income taxes that are initially accounted for in other comprehensive income and that relate to gains or losses that are subsequently recognised in the income statement are recycled to the income statement in the same period in which that item is accounted for in the income statement.

Deferred and current tax assets and liabilities are offset when there is both a legal right of offset and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax assets/liabilities

Current tax for the period is measured at the amount expected to be paid to or recovered from the tax authorities, using the rates of tax in effect during the reporting period.

Deferred tax assets/liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying value of an asset or liability and its tax base. They are measured using the tax rates that are substantively enacted at the reporting date and expected to be in effect on realisation of the assets or settlement of the liabilities to which they relate and that reflect the tax consequences following from the manner in which the entity expects to recover or settle the carrying value of the underlying asset or liability at the balance sheet date.

Deferred tax assets are recognised for all deductible temporary differences between the carrying value of assets and liabilities and their tax base, as well as for the carry forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. KBC calculates deferred tax assets to carry forward unused tax losses. When estimating the period over which tax losses can be set off against future taxable profits, KBC uses projections for a period of eight to ten years.

Deferred tax assets/liabilities that relate to business combinations are recorded directly in goodwill.

Deferred tax assets/liabilities are not discounted.

Property and equipment

Property and equipment are recognised initially at cost (including directly allocable acquisition costs). KBC subsequently measures property and equipment at the initial cost less accumulated depreciation and impairment. The rates of depreciation are determined on the basis of the estimated useful life of the assets and are applied according to the straight-line method from the moment the assets are available for use. Property and equipment are derecognised upon disposal or when the relevant asset is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses upon derecognition are recognised in the income statement in the period in which derecognition occurs.

Property and equipment are subject to impairment testing when there is an indication that the asset might have been impaired.

Depreciation charges, impairment losses and gains or losses on disposal are recognised under 'Operating expenses' in the income statement, with the exception of assets that are leased under operating leases (KBC as a lessor), for which the costs are recognised in 'Net other income'. Where a disposal falls within the definition of a discontinued operation, the net results are reported in a single line in the income statement (see 'Discontinued operations' below).

Investment property

Investment property is defined as a property built, purchased or acquired by KBC under a finance lease and is held to earn rentals or for the purpose of capital appreciation rather than being used by KBC for the provision of services or for administrative purposes.

Investment property is initially recognised at cost (including directly attributable costs). KBC subsequently measures it at the initial cost less accumulated depreciation and impairment.

The depreciation charge is recognised under 'Net other income' in the income statement.

Intangible assets

Intangible assets include goodwill, software developed in-house, software developed externally and other intangible assets. Intangible assets can be (i) acquired as part of a business combination transaction (see 'Business combinations and goodwill' below), (ii) acquired separately or (iii) developed internally.

Separately acquired intangible assets (mainly software developed externally) are initially recognised at cost. Internally developed intangible assets (mainly software developed in-house) are recognised only if they arise from development and KBC can demonstrate:

- the technical feasibility of completing them;
- an intention to complete for use or sale;
- an ability to use or sell them;
- the way in which the intangible assets will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets;
- the possibility to reliably measure the expenditure attributable to the intangible assets during their development.

Internally generated intangible assets are initially measured at the development costs directly attributable to the design and testing of the unique software controlled by KBC.
Directly attributable costs capitalised as part of the software developed in-house include software development employee costs and directly attributable overheads.
Research expenses, other development expenditure, costs associated with maintaining software and investment projects (large-scale projects introducing or replacing an important business objective or model) that do not meet the recognition criteria are recognised as an expense in the period they are incurred.

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use as intended by management. Software is amortised as follows:

- System software (initial purchased software forming an integral part with hardware) is amortised at the same rate as hardware.
- Standard software and customised software developed by a third party or developed in-house are amortised over five years according to the straight-line method from the time the software is available for use.
- Core systems (typically including deposit account processing, loan and credit processing, interfaces to the general ledger and reporting tools) are amortised according to the straight-line method over a minimum period of eight years.

Impairment of non-financial assets

When KBC prepares financial statements, it ensures that the carrying value of the non-financial asset does not exceed the amount that could be obtained from either using or selling it ('recoverable amount'). Property and equipment, investment property and software are subject to the impairment review only when there is objective evidence of impairment. Goodwill and intangible assets with an indefinite useful life are subject to impairment reviews at least annually and also reviewed for impairment indicators every quarter.

Indications that an impairment loss is required may stem from either an internal source (e.g., the condition of the asset) or an external source (e.g., new technology or a significant decline in the asset's market value).

When an impairment indicator is present, KBC reviews the asset's recoverable amount and the asset is impaired if its recoverable amount is lower than its carrying value at the reporting date. The recoverable amount is defined as the higher of the value in use and the fair value less cost to sell.

Value in use is defined as the discounted future cashflows expected to be derived from an asset or a cash-generating unit.

Impairment is borne at individual asset level, but when the individual asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the so-called 'cash-generating unit' (CGU) to which the asset or group of assets belongs. In forming the CGUs, KBC applies its own judgement to define the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This process mainly applies to goodwill that has been recognised in relation to acquisitions.

Impairment losses are recognised in the income statement for the period in which they occur. An impairment loss can be reversed if the condition that triggered it is no longer present, except for goodwill, which can never be reversed. Impairment gains are recognised in the income statement for the period in which they occur.

Provisions, contingent liabilities and contingent assets

Provisions are recognised on the reporting date if and only if the following criteria are met:

- There is a present obligation (legal or constructive) due to a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date. When the effect of time is material, the amount recognised as a provision is the net present value of the best estimate.
Due to its inherent nature, a provision requires management judgement regarding the amount and timing of probable future economic outflows.

Consolidated financial statements / interim financial statements

All material entities (including structured entities) over which KBC exercises direct or indirect control as defined in IFRS 10 are consolidated according to the method of full consolidation. Changes in ownership interests (that do not result in a loss of control) are accounted for as equity transactions. They do not affect goodwill or profit or loss.

Subsidiaries that are not included in the consolidated financial statements because of immateriality are classified as equity instruments at fair value through other comprehensive income, with all fair value changes being reported in other comprehensive income, except for dividend income, which is recognised in the income statement. Material companies over which joint control is directly or indirectly exercised and material investments in associates (companies over which KBC has significant influence) are all accounted for using the equity method.

Consolidation threshold: subsidiaries are effectively included in the consolidated financial statements using the full consolidation method if at least two of the following materiality criteria are exceeded:

- Group share in equity is 2 500 000 euros;
- Group share in the result is 1 000 000 euros (absolute value);
- Group share in the balance sheet total is 100 000 000 euros.

In order to prevent too many entities from being excluded, KBC checks that the combined balance sheet total of the entities excluded from consolidation does not amount to more than 1% of the consolidated balance sheet total.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Under this method, the cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition-date fair value) and the amount of any minority interests in the acquired entity. For measurement of the minority interests, KBC can decide for each business combination separately whether to measure the minority interest at fair value or as its proportionate share of the acquired entity's net identifiable assets. The way the minority interest is measured on the acquisition date will have an impact on purchase accounting as a result of the determination of goodwill.

Goodwill is the excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. In order to complete the acquisition accounting and determine the goodwill item, KBC applies a measurement period of 12 months. The classification of the financial assets acquired and financial liabilities assumed in the business combination is based on the facts and circumstances existing at the acquisition date (except for lease and insurance contracts, which are classified on the basis of the contractual terms and other factors at the inception of the relevant contract).

Goodwill is presented under 'Goodwill and other intangible assets' and is carried at cost less impairment losses. Goodwill is not amortised, but is tested for impairment at least once a year or when there is objective evidence (external or internal) that it should be impaired. If the acquisition accounting is not complete because the 12-month measurement period has not elapsed, the goodwill is not considered as final and is only tested if there is objective evidence that the provisional goodwill is impaired.

For the purpose of testing goodwill for impairment, it is allocated to each of KBC's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units. An impairment loss is recognised if the carrying value of the cash-generating unit to which the goodwill belongs exceeds its recoverable amount. Impairment losses on goodwill cannot be reversed.

Effects of changes in foreign exchange rates

KBC's functional and presentation currency is the euro. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the spot rate on the balance sheet date. Negative and positive valuation differences, except for those relating to the funding of equity instruments and investments of consolidated companies in a foreign currency, are recognised in the income statement. Non-monetary items measured at historical cost are translated into the functional currency at the historical exchange rate that existed on the transaction date. Non-monetary items carried at fair value are translated at the spot rate on the date the fair value was determined. Translation differences are reported together with changes in fair value. Income and expense items in foreign currency are taken to the income statement at the exchange rate prevailing when they were recognised.

Valuation differences are accounted for either in the income statement or in other comprehensive income. Valuation differences that are initially accounted for in other comprehensive income and that relate to gains or losses that are subsequently recognised in the income statement are recycled to the income statement in the same period in which that item is accounted for in the income statement. The balance sheets of foreign subsidiaries are translated into the presentation currency at the spot rate on the reporting date (except for equity, which is translated at the historical rate). The income statement is translated at the average rate for the financial year as a best estimate of the exchange rate on the transaction date.

Related-party transactions

A related party to KBC is either a party over which KBC has control or significant influence or a party that has control or significant influence over KBC. KBC defines its related parties as:

- KBC subsidiaries and KBC group entities (primarily KBC Insurance NV and KBC Group NV); KBC associates and joint ventures; KBC Ancora, Cera and MRBB;
- KBC key management staff (i.e. the Board of Directors and the Executive Committee of KBC Bank NV).

Transactions with related parties must occur at arm's length.

Non-current assets held for sale and disposal groups, liabilities associated with disposal groups and discontinued operations

Non-current assets held for sale and disposal groups, liabilities associated with disposal groups

Non-current assets or groups of assets and liabilities held for sale are those where the carrying value will be recovered by KBC through a sale transaction, which is expected to qualify as a sale within a year, rather than through continued use. Non-current assets and liabilities held for sale are reported separately from the other assets and liabilities in the balance sheet at the end of the reporting date.

Discontinued operations

A discontinued operation refers to a part of KBC that has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Results from discontinued operations are recognised separately in the income statement and in other comprehensive income and contain:

- the post-tax profit or loss of discontinued operations; and
- the post-tax gain or loss recognised on the measurement to fair value less the costs of the sale or disposal of the assets or group of assets.

Events after the reporting period

Events after the reporting date are defined as favourable or unfavourable events that occur between the reporting date and the date on which the financial statements are authorised for issue. There are two types of event after the reporting date:

- Those which provide evidence of conditions that existed on the reporting date (adjusting events);
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events).

The impact of adjusting events has already been reflected in the financial position and financial performance for the current year. The impact and consequences of non-adjusting events are disclosed in the notes to the financial statements.

Main exchange rates used*

	Exchange rate at 31-12-2024		Exchange rate average in 2024	
	1 EUR = … … currency	Change relative to 31-12-2023 (positive: appreciation relative to EUR) (negative: depreciation relative to EUR)	1 EUR = … … currency	Change relative to average in 2023 (positive: appreciation relative to EUR) (negative: depreciation relative to EUR)
CZK	25.185	-2%	25.137	-5%
HUF	411.35	-7%	395.88	-4%

* Rounded figures.

Note 1.3: Critical estimates and significant judgements

When preparing the consolidated financial statements and applying KBC's accounting policies, management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Some degree of uncertainty is inherent in almost all amounts reported. The estimates are based on the experience and assumptions that KBC's management believes are reasonable at the time the financial statements are being prepared.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant areas of estimation uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are found in, but not limited to, notes 1.4, 3.3, 3.6, 3.9, 3.11, 4.2, 4.4–4.8, 5.2, 5.5–5.7, 5.9 and 6.1.

Note 1.4: Climate-related information

ESG and supporting the transition to a more sustainable and resilient society – including focusing on the climate – are crucial to our overall business strategy and integrated into our day-to-day operations. We have a solid sustainability governance structure in place to ensure group-wide integration of our sustainability strategy, which involves responsibility at the highest level and spans all areas of ESG.

Because sustainability is firmly embedded in our day-to-day operations, it is not relevant to separately consider the financial impact of sustainability-related investments. We would like to emphasise that:

- KBC integrates sustainability-related opportunities and the related costs in the annual general budget round;
- As a financial institution, KBC is highly regulated in terms of sustainability and we provide the necessary resources to comply with these regulatory obligations;
- In addition, KBC has made several voluntary commitments for which appropriate efforts are made and resources deployed;
- KBC applies a strict environmental policy to its loan, investment and insurance portfolios. We have also defined ambitious climate targets for the most important sectors and products in our loan portfolio as well as in our investment portfolio. We work together with our clients to achieve these targets, and we actively collaborate with the companies in which we invest in order to reduce their climate impact.
- As part of our efforts to reduce our own direct footprint, we are taking relevant action in the areas of facilities (buildings) and mobility in particular, with a view to meeting our greenhouse gas emission reduction target. We are also achieving net climate neutrality by offsetting our remaining direct emissions.

All notes and other sections in the Annual Report in which direct or indirect reference is made to the climate and/or climate-related risks or sustainability in general are set out below.

In the 'Report of the Board of Directors':

- See 'How do we create sustainable value?' in 'Our business model'
- See 'What are our main challenges?' in 'Our business model'
- See 'Our role in society' in 'Our strategy'
- Sustainability statement

In the 'Consolidated financial statements' (in the notes below each table):

- Note 3.9: Impairment
- Note 4.1: Financial assets and liabilities, breakdown by portfolio and product
- Note 5.4: Property and equipment and investment property
- Note 5.5: Goodwill and other intangible assets
- Note 5.9: Retirement benefit obligations
- Note 6.2: Leasing

When preparing the financial reporting, we considered the financial impact of climate-related risks within the framework of the IFRS standards. These are mostly indirect risks to which KBC is exposed through, among other things, its loan, investment and insurance portfolios. These risks are a source of significant uncertainty in the medium and long term when preparing the financial reports, partly because it is difficult to assess the consequences of climate change for our current portfolios and also because it is uncertain to what extent the mitigating actions and plans for our (mainly indirect) climate impact have financial consequences for future portfolios (see ‘Sustainability statement’). The goals set by KBC may impact KBC’s financial position and performance. The lending goals (providing loans for renewable energy and reducing the greenhouse gas intensity of loans) in particular can initially have a negative impact on the interest income realised on loans, perhaps through impact on margins (but with the loans still meeting the SPPI test) and/or production, which may later be offset by more limited credit losses given the increased resilience of the portfolio to climate-related risks. In the insurance business, too, climate-related risks constitute a significant uncertainty in the medium and long term when it comes to estimating the development of reserves to be maintained, in Non-life insurance in particular.

2.0 Notes on segment reporting

Note 2.1: Segment reporting based on the management structure

Detailed information on the group's management structure and the results per segment can be found in the 'Our business units' section (which has not been audited by the statutory auditor). Based on IFRS 8, KBC has identified the Executive Committee and Board of Directors as 'chief operating decision-makers', responsible for allocating the resources and assessing the performance of the different parts of the company. The operating segments are based on the internal financial reporting to those policy bodies and on the location of the company's activities, resulting in geographical segmentation.

The three operating segments are (essentially):

- the Belgium Business Unit (all activities in Belgium);
- the Czech Republic Business Unit (all activities in the Czech Republic);
- the International Markets Business Unit (activities in Hungary, Slovakia and Bulgaria, reported together in accordance with IFRS 8.16).

For reporting purposes, there is also a Group Centre (comprising the results of the holding company, items that have not been allocated to the other business units, and the results of companies/activities to be divested).

Segment reporting

- The policy bodies analyse the performance of the segments based on a number of criteria, with the 'Result after tax' being the most important results indicator. The segment data is based entirely on IFRS data (with no adjustments).
- In principle, we assign a group company in its entirety to one specific segment/business unit. Exceptions are only made for those items that cannot clearly be allocated to a specific segment, such as charges attached to the subordination of loans (such items are recognised under Group Centre).
- We allocate the funding cost of participating interests to the Group Centre.
- Transactions among the different segments are reported at arm's length.
- We recognise 'Net interest income' in the segment information without dividing it up into 'Interest income' and 'Interest expense'. This is permitted under IFRS because the bulk of the business units' income is in the form of interest, and management assesses and co-ordinates those business units primarily on the basis of net interest income.
- We do not provide any information on income from sales to external clients per group of products or services, since the information is prepared at consolidated level chiefly for each business unit, and not per client group or product group.
- For information on acquisitions and disposals, see Note 6.6. As a result of the finalisation of the sale of the Irish deposit and loan portfolios in February 2023, the results for Ireland have become immaterial and are no longer presented as a separate column (as part of the Group Centre) as of 2024.

Note 2.2: Results by segment

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	Of which: Hungary	Slovakia	Bulgaria	Group Centre	Total
2024								
Net interest income	2 918	1 249	1 264	558	271	*436*	- 289	5 142
Dividend income	19	1	1	*0*	*0*	*1*	0	21
Net result from financial instruments at fair value through profit or loss	- 129	100	62	*55*	*6*	*1*	47	80
Net fee and commission income	1 645	398	567	*318*	*95*	*154*	- 2	2 608
Net other income	110	1	- 7	*- 24*	*9*	*9*	- 14	89
TOTAL INCOME	4 563	1 749	1 886	*906*	*380*	*600*	- 258	7 940
Operating expenses	-2 417	- 889	-1 054	*- 507*	*- 272*	*- 275*	- 184	-4 544
Total Opex without bank tax	*-2 146*	*- 849*	*- 771*	*- 279*	*- 238*	*- 254*	*- 185*	*-3 951*
Total Bank tax	*- 270*	*- 40*	*- 283*	*- 228*	*- 34*	*- 21*	*1*	*- 592*
Impairment	- 255	31	- 5	*- 5*	*18*	*- 18*	- 12	- 241
Of which on FA at AC and at fair value through OCI	*- 249*	*34*	*25*	*23*	*18*	*- 16*	*- 12*	*- 202*
Share in results of integral associated companies and joint ventures	80	0	0	0	0	0	0	80
RESULT BEFORE TAX	1 971	891	827	*394*	*126*	*308*	- 454	3 236
Income tax expense	- 529	- 139	- 129	*- 59*	*- 25*	*- 44*	429	- 367
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	1 443	752	699	*334*	*101*	*263*	- 25	2 869
Aattributable to minority interests	- 1	0	0	*0*	*0*	*0*	0	- 1
Attributable to equity holders of the parent	**1 443**	**752**	**699**	***334***	***101***	***263***	**- 25**	**2 869**
Of which non-cash expenses	- 48	- 111	- 110	*- 59*	*- 23*	*- 28*	0	- 268
Depreciation and amortisation of fixed assets	*- 46*	*- 113*	*- 110*	*- 59*	*- 23*	*- 28*	*0*	*- 269*
Other	*- 1*	*2*	*0*	*0*	*0*	*0*	*0*	*1*
Acquisitions of non-current assets*	806	296	212	122	53	37	0	1 313
2023								
Net interest income	2 897	1 213	1 155	*515*	*249*	*390*	- 222	5 043
Dividend income	16	0	1	*0*	*0*	*1*	0	18
Net result from financial instruments at fair value through profit or loss	- 22	91	64	*58*	*2*	*5*	85	219
Net fee and commission income	1 506	373	512	*274*	*90*	*147*	- 4	2 387
Net other income	157	5	13	*- 3*	*11*	*5*	404	578
TOTAL INCOME	4 555	1 682	1 745	*845*	*353*	*548*	264	8 246
Operating expenses	-2 476	- 901	- 977	*- 477*	*- 234*	*- 267*	- 268	-4 624
Total Opex without bank tax	*-2 130*	*- 841*	*- 730*	*- 253*	*- 230*	*- 247*	*- 264*	*-3 966*
Total Bank tax	*- 346*	*- 60*	*- 247*	*- 224*	*- 4*	*- 20*	*- 4*	*- 657*
Impairment	- 88	- 57	- 32	*- 37*	*7*	*- 3*	- 3	- 180
Of which on FA at AC and at fair value through OCI	*- 80*	*70*	*19*	*11*	*8*	*0*	*8*	*18*
Share in results of integral associated companies and joint ventures	- 3	- 1	0	0	0	0	0	- 4
RESULT BEFORE TAX	1 988	723	736	*331*	*126*	*279*	- 7	3 439
Income tax expense	- 518	- 78	- 105	*- 49*	*- 28*	*- 28*	93	- 608
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	1 470	645	631	*282*	*98*	*250*	86	2 831
Attributable to minority interests	- 1	0	0	*0*	*0*	*0*	0	- 1
Attributable to equity holders of the parent	**1 471**	**645**	**631**	***282***	***98***	***250***	**86**	**2 832**
Of which non-cash expenses	- 58	- 117	- 93	*- 40*	*- 23*	*- 30*	- 7	- 275
Depreciation and amortisation of fixed assets	*- 54*	*- 116*	*- 93*	*- 40*	*- 23*	*- 30*	*- 7*	*- 270*
Other	*- 3*	*- 2*	*0*	*0*	*0*	*0*	*0*	*- 5*
Acquisitions of non-current assets*	825	149	200	114	55	31	0	1 174

* Non-current assets held for sale and disposal groups, investment property, property, plant and equipment, investments in associated companies, and goodwill and other intangible assets.

How do the business units contribute to the group result?

Belgium Business Unit

Net result	Net interest income, net fee and commission income, operating expenses, impairment	Ratios
Net result 1 443 million euros (-2%)	Net interest income 2 918 million euros (+1%) Net fee and commission income 1 645 million euros (+9%) Operating expenses 2 417 million euros (-2%) Impairment on loans 249 million euros increase (80-million-euro increase)	Cost/income ratio (excluding bank and insurance charges) 47% (47%) Credit cost ratio 0.19% (0.06%) Impaired loans ratio 2.0% (2.0%)

Figures for 2024 (the figures in brackets are for, or indicate the difference compared to, 2023).

- 1% growth in net interest income. The business unit's loans and advances to customers increased by 4% and customer deposits (excluding the more volatile deposits in our network of KBC Bank branches abroad) went up by 10%. The net interest margin for 2024 came to 1.94%, roughly stable year-on-year.
- 9% growth in net fee and commission income due mainly to higher management fees for asset management services.
- 151-million-euro drop in other income items, due primarily to a decrease in trading and fair value income.
- 2% decrease in costs, with the negative impact of, among other things, slightly higher staff expenses being offset by a decrease in bank and insurance tax.
- 169-million-euro net increase in impairment on loans, due mainly to higher impairment on individual loans, offset to a small extent by a slightly higher reversal of the reserve for geopolitical and macroeconomic uncertainties.
- 80-million-euro one-off gain relating to a participation, recognised under 'Share in results of associated companies and joint ventures'.

Czech Republic Business Unit

Net result	Net interest income, net fee and commission income, operating expenses, impairment	Ratios
Net result 752 million euros (+22%)	Net interest income 1 249 million euros (+8%) Net fee and commission income 398 million euros (+12%) Operating expenses 889 million euros (+4%) Impairment on loans 34 million euros reversal (70-million-euro reversal)	Cost/income ratio (excluding bank and insurance charges) 49% (50%) Credit cost ratio -0.09% (-0.18%) Impaired loans ratio 1.3% (1.4%)

Figures for 2024 (the figures in brackets are for, or indicate the difference compared to, 2023).

- 5% decrease in the average exchange rate of the Czech koruna against the euro. The growth figures in the table and the analysis have been calculated excluding foreign-exchange effects.
- 8% increase in net interest income. The business unit's loans and advances to customers increased by 7% and customer deposits went up by 2%. The net interest margin for 2024 came to 2.42%, compared to 2.30% in 2023.
- 12% increase in net fee and commission income due to the higher fees for both asset management services and banking services.

- 6-million-euro increase in all other income items combined. Increase in trading and fair value income and lower net other income.
- 4% increase in costs, due mainly to higher staff expenses and ICT costs and partly offset by lower bank tax.
- 36-million-euro lower reversal of impairment on loans, due to higher impairment on individual loans and a more or less equal reversal of the remaining reserve for geopolitical and macroeconomic uncertainties.

International Markets Business Unit

Net result **699** million euros (+13%) **Slovakia** 101 million euros (+3%[1]) **Hungary** 334 million euros (+23%) **Bulgaria** 263 million euros (+5%)	Net interest income 1 264 million euros (+11%) Net fee and commission income 567 million euros (+13%) Operating expenses 1 054 million euros (+10%) Impairment on loans 25 million euros reversal (19-million-euro reversal)	Cost/income ratio (excluding bank and insurance charges) 41% (42%) Credit cost ratio -0.08% (-0.06%) Impaired loans ratio 1.9% (1.8%)

Figures for 2024 (the figures in brackets are for, or indicate the difference compared to, 2023).
[1]Excluding special bank levies in 2024, earnings growth is about 27%.

- 4% decrease in the average exchange rate of the Hungarian forint against the euro. The growth figures in the table and the analysis have been calculated excluding this foreign-exchange effect.
- 11% growth in net interest income. The business unit's loans and advances to customers increased by 9% and customer deposits went up by 5%. The net interest margin for 2024 came to 3.25%, roughly stable year-on-year.
- 13% increase in net fee and commission income, due mainly to higher fees for asset management services and for banking services (mainly payment services).
- 24-Million-euro drop in the other income items (due to lower Net other income).
- 10% increase in costs, due in part to higher staff expenses and ICT costs and higher bank and insurance tax (mainly in Slovakia).
- 6-million-euro higher net reversal of impairment on loans, due to a lower net increase in impairment on individual loans, partly offset by a lower reversal of the remaining reserve for geopolitical and macroeconomic uncertainties.

Group Centre

Besides financial reporting for the three business units, we also report on a separate Group Centre, which mainly comprises the results of activities and/or decisions focusing specifically on the group (the operating expenses of our group's holding-company activities, certain costs related to capital and liquidity management, and so on) and the results of activities and companies scheduled for run-down, including KBC Bank Ireland in particular.

The Group Centre generated a net result of -25 million euros in 2024, compared to 86 million euros in 2023. The negative change of 111 million euros was accounted for by:

- a 15-million-euro decrease in net result in Ireland. In both 2024 and 2023, the result for Ireland was heavily impacted by positive one-off items relating to the sale transactions. In 2024, the liquidation process resulted in tax savings of 318 million euros (in 'Income tax expense') and in 2023 the sale of the remaining loans and deposits led to one-off items totalling 365 million euros (in several items, mainly in 'Net other income'). More information on this matter can be found in Note 6.6 of the 'Consolidated financial statements'.
- a 96-million-euro decrease in net result for the other items, owing primarily to the combination of lower income (due mainly to lower trading and fair value income and net interest income) and higher impairment on loans.

Note 2.3: Balance-sheet information by segment

The table below presents some of the main on-balance-sheet products by segment.

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	Of which: Hungary	Slovakia	Bulgaria	Group Centre	Total
31-12-2024								
Deposits from customers and debt securities (excl. repos)	184 162	52 773	32 956	9 654	9 384	13 919	1 631	271 524
Demand deposits (incl. special and other deposits)	*61 933*	*24 270*	*24 414*	*6 595*	*5 680*	*12 139*	*0*	*110 618*
Time deposits	*27 868*	*8 831*	*6 626*	*2 342*	*2 505*	*1 779*	*0*	*43 325*
Savings accounts	*55 297*	*17 636*	*1 507*	*684*	*823*	*0*	*0*	*74 440*
Debt securities	*39 064*	*2 036*	*408*	*33*	*375*	*0*	*1 631*	*43 140*
Loans and advances to customers (excl. reverse repos)	122 077	38 338	29 835	6 856	11 887	11 092	0	190 250
Term loans	*64 813*	*13 433*	*11 713*	*3 103*	*3 499*	*5 110*	*0*	*89 958*
Mortgage loans	*45 484*	*20 028*	*11 735*	*1 937*	*6 729*	*3 068*	*0*	*77 246*
Other	*11 781*	*4 877*	*6 388*	*1 816*	*1 659*	*2 913*	*0*	*23 045*
31-12-2023								
Deposits from customers and debt securities (excl. repos)	175 690	52 755	31 810	9 648	8 856	13 305	454	260 708
Demand deposits (incl. special and other deposits)	*61 230*	*23 463*	*23 700*	*6 661*	*5 487*	*11 551*	*0*	*108 393*
Time deposits	*20 484*	*12 067*	*6 408*	*2 275*	*2 388*	*1 746*	*0*	*38 959*
Savings accounts	*54 074*	*15 220*	*1 516*	*636*	*872*	*8*	*0*	*70 810*
Debt securities	*39 902*	*2 005*	*186*	*76*	*109*	*0*	*454*	*42 546*
Loans and advances to customers (excl. reverse repos)	117 264	36 470	27 968	6 762	11 589	9 617	0	181 702
Term loans	*61 717*	*11 463*	*11 655*	*3 279*	*3 452*	*4 924*	*0*	*84 835*
Mortgage loans	*44 521*	*19 641*	*10 447*	*1 818*	*6 451*	*2 178*	*0*	*74 609*
Other	*11 025*	*5 366*	*5 867*	*1 665*	*1 686*	*2 515*	*0*	*22 258*

3.0 Notes to the income statement

Note 3.1: Net interest income

(in millions of EUR)	2024	2023
Total	**5 142**	**5 044**
Interest income	19 583	19 996
Interest income on financial instruments calculated using the effective interest rate method		
Financial assets at AC	*9 987*	*10 353*
Financial assets at FVOCI	*220*	*120*
Hedging derivatives	*5 945*	*5 070*
Financial liabilities (negative interest)	*5*	*11*
Other	*1 580*	*2 143*
Interest income on other financial instruments		
Financial assets MFVPL other than held for trading	*70*	*55*
Financial assets held for trading	*1 776*	*2 245*
Of which economic hedges	*1 572*	*2 080*
Other financial assets at FVPL	*0*	*0*
Interest expense	-14 441	-14 952
Interest expense on financial instruments calculated using the effective interest rate method		
Financial liabilities at AC	*-6 892*	*-7 032*
Financial assets (negative interest)	*- 1*	*- 1*
Hedging derivatives	*-5 834*	*-5 254*
Other	*- 4*	*- 4*
Interest expense on other financial instruments		
Financial liabilities held for trading	*-1 650*	*-2 597*
Of which economic hedges	*-1 605*	*-2 544*
Other financial liabilities at FVPL	*- 62*	*- 68*
Net interest expense relating to defined benefit plans	*1*	*4*

- ‘Interest income on financial instruments calculated using the effective interest rate method, Other’: the decrease in interest income relates mainly to interest on cash balances with central banks. These cash balances with central banks are mostly financed using short-term liabilities, such as certificates of deposit and repos. The associated interest expense is recognised under ‘Interest expense’, under ‘Financial liabilities at amortised cost’. The interest margin on this activity is limited. Over the past few years, several central banks in our core countries decided to increase the minimum amount of reserves to be maintained or to lower the compensation paid for these reserves. This had a negative impact on our net interest income of around 190 million euros in 2024 (126 million euros in 2023).
- At the end of August 2023, the Kingdom of Belgium issued a state note with a term of one year. For KBC, this resulted in a 5.7-billion-euro outflow of customer deposits in 2023. Thanks to our proactive, multi-phased and multi-product offer, at KBC Group level we managed to attract a total of some 6.5 billion euros in core customer money in Belgium in September 2024 (deposits, savings certificates, funds, bonds, etc.), exceeding the 5.7-billion-euro outflow to the state note in September 2023 by 0.8 billion euros.

Note 3.2: Dividend income

(in millions of EUR)	2024	2023
Total	21	18
Equity instruments MFVPL other than held for trading	0	0
Equity instruments held for trading	15	14
Equity instruments at FVOCI	6	4

Note 3.3: Net result from financial instruments at fair value through profit or loss

(in millions of EUR)	**2024**	**2023**
Total	80	219
Breakdown by IFRS portfolio		
Financial instruments MFVPL other than held for trading	18	97
Trading instruments (including interest on non-ALM trading derivates and fair value changes on all trading instruments)	204	131
Financial instruments at fair value through profit or loss	- 29	- 49
Foreign exchange trading	106	152
Fair value adjustments in hedge accounting	- 219	- 113
Hedge accounting broken down by type of hedge		
Fair value micro hedges	11	- 1
Changes in the fair value of the hedged items	*- 259*	*- 285*
Changes in the fair value of the hedging derivatives	*269*	*284*
Cashflow hedges	0	- 9
Changes in the fair value of the hedging derivatives, ineffective portion	*0*	*- 9*
Hedges of net investments in foreign operations, ineffective portion	0	0
Portfolio hedge of interest rate risk	2	7
Changes in the fair value of the hedged items	*475*	*1 029*
Changes in the fair value of the hedging derivatives	*- 473*	*- 1 022*
Discontinuation of hedge accounting for fair value hedges	- 131	- 58
Discontinuation of hedge accounting in the event of cashflow hedges	- 101	- 52
Breakdown by driver		
Dealing room income	294	288
MTM ALM derivatives and other	- 190	- 53
Market value adjustments (xVA)	- 24	- 16

- ALM hedging derivatives (recognised in hedge accounting): the interest component of these derivatives is recognised under ‘Net interest income’. Fair value changes in hedging derivatives, excluding those for which an effective cashflow hedge relationship exists, are recognised under ‘Net result from financial instruments at fair value through profit or loss’. Under fair value hedge accounting, changes in the fair value of hedged assets are also recognised under this heading, and offsetting takes place insofar as the hedge is effective. ALM hedging derivatives not recognised in hedge accounting (and therefore classified as trading instruments) are treated in the same way, except most of the related assets are not recognised at fair value (i.e. not marked-to-market).
- Day 1 profit: when the transaction price in a non-active market differs from the fair value of other observable market transactions in the same instrument or from the fair value based on a valuation technique whose variables include only data from observable markets, the difference between the transaction price and the fair value (day 1 profit) is taken to profit or loss. If this is not the case (i.e. the variables do not include only data from observable markets), day 1 profit is reserved and is released in profit or loss during the life and until the maturity of the financial instrument. This day 1 profit involves limited amounts.
- Foreign exchange trading includes the realised and unrealised foreign exchange results (when the monetary assets and liabilities are revalued), regardless of the IFRS portfolio, except for financial assets and liabilities measured at fair value through profit or loss, for which the revaluation is included in the fair value correction.
- The effectiveness of the hedge is determined according to the following methods:
  - For fair value micro hedging, we use the dollar offset method on a quarterly basis, with changes in the fair value of the hedged item offsetting changes in the fair value of the hedging instrument within a range of 80%–125%.

- For cashflow hedges, we compare the designated hedging instrument with a perfect hedge of the hedged cashflows on a prospective (by BPV measurement) and retrospective basis (by comparing the fair value of the designated hedging instrument with the perfect hedge). The effectiveness of both tests must fall within a range of 80%–125%.
- We use the rules set out in the European version of IAS 39 (carve-out) to assess the effectiveness of fair value hedges for a portfolio of interest rate risk. IFRS does not permit net positions to be reported as hedged items, but does allow hedging instruments to be designated as a hedge of a gross asset position (or a gross liabilities position, as the case may be). Specifically, we make sure that the volume of assets (or liabilities) in each maturity bucket is greater than the volume of hedging instruments allocated to the same bucket.

Note 3.4: Net fee and commission income

(in millions of EUR)	2024	2023
Total	2 608	2 387
Fee and commission income	3 405	3 137
Fee and commission expense	- 798	- 750
Breakdown by type		
Asset Management Services	1 347	1 183
Fee and commission income	*1 532*	*1 354*
Fee and commission expense	*- 185*	*- 171*
Banking Services	1 116	1 064
Fee and commission income	*1 728*	*1 640*
Fee and commission expense	*- 612*	*- 575*
Other	145	139
Fee and commission income	*146*	*143*
Fee and commission expense	*- 1*	*- 4*

- ‘Asset management services’ contains management fees, entry fees and distribution fees for investment funds. ‘Banking services’ contains credit- and guarantee-related fees, payment transaction fees, network income, securities-related fees, distribution fees paid for banking products and fees for other banking services. ‘Other’ comprises distribution fees of insurers and platformication income.
- The lion’s share of the fees and commissions related to lending is recognised under ‘Net interest income’ (effective interest rate calculations).

Note 3.5: Other net income

(in millions of EUR)	2024	2023
Total	89	578
of which gains or losses on		
sale of financial assets measured at amortised cost	- 39	- 21
sale of FVOCI debt instruments.	1	- 2
repurchase of financial liabilities measured at amortised cost	0	0
of which other, including:	127	601
income from operational leasing activities	*106*	*87*
legal disputes	*- 28*	*- 2*
capital gain on sale of loan and deposit portfolios KBC Bank Ireland	*0*	*405*
gain on sale of a participation in Belgium	*0*	*18*
recovery Belgian Bank levies from 2016 (including moratorium interest)	*0*	*48*

- For information on the gain on the sale of KBC Bank Ireland's loan and deposit portfolios in 2023, see Note 6.6.
- Legal disputes: in 2024, this item mainly concerned Hungary.

Note 3.6: Insurance results

Applies to KBC Group and KBC Insurance, but not to KBC Bank.

Note 3.7: Operating expenses

(in millions of EUR)	2024	2023
Total	-4 544	-4 624
Staff Expenses	-1 880	-1 894
General administrative expenses	-2 395	-2 459
ICT Expenses	*- 689*	*- 713*
Facility Expenses	*- 290*	*- 302*
Marketing & communication expenses	*- 120*	*- 117*
Professional fees	*- 106*	*- 108*
Bank tax	*- 592*	*- 657*
Other	*- 599*	*- 563*
Depreciation and amortisation of fixed assets	- 269	- 270

- The total expenses went down by 2% in 2024 compared to 2023.
  - This amount includes 592 million euros in bank tax, a 10% decrease year-on-year. This was partly due to lower contributions to the resolution fund (after reaching the target level of 1% of the covered deposits for the Single Resolution Fund in 2023, no contributions were made by euro area countries and only limited contributions were made by non-euro area countries), a lower contribution to the deposit guarantee schemes (mainly in Belgium, due to a lower-than-anticipated volume of covered deposits), partly offset by additional national bank taxes in a number of countries (primarily in Belgium and Slovakia).
  - Expenses excluding bank tax (3 951 million euros) remained roughly stable year-on-year, owing to more or less stable staff expenses, with, among other things, the negative impact of indexation and wage drift being offset by the positive impact of lower FTE staff numbers as well as little change in the other cost components.
- For information on the average number of persons employed, see Note 3.8; information on the remuneration of members of the Executive Committee and the Board of Directors is provided under 'Remuneration report' in the 'Corporate governance statement' section; details of the statutory auditor's remuneration (PwC) are provided in Note 6.4.

Note 3.8: Personnel

	2024	2023
Total average number of persons employed (in full-time equivalents)	27 872	28 708
By employee classification		
Blue-collar staff	46	54
White-collar staff	27 673	28 495
Senior management	153	159

- The figures in the table are annual averages, which – in terms of scope – may differ from year-end figures that are provided elsewhere.

Note 3.9: Impairment (income statement)

(in millions of EUR)	2024	2023
Total	- 241	- 180
Impairment on financial assets at AC and at FVOCI	- 202	18
By IFRS category		
Impairment on financial assets at AC	*- 202*	*18*
Impairment on financial assets at FVOCI	*0*	*0*
By product		
Loans and advances	*- 224*	*- 5*
Debt securities	*1*	*8*
Off-balance-sheet commitments and financial guarantees	*21*	*15*
By type		
Stage 1 (12-month ECL)	*- 29*	*- 41*
Stage 2 (lifetime ECL)	*159*	*162*
Stage 3 (non-performing; lifetime ECL)	*- 283*	*- 92*
Purchased or originated credit impaired assets	*- 49*	*- 11*
By division/country		
Belgium	*- 249*	*- 80*
Czech Republic	*34*	*70*
International Markets	*25*	*19*
Slovakia	*18*	*8*
Hungary	*23*	*11*
Bulgaria	*- 16*	*0*
Group Centre	*- 12*	*8*
Impairment on goodwill	0	- 109
Impairment on other	- 39	- 88
Intangible fixed assets (other than goodwill)	- 27	- 46
Property, plant and equipment (including investment property)	- 2	- 13
Associated companies and joint ventures	0	0
Other	- 10	- 30

- Impairment on loans:
  - In 2024, this item included a partial reversal of 134 million euros related to the reserve for geopolitical and macroeconomic uncertainties (see below) and a net increase of 336 million euros for loans in the loan portfolio (of which 72 million euros to reduce the backstop shortfall for old non-performing loans in Belgium – see also the 'How do we manage our capital?' section);
  - In 2023, this item included a partial reversal of 158 million euros related to the reserve for geopolitical and macroeconomic uncertainties (see below) and a net increase of 140 million euros for loans in the loan portfolio;
  - The impact of the extreme weather conditions, including flooding and storms, in 2024 and 2023 on (impairment on) loans was insignificant.
- Impairment on goodwill:
  - In 2023, this item included 109 million euros related to ČSOB Stavební spořitelna (see below).
- Impairment on other:
  - In 2024, this item included impairment of software and modification losses related to the extension of the interest cap regulation in Hungary;
  - In 2023, this item included impairment of fixed assets (partly relating to the sale in Ireland) and software, and modification losses related to the extension/expansion of the interest cap regulation in Hungary;
- The loan portfolio accounts for the largest share of the financial assets. Based on internal management reports, the composition and quality of the loan portfolio is set out in detail in the 'How do we manage our risks?' section (under 'Credit risk'). All parts of that particular section which have been audited by the statutory auditor are specified in that section. Among other things, this section also provides more information on impaired loans (Stage 3).
- For information on total impairment recognised in the balance sheet, see Note 4.2.
- More background information and methodology for KBC's ECL model is provided in the accounting policies under 'Financial assets – impairment' in Note 1.2.
- In order to calculate ECL, KBC uses specific models for probability of default (PD), exposure at default (EAD) and loss given default (LGD). It is essential to take account of historical observations and forward-looking projections in this respect.

    - PD represents the probability of a counterparty defaulting in the next 12 months or during the entire term of the facility (depending on which IFRS 9 'Stage' the facility is in). The PD is determined by the counterparty's internal (and, if applicable, external) credit rating. Variables used in PD models include financial ratios and behavioural parameters (arrears).
    - EAD represents the estimated outstanding debt at the time of default and depends on the existing outstanding debt and any changes permitted under the contract and normal repayments. Variables used in these models include product types and repayment schedules.
    - LGD is the estimated size of the loss relative to the outstanding debt at the time of default. LGD is presented as a percentage of the outstanding debt and is determined by historical amounts recovered on similar claims. Variables used in these models include collateral types and financial ratios.
- On 31 December 2024, there were around 80 different IFRS 9 models. In addition to several group-wide models, we have separate PD, EAD and LGD models for each of our core countries. In accordance with the Basel grouping approach, we use the type of counterparty (private individuals, SMEs, companies, governments, etc.) to determine the scope of an IFRS 9 model. Each model allows for differentiation in terms of facility type (term loans, revolving facilities, etc.) and collateral type (mortgages, pledges on business assets, guarantees, etc.). Examples of IFRS 9 models include 'Banks', 'Belgian private persons – home loans', 'Czech corporates', 'Bulgarian corporates and SMEs' and 'Central governments'. Detailed documentation is available for each PD, EAD and LGD model. These models are periodically back-tested and, if necessary, redesigned. There was no material net impact on ECL from redesigned models in 2024. The main models are subject to review by external auditors. The Basel models, which the IFRS 9 models are based on, are subject to external control performed by the supervisory authorities.
- We create the models for the various portfolios using typical PD, EAD and LGD inputs, as well as macro- and microeconomic variables to the extent that there is a statistical relationship. The macroeconomic variables are GDP growth, the unemployment rate, policy interest rates, the exchange rate, government bond yields, house prices and inflation. Microeconomic variables include, for example, confidence indicators, the harmonised consumer price index (HICP), the producer price index (PPI), and so on. As a result of regular back-testing, models may change and economic variables may be reassessed. The following table gives the base-case scenario for the three key indicators (GDP growth, unemployment rate and house price index) for each of our core countries for the coming years. After that, we take into account a gradual linear transition towards a stable situation.

Macroeconomic base-case scenario – key indicators (used for situation at year-end 2024)*	2024	2025	2026
Real GDP growth			
Belgium	1.0%	0.6%	0.9%
Czech Republic	1.0%	2.3%	2.3%
Hungary	0.4%	2.1%	3.1%
Slovakia	2.2%	2.0%	2.6%
Bulgaria	2.2%	2.1%	2.4%
Unemployment rate			
Belgium	5.8%	6.0%	5.9%
Czech Republic	2.9%	3.2%	3.1%
Hungary	4.6%	4.3%	3.9%
Slovakia	5.5%	5.5%	5.5%
Bulgaria	4.2%	4.2%	4.0%
House price index			
Belgium	2.9%	3.0%	3.0%
Czech Republic	3.9%	4.2%	3.5%
Hungary	7.0%	4.5%	4.0%
Slovakia	3.0%	3.0%	3.5%
Bulgaria	12.2%	5.0%	3.5%

* This deviates from the (more recent) estimates provided in the 'Report of the Board of Directors', under the 'Market conditions in our core markets in 2024' and 'Our business units' sections.

- We use three different forward-looking macroeconomic scenarios (with different probability weightings) to measure ECL. The weightings at year-end 2024 were 60% for the 'base' scenario, 20% for the 'up' scenario and 20% for the 'down' scenario.The forecast horizon is 30 years. A sensitivity analysis of the impact of these multiple economic scenarios on the collectively assessed ECL (i.e. without the ECL for individually assessed loans of 1.65 billion euros at the end of 2024 and 1.56 billion euros at the end of 2023) shows that the 'base' scenario generates an ECL of 0.80 billion euros (0.91 billion euros in 2023), which is 0.02 billion euros lower than for the 'down' scenario (0.07 billion euros in 2023) and 0.02 billion euros higher than for the 'up' scenario (0.03 billion euros in 2023). The assessed scenario-weighted collective ECL (that was recognised) amounted to 0.80 billion euros (0.93 billion euros in 2023). Please note that these amounts take into account the geopolitical and macroeconomic uncertainties at year-end 2024 (see Note 1.4).

Collectively assessed ECL by country (2024, in billions of EUR)	100% base-case scenario	100% optimistic scenario	100% pessimistic scenario
Total	**0.80**	**0.79**	**0.82**
Belgium	0.26	0.26	0.26
Czech Republic	0.27	0.27	0.27
Slovakia	0.08	0.08	0.09
Hungary	0.05	0.04	0.05
Bulgaria	0.15	0.14	0.15
Other (including Ireland)	-	-	-

- The management of ESG risks is an integral part of the Credit Risk Management Framework (CRMF; see 'How do we manage our risks?' (under 'Credit risk')). Dedicated processes have been developed focusing on the risk management of ESG-related credit risks, and in particular on identification measurement, risk appetite and follow-up. A detailed explanation of the Credit Risk Management Framework is provided in the 'ESG in credit risk management' section of the Risk Report, which is available at www.kbc.com. The main elements of this management framework are as follows:
  - In order to identify ESG-related credit risks, we use the Environmental Risk Impact Map (ERIM) to assess the impact of various climate and environmental risk drivers on the credit risk profile. Additionally, regular thematic analyses are also carried out (so-called 'White Papers'). In the loan origination and review process, a sector-based environmental and social (E&S) heat map is used. This is a screening tool to identify the risks involved in the portfolio of loans to corporate entities and SMEs. For material credit files in scope of high E&S Risk sectors, an ESG assessment is performed at counterparty level.
  - In the context of risk quantification, specific measurement techniques are being developed to assess the impact of ESG risks on our loan portfolio. For example, KBC is exploring the possibility of assessing sectoral climate impacts on Probability of Default (PD) based on climate scenarios from the Network for Greening the Financial System (NGFS). The quantifiability of ESG-related risks will gradually increase with the improved availability of data and measurement methodologies.
  - As regards risk appetite, KBC aims to limit the adverse impact of its activities on the environment and society and to encourage a positive impact, based on a responsible lending culture, the principles of which are laid out in a group-wide sustainability policy. KBC's commitment to consider climate and environmental risks is reflected in standards and policies addressing credit risk. These standards and policies apply in every step of the credit process, including, for instance, in loan pricing and collateral valuation. Furthermore, climate-related Key Risk Indicators (KRIs) were introduced in the Risk Appetite Process. These KRIs are monitored on a semi-annual basis by the Group Lending Committee and integrated in the Climate Risk Dashboard.
- KBC is gradually incorporating climate-related risks in the ECL process. This is reflected in our commitment, as described above, to consider climate-related risks in our collateral valuation process and in the ESG assessment of the relevant counterparty. KBC is also looking into the possibilities of a portfolio approach, which involves studying new methods to determine any relationship between the expected evolution of the climate and credit risk. As stated above, KBC is investigating whether a practicable model can be built to assess sectoral climate impacts based on climate scenarios developed by the NGFS. At this stage of the investigation, it is too early to include any impacts in the accounting policies. Management has the ability to overrule the expected credit losses and to capture the growing insights into ESG and climate-related risks.
- Impairment on goodwill in 2023: ČSOB Stavební spořitelna (a subsidiary of ČSOB Czech Republic) is facing the impact of the reduction of the building saving state subsidy in the Czech Republic, which has a significant negative impact on future projected earnings. This created an impairment of 109 million euros on the total goodwill outstanding of 175 million euros (based on the exchange rate as at 31 December 2023). This goodwill was created in June 2019 during the full acquisition of ČSOB Stavební (the former ČMSS), partially through the revaluation of the group's existing 55% stake in ČMSS at that time, which resulted in a one-off gain of 82 million euros.
- Reserve for geopolitical and macroeconomic uncertainties (referred to as the 'reserve for geopolitical and emerging risks' up until year-end 2023): the outstanding balance of the ECL for geopolitical and macroeconomic uncertainties came to 117 million euros at year-end 2024; the corresponding figure at year-end 2023 was 256 million euros. This ECL is determined based on individual counterparties and sectors in our portfolio which are deemed to have incurred an increase in credit risk because they are either (°) exposed to the macroeconomic risks (e.g., high(er) inflation and interest rates, high(er) energy prices or (°) indirectly exposed to ongoing military conflict, such as the one in Ukraine. The decline is largely attributable to the improved micro- and macroeconomic outlook and the reversal of a collective migration of 'Stage 1' positions to 'Stage 2' for positions whose credit risk has increased significantly, which are included in the standard staging assessment since the fourth quarter of 2024. At year-end 2023, 12 billion euros' worth of 'Stage 1' positions were collectively migrated to 'Stage 2'.

Note 3.10: Share in results of associated companies and joint ventures

(in millions of EUR)	2024	2023
Total	80	- 4
Of which:		
IGLUU s.r.o.	*0*	*- 1*
Isabel NV	*78*	*3*
Payconiq International S.A.	*-*	*- 3*
Batopin NV	*1*	*- 3*
Bancontact Payconiq Company NV	*1*	*1*
Immoscoop 2.0 BV	*0*	*0*

- Impairment on (goodwill on) associated companies and joint ventures is included in ‘Impairment’ (see Note 3.9). The share in results of associated companies and joint ventures does not therefore take this impairment into account.
- The results in 2024 are mainly due to a one-off gain of 79 million euros related to Isabel NV.

Note 3.11: Income tax expense

(in millions of EUR)	2024	2023
Total	- 367	- 608
By type		
Current taxes on income	- 584	- 429
Deferred taxes on income	217	- 179
Tax components		
Result before tax	3 236	3 439
Income tax at the Belgian statutory rate	25.00%	25.00%
Income tax calculated	- 809	- 860
Plus/minus tax effects attributable to		
differences in tax rates, Belgium – abroad	*155*	*210*
tax-free income	*56*	*108*
adjustments related to prior years	*- 8*	*5*
adjustments to deferred taxes due to change in tax rate	*0*	*0*
unused tax losses and unused tax credits to reduce current tax expense	*4*	*9*
unused tax losses and unused tax credits to reduce deferred tax expense	*3*	*25*
reversal of previously recognised deferred tax assets due to tax losses	*- 13*	*0*
liquidation Exicon (ex - KBC Bank Ireland)	*318*	*-*
other (mainly non-deductible expenses)	*- 73*	*- 105*

- For information on tax assets and tax liabilities, see Note 5.2.
- Taxes in 2024 were positively impacted by the imminent liquidation of Exicon (formerly KBC Bank Ireland) (see below), partly offset by an updated estimate of future taxable profits of the London branch (-9 million euros). Taxes in 2023 were positively impacted by an updated estimate of future taxable profits of the London branch (15 million euros).
- In 2023, income tax expense was negatively impacted by 36 million euros as the deductibility of the Belgian bank tax was reduced by 80%. The remainder of the tax deductibility (20%) has also been abolished as of 2024 (having an additional impact of 11 million euros in 2024).
- The government of the Czech Republic introduced a windfall tax, which will also apply to major banks and will be in force for the period 2023-2025. Any excess profits will be taxed at 79% (19% standard business tax, 60% windfall tax). As ČSOB in the Czech Republic did not make any excess profit in 2024 and 2023, no Czech windfall tax was due.
- On 14 December 2023, Belgium, where ultimate parent company KBC Group NV has its registered office, laid down the Pillar Two global minimum tax in statute and declared that it would take effect on 1 January 2024. Under these rules, KBC is required to pay top-up tax (in Belgium or abroad) on the profits of its subsidiaries and permanent establishments, which are taxed at an effective tax rate of less than 15%. Based on the 2024 results, the additional top-up tax will be around 18 million euros at

the level of KBC Bank consolidated (mainly in the Czech Republic and in Bulgaria). The group has applied the temporary exception issued by the IASB in May 2023 relating to the accounting requirements for deferred taxes in IAS 12. The group will continue to monitor the effect of the Pillar Two legislation on its future financial performance.

- Liquidation of Exicon (formerly KBC Bank Ireland): following approval from the Irish Ministry of Finance in September 2023, the remaining positions of KBC Bank Ireland were transferred to KBC Bank's Dublin branch, which means the main hurdles to commencing the legal process of liquidating Exicon (formerly KBC Bank Ireland) were overcome. In the fourth quarter of 2024, the imminent liquidation resulted in the recognition of a deferred tax asset for KBC Bank NV of 318 million euros.
- The table on the next page shows the country-by-country reporting.

in million euros	2024									2023								
	Average number of employees in FTE	Revenues from third party sales[1]	Revenues from transactions with related parties from other tax jurisdictions[2]	Result before tax	Corporate income tax accrued on P&L (current income tax)	Corporate Income tax paid on a cash basis	Retained earnings	Tangible assets other than cash and cash equivalents[3]	Public subsidies received	Average number of employees in FTE	Revenues from third party sales[1]	Revenues from transactions with related parties from other tax jurisdictions[2]	Result before tax	Corporate income tax accrued on P&L (current income tax)	Corporate Income tax paid on a cash basis	Retained earnings	Tangible assets other than cash and cash equivalents[3]	Public subsidies received
KBC home Countries																		
Belgium	9 040	4 088	469	1 327	- 285	- 267	4 724	2 309	0	9 150	4 091	640	1 373	- 257	- 234	4 644	2 137	0
Czech Republic	8 065	1 794	- 440	928	- 139	- 98	2 021	621	0	8 126	1 715	- 695	747	- 51	- 37	1 876	507	0
Slovakia	2 655	366	- 162	126	- 23	- 21	19	162	0	2 667	338	- 142	126	- 25	1	- 112	176	0
Hungary	3 408	891	- 60	379	- 59	- 44	1 221	123	0	3 364	843	- 50	330	- 51	- 37	901	128	0
Bulgaria	4 338	594	- 13	308	- 44	- 27	368	154	0	4 514	541	17	279	- 30	- 28	111	162	0
Other countries																		
China	29	1	0	0	0	0	0	3	0	34	1	0	0	0	0	0	2	0
Germany	22	3	0	4	- 2	- 2	0	0	0	22	2	0	2	- 3	- 3	0	0	0
France	46	7	- 13	5	- 1	0	2	0	0	53	6	- 7	1	0	0	1	0	0
Great Britain	37	34	25	17	- 11	- 11	567	1	0	38	29	24	18	13	13	547	0	0
Hong Kong	28	1	0	0	0	1	0	1	0	33	1	0	1	0	0	0	2	0
Ireland	65	137	138	128	- 18	- 17	- 1 593	4	0	560	625	193	515	- 14	- 13	- 1 598	0	0
Italy	8	0	0	0	0	0	0	1	0	7	0	0	0	0	0	0	1	0
Luxembourg	28	10	55	7	- 1	0	1	171	0	28	38	20	34	- 6	- 4	- 2	156	0
Netherlands	29	5	0	1	0	0	0	0	0	27	6	0	9	- 2	- 1	0	0	0
Romania	0	4	0	4	- 1	- 1	27	30	0	0	4	0	4	0	0	24	32	0
Singapore	32	2	0	1	0	2	0	1	0	40	2	0	1	0	2	0	1	0
USA	43	4	0	3	0	0	0	17	0	45	3	0	1	- 2	- 2	0	18	0
Total	27 872	7 940	0	3 236	- 584	- 482	7 357	3 599	0	28 708	8 246	0	3 439	- 429	- 343	6 391	3 322	0

Countries for which the number of FTE is zero and for which the financial figures are below 0,5m EUR will not be shown.

1 Corresponds to Total revenue in the income statement.

2 If there is a positive figure for a particular jurisdiction in this column, it means that all group entities within that jurisdiction combined had more intragroup revenues than intragroup expenses relative to other tax jurisdictions. If there is a negative figure, it means that all group entities within that jurisdiction combined had less intragroup income than intragroup expenses relative to other tax jurisdictions.

3 Corresponds to Property, plant and equipment and investment properties on the balance sheet.

4.0 Notes on the financial assets and liabilities on the balance sheet

Note 4.1: Financial assets and liabilities, breakdown by portfolio and product

(in millions of EUR)	Measured at amortised cost (AC)	Measured at fair value through other comprehensive income (FVOCI)	Mandatorily measured at fair value through profit or loss (MFVPL) excl. HFT	Held for trading (HFT)	Designated at fair value (FVO) [1]	Hedging derivatives	Total
FINANCIAL ASSETS, 31-12-2024							
Loans and advances to credit institutions and investment firms (excl. reverse repos)	2 438	0	0	0	0	0	2 438
Of which repayable on demand and term loans at not more than three months							*224*
Loans and advances to customers (excl. reverse repos)	189 307	0	943	0	0	0	190 250
Trade receivables	*2 885*	*0*	*0*	*0*	*0*	*0*	*2 885*
Consumer credit	*6 316*	*0*	*633*	*0*	*0*	*0*	*6 949*
Mortgage loans	*76 937*	*0*	*309*	*0*	*0*	*0*	*77 246*
Term loans	*89 957*	*0*	*1*	*0*	*0*	*0*	*89 958*
Finance lease	*7 903*	*0*	*0*	*0*	*0*	*0*	*7 903*
Current account advances	*4 790*	*0*	*0*	*0*	*0*	*0*	*4 790*
Other	*518*	*0*	*0*	*0*	*0*	*0*	*518*
Reverse repos[2]	21 265	0	0	0	0	0	21 265
With credit institutions and investment firms	*20 922*	*0*	*0*	*0*	*0*	*0*	*20 922*
With customers	*343*	*0*	*0*	*0*	*0*	*0*	*343*
Equity instruments	0	217	10	900	0	0	1 126
Debt securities issued by	46 186	10 588	13	5 010	0	0	61 798
Public bodies	*39 803*	*9 725*	*0*	*3 353*	*0*	*0*	*52 880*
Credit institutions and investment firms	*5 216*	*611*	*0*	*1 593*	*0*	*0*	*7 420*
Corporates	*1 168*	*252*	*13*	*64*	*0*	*0*	*1 498*
Derivatives	0	0	0	4 613	0	264	4 877
Other[3]	1 154	0	0	0	0	0	1 154
Total	260 350	10 805	965	10 523	0	264	282 908
FINANCIAL ASSETS, 31-12-2023							
Loans and advances to credit institutions and investment firms (excl. reverse repos)	2 779	0	0	0	0	0	2 779
Of which repayable on demand and term loans at not more than three months							*221*
Loans and advances to customers (excl. reverse repos)	180 867	0	836	0	0	0	181 702
Trade receivables	*2 679*	*0*	*0*	*0*	*0*	*0*	*2 679*
Consumer credit	*6 604*	*0*	*608*	*0*	*0*	*0*	*7 211*
Mortgage loans	*74 382*	*0*	*228*	*0*	*0*	*0*	*74 609*
Term loans	*84 835*	*0*	*0*	*0*	*0*	*0*	*84 835*
Finance lease	*7 197*	*0*	*0*	*0*	*0*	*0*	*7 197*
Current account advances	*4 630*	*0*	*0*	*0*	*0*	*0*	*4 630*
Other	*541*	*0*	*0*	*0*	*0*	*0*	*541*
Reverse repos[4]	25 706	0	0	0	0	0	25 706
With credit institutions and investment firms	*25 356*	*0*	*0*	*0*	*0*	*0*	*25 356*
With customers	*349*	*0*	*0*	*0*	*0*	*0*	*349*
Equity instruments	0	215	10	565	0	0	790
Debt securities issued by	47 553	5 265	13	3 126	0	0	55 956
Public bodies	*41 295*	*4 854*	*0*	*2 957*	*0*	*0*	*49 106*
Credit institutions and investment firms	*4 942*	*324*	*0*	*12*	*0*	*0*	*5 278*
Corporates	*1 316*	*87*	*13*	*157*	*0*	*0*	*1 572*
Derivatives	0	0	0	4 652	0	287	4 939
Other[5]	1 196	0	0	0	0	0	1 196
Total	258 099	5 479	858	8 343	0	287	273 067

(in millions of EUR)	Measured at amortised cost (AC)	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL LIABILITIES, 31-12-2024					
Deposits from credit institutions and investment firms (excl. repos)	12 852	0	0	0	12 852
Of which repayable on demand					*6 457*
Deposits from customers and debt securities (excl. repos)	270 466	22	1 035	0	271 524
Demand deposits (incl. special and other deposits)	*110 618*	*0*	*0*	*0*	*110 618*
Time deposits	*43 140*	*22*	*163*	*0*	*43 325*
Savings accounts	*74 440*	*0*	*0*	*0*	*74 440*
Savings certificates	*1 250*	*0*	*0*	*0*	*1 250*
Subtotal, customer deposits	*229 449*	*22*	*163*	*0*	*229 634*
Certificates of deposit	*14 471*	*0*	*5*	*0*	*14 477*
Non-convertible bonds	*7 912*	*0*	*745*	*0*	*8 657*
Non-convertible subordinated liabilities	*18 635*	*0*	*121*	*0*	*18 756*
Repos[4]	20 986	94	0	0	21 080
With credit institutions and investment firms	*18 587*	*94*	*0*	*0*	*18 681*
With customers	*2 399*	*0*	*0*	*0*	*2 399*
Derivatives	0	4 735	0	312	5 047
Short positions	0	882	0	0	882
In equity instruments	*0*	*9*	*0*	*0*	*9*
In debt securities	*0*	*872*	*0*	*0*	*872*
Other[5]	2 144	0	0	0	2 144
Total	306 448	5 733	1 035	312	313 528
FINANCIAL LIABILITIES, 31-12-2023					
Deposits from credit institutions and investment firms (excl. repos)	15 000	0	0	0	15 000
Of which repayable on demand					*6 136*
Deposits from customers and debt securities (excl. repos)	259 269	81	1 359	0	260 708
Demand deposits (incl. special and other deposits)	*108 393*	*0*	*0*	*0*	*108 393*
Time deposits	*38 685*	*81*	*194*	*0*	*38 959*
Savings accounts	*70 810*	*0*	*0*	*0*	*70 810*
Savings certificates	*79*	*0*	*0*	*0*	*79*
Subtotal, customer deposits	*217 966*	*81*	*194*	*0*	*218 241*
Certificates of deposit	*15 807*	*0*	*6*	*0*	*15 813*
Non-convertible bonds	*6 160*	*0*	*1 045*	*0*	*7 205*
Non-convertible subordinated liabilities	*19 336*	*0*	*114*	*0*	*19 449*
Repos[4]	5 235	40	0	0	5 275
With credit institutions and investment firms	*3 259*	*40*	*0*	*0*	*3 298*
With customers	*1 976*	*0*	*0*	*0*	*1 976*
Derivatives	0	5 543	0	398	5 941
Short positions	0	1 428	0	0	1 428
In equity instruments	*0*	*6*	*0*	*0*	*6*
In debt securities	*0*	*1 421*	*0*	*0*	*1 421*
Other[5]	2 532	0	0	0	2 533
Total	282 036	7 092	1 359	398	290 885

[1]The carrying value comes close to the maximum credit exposure.

[2]The amount of the reverse repos is virtually identical to the amount of the underlying assets (that have been lent out).

[3]Financial assets not included under ‘Loans and advances to customers’ as they are not directly related to commercial lending.

[4]The amount of the repos is virtually identical to the amount of the underlying assets (that have been lent out), with the assets being partly reflected on the balance sheet and partly obtained through reverse repo transactions.

[5]Financial liabilities not included under deposits from customers as they are not directly related to commercial deposit acquisition.

- 'Loans and advances to customers' also includes loans whose interest payments are linked to ESG targets of the client ('Sustainability-linked loans'). These are described in the 2024 Sustainability Report, in table 5.4 (this has not been audited). The contractual cashflows of these loans are deemed to be solely payments of principal and interest on the principal amount (SPPI), since the variability in interest payments resulting from the ESG component reflects the instrument's credit risk. For these loans, the margin on interest payments depends on whether or not the borrower meets the contractual ESG targets. These may be climate-related, environmental or social targets. This item also includes loans provided to clients which contribute to ESG targets. These are loans that fully or partially meet the EU Taxonomy criteria or the criteria of sustainability frameworks of other external parties, such as the European Investment Bank, the Loan Market Association (LMA) or local governments. These amounts are also described in the 2024 Sustainability Report, in table 5.5 (this has not been audited). The 'Debt securities' item also includes bonds purchased by KBC that were issued to finance investments containing a sustainability component. These bonds comply with the ICMA Green Bond Principles, the Social Bond Principles or the Sustainability Bond Guidelines. These amounts are also described in the 2024 Sustainability Report, in table 5.6 (this has not been audited).
- 'Deposits from credit institutions and investment firms' include the (remaining) funding obtained from the ECB's TLTRO programme. While this item still included an amount of 2.6 billion euros at year-end 2023, the remaining sum reached maturity in the first half of 2024.
- 'Non-convertible bonds' comprise mainly KBC Bank, KBC Group, ČSOB (Czech Republic) and KBC IFIMA issues. They are usually recognised under 'Measured at amortised cost'. However, if they contain closely related embedded derivatives, they are recorded under 'Designated at fair value' (see accounting policies). In 2024, these items also include three green bonds issued by KBC (for 500, 750 and 750 million euros each) and two social bonds (for 750 and 750 million euros each), which have been recognised at amortised cost. The purpose of these bonds is to fund loans to our clients intended for green or social projects; however, the cashflows of these bonds themselves are not linked to any ESG targets. More information on our Green Bond Framework and our Social Bond Framework is available at www.kbc.com.
- More information on major new debt issues or redemptions is provided under the 'Consolidated cashflow statement'.
- The state note issued by the Kingdom of Belgium, with a term of one year and totalling 22 billion euros, matured in September 2024. This temporarily resulted in exceptional promotions offered by various banks in Belgium to secure the money invested in the state note. KBC Group managed to attract around 6.5 billion euros in core client money in September 2024 (6.0 billion euros in time deposits, 1.2 billion euros in savings certificates and 0.9 billion euros in other client money (investment funds, life insurance, etc.), partly offset by a shift of -1.6 billion euros in demand deposits and savings accounts), exceeding the 5.7-billion-euro outflow to the state note in September 2023. Please note that the relaunch of the savings certificate in Belgium means that this product is now part of 'Subtotal deposits from customers' with retrospective effect.
- Transferred financial assets that continue to be recognised in their entirety: KBC regularly lends and/or sells securities with the commitment to buy them back at a later date (repo transactions). Securities lent or sold with such a commitment are transferred to the counterparty, and, in exchange, KBC receives cash or other financial assets. However, KBC retains the main risks and income relating to these securities, and, therefore, continues to recognise them on its balance sheet. In addition, a financial liability is recognised equalling the cash or other financial assets received.

Transferred financial assets that continue to be recognised in their entirety (carrying value, in millions of EUR)	**31-12-2024**	**31-12-2023**
Transferred assets, which continued to be recognised in their entirety: repo transactions and securities lent out with a carrying value	27 079	19 064
Held for trading	1 549	622
Measured at fair value through OCI	4 866	1 172
Measured at amortised cost	20 665	17 270
Associated financial liability	18 623	3 214
Held for trading	1 147	126
Measured at fair value through OCI	3 439	183
Measured at amortised cost	14 038	2 905

- KBC has more transferred financial assets on its balance sheet than repo transactions, due to the fact that the cash legs of certain repo transactions are offset against reverse repo transactions if they are carried out with the same counterparty, in the same currency and with the same maturity date. Moreover, there is a legally enforceable right, and an intention, to settle the transactions on a net basis or to realise the financial asset and settle the financial liability simultaneously.
- The loan portfolio accounts for the largest share of the financial assets. We report on estimated greenhouse gas emissions associated with lending and other activities and have defined objectives for reducing the greenhouse gas intensity of loans we have provided to, among others, electricity producers and the real estate sector, mortgage loans and loans provided for commercial residential real estate, as well as loans provided to the automotive industry and car leasing (see Note 6.2), the agricultural sector, and cement and steel producers. See 'Sustainability statement' in the 'Report of the Board of Directors' section for a more detailed explanation.

Note 4.2: Financial assets and liabilities, breakdown by portfolio and quality

Note 4.2.1: Impaired financial assets

(in millions of EUR)	Carrying value before impairment	Impairment	Carrying value after impairment
31-12-2024			
FINANCIAL ASSETS AT AMORTISED COST			
Loans and advances *	215 457	- 2 447	213 010
Stage 1 (12-month ECL)	195 414	- 176	195 239
Stage 2 (lifetime ECL)	16 160	- 330	15 829
Stage 3 (lifetime ECL)	3 469	- 1 803	1 666
Purchased or originated credit impaired assets (POCI)	414	- 138	276
Debt Securities	46 193	- 7	46 186
Stage 1 (12-month ECL)	46 128	- 5	46 124
Stage 2 (lifetime ECL)	60	- 1	60
Stage 3 (lifetime ECL)	5	- 2	3
Purchased or originated credit impaired assets (POCI)	0	0	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI			
Debt Securities	10 590	- 2	10 588
Stage 1 (12-month ECL)	10 590	- 2	10 588
Stage 2 (lifetime ECL)	0	0	0
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0
31-12-2023			
FINANCIAL ASSETS AT AMORTISED COST			
Loans and advances *	211 824	- 2 473	209 351
Stage 1 (12-month ECL)	174 211	- 145	174 066
Stage 2 (lifetime ECL)	33 509	- 490	33 019
Stage 3 (lifetime ECL)	3 691	- 1 749	1 942
Purchased or originated credit impaired assets (POCI)	412	- 88	324
Debt Securities	47 561	- 9	47 553
Stage 1 (12-month ECL)	47 492	- 5	47 487
Stage 2 (lifetime ECL)	64	- 2	62
Stage 3 (lifetime ECL)	5	- 2	3
Purchased or originated credit impaired assets (POCI)	0	0	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI			
Debt Securities	5 266	- 1	5 265
Stage 1 (12-month ECL)	5 256	- 1	5 254
Stage 2 (lifetime ECL)	10	0	10
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0

(*) The carrying value after impairment in this note is equal to the sum of the lines Loans and advances to credit institutions and investment firms (excl. reverse repos), Loans and advances to customers (excl. reverse repos) and Reverse repos in note 4.1 (in the column Measured at amortised cost)

- Carrying value (before impairment) of loans and advances at amortised cost: increase of 3.6 billion euros in 2024, due primarily to:
  - an organic net increase in the loan portfolio (mainly mortgage loans and term loans);
  - a decrease in the carrying value of the reverse repos to credit institutions and investment firms.
- Carrying value (before impairment) of loans and advances at amortised cost in 'Stage 2': decrease of 17.3 billion euros in 2024, due primarily to:
  - the release of the migration to 'Stage 2' based on a collective approach of 'Stage 1' loans (see also Note 3.9) that have indirect exposure to military conflict, such as the one in Ukraine, and/or are vulnerable to geopolitical and macroeconomic risks (12.0 billion euros at year-end 2023).

  In the first quarter of 2024, we initiated a combined net migration from 'Stage 2' to 'Stage 1' of loans with a gross carrying value of roughly 8.5 billion euros, resulting in a net release of 17 million euros in impairment. This was largely attributable to the introduction of the new multi-tier approach for assessing a significant increase in credit risk (see Note 1.2) and to a lesser extent to a migration of KBC Commercial Finance loans where the assessment of a significant increase in credit risk was updated based on the very low historical credit losses in this portfolio and the very short term of this type of loan. The aim of both adjustments is to better reflect the underlying credit risk after initial recognition.

  Other factors explaining the decrease are mostly related to the continuous changes in staging of loans that have indirect exposure to military conflict, such as the one in Ukraine, and/or are vulnerable to geopolitical and macroeconomic risks, which are included in the standard staging assessment since the fourth quarter of 2024.
- Carrying value (before impairment) of debt securities at amortised cost: decrease of 1.4 billion euros in 2024, almost entirely in 'Stage 1'.

  This involves a movement of -1.5 billion euros in (issues by) public bodies and -0.1 billion euros for corporates, partly offset by +0.3 billion euros for credit institutions and related primarily to reinvestments of securities at maturity in the 'Financial assets at fair value through OCI' (FVOCI) category.
- Impairment: stable in 2024 compared to 2023:
  - due to derecognised financial assets, partly offset by other changes (see Note 2.).
- In 2024, 'Stage 2' and 'Stage 3' financial assets with a net carrying value of 474 million euros have been subject to modifications in 2024 that did not result in derecognition. The gross carrying value of financial assets moved back into 'Stage 1' this year and that have been subject to modifications in the past that did not result in derecognition came to 683 million euros in 2024. The corresponding figures for 2023 were 579 million euros and 1 001 million euros, respectively. Modification gains or losses are recognised under impairment (see Note 3.9).
- In 2024, financial assets at amortised cost with a gross carrying value of 55 million euros were written off, but were still subject to enforcement activities; the corresponding figure for 2023 was 59 million euros).

Note 4.2.2: Details on impairment on loans and advances at amortised cost

(in millions of EUR)	Stage 1 Subject to 12-month ECL	Stage 2 Subject to lifetime ECL	Stage 3 Subject to lifetime ECL (non-performing)	Subject to lifetime ECL (purchased or originated credit impaired)	Total
31-12-2024					
LOANS AND ADVANCES AT AMORTISED COST					
Impairment: opening balance	145	490	1 749	88	2 473
Movements with an impact on results[1]	31	- 154	334	49	260
Transfer of financial assets					
Stage 1 (12-month ECL)	*- 11*	*76*	*43*	*0*	*108*
Stage 2 (lifetime ECL)	*19*	*- 112*	*98*	*0*	*4*
Stage 3 (lifetime ECL)	*0*	*12*	*- 31*	*- 1*	*- 20*
New financial assets[2]	56	14	6	0	76
Changes in risk parameters	- 23	- 81	242	50	188
Changes in the model or methodology	1	- 35	- 1	0	- 35
Derecognised financial assets[3]	- 11	- 28	- 35	- 1	- 75
Other	0	0	12	1	13
Movements without an impact on results	- 1	- 6	- 280	1	- 286
Derecognised financial assets	- 1	- 2	- 234	- 1	- 238
Changes in the scope of consolidation	1	- 1	0	0	0
Transfers under IFRS 5	0	0	0	0	0
Other	- 1	- 3	- 46	2	- 48
Impairment: final balance	176	330	1 803	138	2 447
31-12-2023					
LOANS AND ADVANCES AT AMORTISED COST					
Impairment: opening balance	110	635	1 796	77	2 619
Movements with an impact on results[1]	37	- 144	141	11	46
Transfer of financial assets					
Stage 1 (12-month ECL)	*- 12*	*86*	*41*	*0*	*115*
Stage 2 (lifetime ECL)	*14*	*- 125*	*95*	*0*	*- 16*
Stage 3 (lifetime ECL)	*0*	*17*	*- 34*	*- 1*	*- 18*
New financial assets[2]	60	22	7	0	89
Changes in risk parameters	- 10	- 98	76	15	- 17
Changes in the model or methodology	0	0	0	0	0
Derecognised financial assets[3]	- 15	- 45	- 58	- 2	- 121
Other	0	0	14	0	14
Movements without an impact on results	- 2	- 1	- 187	- 1	- 191
Derecognised financial assets	- 2	- 1	- 207	- 1	- 211
Changes in the scope of consolidation	0	0	0	0	0
Transfers under IFRS 5	0	0	0	0	0
Other	0	0	19	1	20
Impairment: final balance	145	490	1 749	88	2 473

[1]Amounts recovered in respect of loans that have already been written off are recycled to the income statement and recorded as 'Impairment on financial assets at amortised cost and at fair value through OCI'. However, they have not been included in this table since they do not have any impact on impairment losses on the balance sheet.

[2] Also includes impairment related to new financial assets resulting from off-balance-sheet commitments and financial guarantees already given being called.

[3] Derecognition without an impact on results occurs when the impairment adjustment has already been made upfront (for example, at the moment of the sale agreement (disposals) or before the write-off). Derecognition with an impact on results occurs when the impairment adjustment takes place at the same time (for instance, in the case of debt forgiveness).

- The table is limited to impairment on loans and advances at amortised cost, as impairment and the movements in impairment on debt securities at amortised cost (from 9 million euros at year-end 2023 to 7 million euros at year-end 2024) and on debt securities at fair value through OCI (from 1 million euros at year-end 2023 to 2 million euros at year-end 2024) are very limited.
- For information on provisions for commitments and financial guarantees, see Note 5.7.2.
- For information regarding the impact of changes in impairment on the income statement, see Note 3.9.

- The loan portfolio accounts for the largest share of the financial assets. Based on internal management reports, the composition and quality of the loan portfolio is set out in detail in the ‘How do we manage our risks?’ section (under ‘Credit risk’). All parts of that particular section which have been audited by the statutory auditor are specified in that section.

Note 4.3: Maximum credit exposure and offsetting

(in millions of EUR)	Maximum credit exposure (A)	Collateral and other credit enhan-cements received (B)	Net (A-B) 31-12-2024	Maximum credit exposure (A)	Collateral and other credit enhan-cements received (B)	Net (A-B) 31-12-2023
Subject to impairment	332 081	138 889	193 192	323 644	141 143	182 501
Of which Stage 3 'non-performing' (AC and FVOCI)	*1 979*	*1 467*	*512*	*2 259*	*1 721*	*538*
Debt securities	56 775	32	56 743	52 817	56	52 761
Loans and advances (excl. reverse repos)	191 745	105 495	86 250	183 646	102 889	80 756
Reverse repos	21 265	21 236	29	25 706	25 681	24
Other financial assets	1 154	0	1 154	1 196	0	1 196
Off-balance-sheet liabilities	61 142	12 126	49 016	60 280	12 516	47 764
Irevocable	*41 471*	*7 048*	*34 423*	*39 824*	*7 180*	*32 645*
Revocable	*19 671*	*5 078*	*14 593*	*20 456*	*5 337*	*15 119*
Not subject to impairment	10 843	4 878	5 965	8 913	2 418	6 495
Debt securities	5 023	0	5 023	3 139	0	3 139
Loans and advances (excl. reverse repos)	943	840	103	836	796	39
Of which FVO	*0*	*0*	*0*	*0*	*0*	*0*
Reverse repos	0	0	0	0	0	0
Derivatives	4 877	4 038	839	4 939	1 622	3 317
Other financial assets	0	0	0	0	0	0
Off-balance-sheet liabilities	0	0	0	0	0	0
Total	342 924	143 766	199 157	332 558	143 561	188 996

- Maximum credit exposure for a financial asset is the net carrying value. Besides the amounts on the balance sheet, maximum credit exposure also includes the undrawn portion of credit lines granted, financial guarantees granted and other irrevocable commitments.
- The main types of collateral and other credit enhancements received relate to mortgages on real estate (mainly collateral for mortgage loans), securities lent out (mainly as a collateral for reverse repos), off-balance-sheet financial guarantees received and collateral of movable property. Mortgage loans with an LTV (loan-to-value) greater than 100% are limited to 0.5 billion euros or 0.6% of the entire mortgage loan portfolio at year-end 2024.
- The loan portfolio accounts for the largest share of the financial assets. Based on internal management reports, the composition and quality of the loan portfolio is set out in detail in the ‘How do we manage our risks?’ section (under ‘Credit risk’). All parts of that particular section which have been audited by the statutory auditor are specified in that section.
- Collateral and credit enhancements received are recognised at market value and limited to the outstanding amount of the relevant loans.

Financial instruments subject to offsetting, enforceable master netting agreements and similar arrangements (in millions of EUR)	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments set off	Net amounts of financial instruments presented in the balance sheet	Amounts not set off in the balance sheet			Net amount
				Financial instruments	Cash collateral	Securities collateral	
31-12-2024							
FINANCIAL ASSETS							
Derivatives	20 559	15 682	4 877	2 478	1 797	0	601
Derivatives (excluding central clearing houses)	*4 833*	*0*	*4 833*	*2 478*	*1 797*	*0*	*558*
*Derivatives with central clearing houses **	*15 725*	*15 682*	*44*	*0*	*0*	*0*	*44*
Reverse repos, securities borrowing and similar arrangements	34 118	12 853	21 265	14	0	21 248	3
Reverse repos	*34 118*	*12 853*	*21 265*	*14*	*0*	*21 248*	*3*
Securities borrowing	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	54 677	28 535	26 142	2 492	1 797	21 249	604
FINANCIAL LIABILITIES,							
Derivatives	19 266	14 219	5 047	2 479	540	78	1 950
Derivatives (excluding central clearing houses)	*4 995*	*0*	*4 995*	*2 479*	*540*	*78*	*1 898*
*Derivatives with central clearing houses **	*14 271*	*14 219*	*52*	*0*	*0*	*0*	*52*
Repos, securities lending and similar arrangements	33 937	12 857	21 080	14	0	21 056	11
Repos	*33 937*	*12 857*	*21 080*	*14*	*0*	*21 056*	*11*
Securities lending	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	53 204	27 077	26 127	2 492	540	21 134	1 961
31-12-2023							
FINANCIAL ASSETS							
Derivatives	24 101	19 163	4 939	3 168	1 123	6	642
Derivatives (excluding central clearing houses)	*4 846*	*0*	*4 846*	*3 168*	*1 123*	*6*	*549*
*Derivatives with central clearing houses **	*19 255*	*19 163*	*93*	*0*	*0*	*0*	*93*
Reverse repos, securities borrowing and similar arrangements	43 125	17 420	25 706	120	0	25 566	19
Reverse repos	*43 125*	*17 420*	*25 706*	*120*	*0*	*25 566*	*19*
Securities borrowing	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	67 227	36 582	30 645	3 289	1 123	25 572	661
FINANCIAL LIABILITIES							
Derivatives	23 262	17 321	5 941	3 174	819	576	1 373
Derivatives (excluding central clearing houses)	*5 835*	*0*	*5 835*	*3 174*	*819*	*576*	*1 267*
*Derivatives with central clearing houses **	*17 427*	*17 321*	*106*	*0*	*0*	*0*	*106*
Repos, securities lending and similar arrangements	22 694	17 420	5 275	120	0	5 112	43
Repos	*22 694*	*17 420*	*5 275*	*120*	*0*	*5 112*	*43*
Securities lending	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	45 956	34 740	11 216	3 294	819	5 688	1 416

* For the central clearing houses the offsetting refers to the offsetting between the derivatives and the related cash collateral. The amount of cash collateral with central clearing houses at the end of 2023 is 1.842 mio and 2.712 mio at the end of 2022.

- The criteria for offsetting are met if, at that time, KBC has a legally enforceable right to set off the recognised financial assets and financial liabilities and intends either to settle the transactions on a net basis, or to realise the financial asset and settle the financial liability simultaneously. Financial assets and financial liabilities that are set off relate to financial instruments that were traded on (central) clearing houses.
- The amounts presented in the 'Financial instruments' column under the 'Amounts not set off in the balance sheet' heading are for financial instruments entered into under an enforceable master netting agreement or similar arrangement that does not meet the criteria defined in IAS 32. These amounts refer to situations in which offsetting can only be applied if one of the counterparties defaults, becomes insolvent or goes bankrupt. The same principle applies for financial instruments given or received as collateral. The value given in the table for non-cash collateral received (in the 'Securities collateral' column under the 'Amounts not set off in the balance sheet' heading) is the market value. This is the value that is used if one of the counterparties defaults, becomes insolvent or goes bankrupt.

Note 4.4: Fair value of financial assets and liabilities – general

Fair value of financial assets and liabilities that are not measured at fair value in the balance sheet	Financial assets measured at amortised cost		Financial liabilities measured at amortised cost	
(in millions of EUR)	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS, 31-12-2024				
Loans and advances to credit institutions and investment firms (incl. reverse repos)	23 360	23 330	–	–
Loans and advances to customers (incl. reverse repos)	189 650	185 068	–	–
Debt securities	46 186	44 499	–	–
Other	1 154	1 154	–	–
Correction for portfolio hedge	- 1 930	–	–	–
Total	258 420	254 052	–	–
Level 1	–	41 922	–	–
Level 2	–	24 892	–	–
Level 3	–	187 237	–	–
FINANCIAL LIABILITIES, 31-12-2024				
Deposits from credit institutions and investment firms (incl. repos)	–	–	31 439	31 264
Deposits from customers and debt securities (incl. repos)	–	–	272 865	273 076
Other	–	–	2 144	2 140
Total	–	–	306 448	306 479
Level 1	–	–	–	16
Level 2	–	–	–	101 461
Level 3	–	–	–	205 001
FINANCIAL ASSETS, 31-12-2023				
Loans and advances to credit institutions and investment firms (incl. reverse repos)	28 135	28 100	–	–
Loans and advances to customers (incl. reverse repos)	181 216	173 839	–	–
Debt securities	47 553	45 395	–	–
Other	1 196	1 196	–	–
Correction for portfolio hedge	- 2 402	–	–	–
Total	255 697	248 530	–	–
Level 1	–	43 115	–	–
Level 2	–	31 463	–	–
Level 3	–	173 951	–	–
FINANCIAL LIABILITIES, 31-12-2023				
Deposits from credit institutions and investment firms (incl. repos)	–	–	18 259	18 142
Deposits from customers and debt securities (incl. repos)	–	–	261 245	261 340
Other	–	–	2 532	2 518
Total	–	–	282 036	282 000
Level 1	–	–	–	119
Level 2	–	–	–	100 943
Level 3	–	–	–	180 938

- The difference between the fair value and the carrying value of the financial instruments at amortised cost (the unrealised losses, mainly on the debt securities portfolio) was caused by interest rate movements in 2024, 2023 and 2022. As a hold-to-collect business model is applied on the assets side, interim changes in fair value are less relevant. Taking into account i) KBC's large stock of high-quality liquid assets, which consist of cash and bonds which can be repoed in the private market and at the central banks, ii) the fact that 56% of total customer deposits at KBC are covered by the Deposit Guarantee and iii) the fact that 86% of total customer deposits consist of more stable retail and SME clients, the unrealised losses on the debt securities portfolio at amortised cost do not need to be realised for liquidity purposes and are therefore irrelevant from a capital perspective.
- Also see the paragraph on the outlier stress test under 'Market risk in non-trading activities' in the 'How do we manage our risks?' section.
- All internal valuation models are validated by an independent Risk Validation Unit. In addition, the Executive Committee has appointed a Group Valuation Committee (GVC) to ensure that KBC meets all the legal requirements for measuring financial assets and liabilities at fair value. The GVC monitors consistent implementation of the KBC Valuation Framework, which consists of various guidelines, including the Group Valuation Policy, the Group Market Value Adjustments Policy and the Group Parameter Review Policy. The GVC meets at least twice a quarter to approve significant changes in valuation methods (including, but not limited to, models, market data and inputs) or deviations from group policies for financial assets and liabilities measured at fair value. The committee is made up of members from Finance, Risk Management and the Middle Office.

Valuation uncertainty measurements are made and reported to the GVC every three months. Certain fair values generated by valuation models are challenged by a team set up specifically for this purpose.

- The fair value of mortgage and term loans not measured at fair value on the balance sheet (see table) is calculated by discounting contractual cashflows at the risk-free rate. This calculation is then adjusted for credit risk by taking account of margins obtained on similar, but recently issued, loans or by using a spread derived from the listed-bond spread. The fair value of the main portfolios takes account of prepayment risks and cap options. The fair value of time deposits is calculated by discounting contractual cashflows at the risk-free rate. The fair value of demand and savings deposits is presumed to be equal to their carrying value.
- As a result of the first-time adoption of IFRS 9 on 1 January 2018, debt instruments with a total carrying value of 15 060 million euros have been reclassified from 'Available-for-sale assets' to 'Financial assets held at amortised cost'. Due to this reclassification, changes in fair value (before tax) totalling 20 million euros were not recorded in the revaluation reserve in 2024 (35 million euros in 2023). The fair value of this reclassified portfolio (after redemptions) amounted to 1 761 million euros at year-end 2024 (2 808 million euros at year-end 2023).

Note 4.5: Financial assets and liabilities measured at fair value – fair value hierarchy

(in millions of EUR)				31-12-2024				31-12-2023
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS AT FAIR VALUE								
Mandatorily measured at fair value through profit or loss, other than held for trading	13	0	953	965	13	0	845	858
Loans and advances to credit institutions and investment firms (incl. reverse repos)	0	0	0	0	0	0	0	0
Loans and advances to customers (incl. reverse repos)	0	0	943	943	0	0	836	836
Equity instruments	0	0	10	10	0	0	10	10
Debt securities	13	0	0	13	13	0	0	13
Of which sovereign bonds	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other	0	0	0	0	0	0	0	0
Held for trading	3 341	6 124	1 057	10 523	2 975	4 657	711	8 343
Loans and advances to credit institutions and investment firms (incl. reverse repos)	0	0	0	0	0	0	0	0
Loans and advances to customers (incl. reverse repos)	0	0	0	0	0	0	0	0
Equity instruments	900	0	0	900	563	0	2	565
Debt securities	2 441	2 569	0	5 010	2 409	716	1	3 126
Of which sovereign bonds	*2 390*	*963*	*0*	*3 353*	*2 356*	*601*	*0*	*2 957*
Derivatives	1	3 555	1 057	4 613	3	3 942	708	4 652
Other	0	0	0	0	0	0	0	0
At fair value through OCI	10 329	222	254	10 805	5 051	178	251	5 479
Equity instruments	20	1	195	217	12	1	202	215
Debt securities	10 309	221	58	10 588	5 039	177	49	5 265
Of which sovereign bonds	*9 610*	*115*	*0*	*9 725*	*4 750*	*105*	*0*	*4 854*
Hedging derivatives	0	264	0	264	0	287	0	287
Derivatives	0	264	0	264	0	287	0	287
Total	13 684	6 610	2 264	22 557	8 039	5 122	1 807	14 968
FINANCIAL LIABILITIES AT FAIR VALUE								
Held for trading	883	3 444	1 406	5 733	1 429	4 624	1 039	7 092
Deposits from credit institutions and investment firms (incl. repos)	0	94	0	94	0	40	0	40
Deposits from customers and debt securities (incl. repos)	0	22	0	22	0	81	0	81
Derivatives	1	3 327	1 406	4 735	2	4 503	1 039	5 543
Short positions	882	0	0	882	1 428	0	0	1 428
Other	0	0	0	0	0	0	0	0
Designated at initial recognition as measured at fair value with changes in value recognized in profit or loss	0	186	850	1 035	0	202	1 157	1 359
Deposits from credit institutions and investment firms (incl. repos)	0	0	0	0	0	0	0	0
Deposits from customers and debt securities (incl. repos)	0	186	850	1 035	0	202	1 157	1 359
Liabilities under investment contracts	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Hedging derivatives	0	261	51	312	0	303	95	398
Derivatives	0	261	51	312	0	303	95	398
Total	883	3 890	2 307	7 080	1 429	5 129	2 291	8 848

- The fair value hierarchy prioritises the valuation techniques and the respective inputs into three levels:
  - The fair value hierarchy gives the highest priority to ‘level 1 inputs’. This means that, when there is an active market, quoted prices have to be used to measure the financial assets or liabilities at fair value. Level 1 inputs are prices that are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency (and that are quoted in active markets accessible to KBC). They represent actual and regularly occurring market transactions on an arm’s length basis. The fair value is then based on a mark-to-market valuation derived from currently available transaction prices. No valuation technique (model) is involved.

- If there are no price quotations available, the reporting entity establishes fair value using a model based on observable or unobservable inputs. The use of observable inputs must be maximised. Observable inputs are also referred to as 'level 2 inputs' and reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Examples of observable inputs are the risk-free rate, exchange rates, stock prices and implied volatility. Valuation techniques based on observable inputs include discounted cashflow analysis, or reference to the current or recent fair value of a similar instrument.
- Unobservable inputs are also referred to as 'level 3 inputs' and reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions regarding the risks involved). Unobservable inputs reflect a market that is not active. For example, proxies and correlation factors can be considered to be unobservable in the market.

- When the inputs used to measure the fair value of an asset or a liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is classified in its entirety into the same level as the lowest level input that is significant to the entire fair value measurement. For example, if a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.
- The valuation methodology and the corresponding classification in the fair value hierarchy of the most commonly used financial instruments are summarised in the table. Whereas the majority of instruments of a certain type are within the level indicated in the table, a small portion may actually be classified in another level.
- KBC follows the principle that transfers into and out of levels of the fair value hierarchy are made at the end of the reporting period. Transfers between the various levels are dealt with in more detail in Note 4.6 and Note 4.7.

	Instrument type	Products	Valuation technique
Level 1	Liquid financial instruments for which quoted prices are regularly available	FX spots, exchange traded financial futures, exchange traded options, exchange traded stocks, exchange traded funds, liquid government bonds, other liquid bonds, liquid asset backed securities (ABS) in active markets	Mark-to-market (quoted prices in active markets), for bonds: BVAL or vendor data.
Level 2	Plain vanilla/liquid derivatives	(Cross-currency) interest rate swaps (IRS), FX swaps, FX forwards, forward rate agreements (FRA), inflation swaps, dividend swaps and futures, reverse floaters, bond future options, interest rate future options, overnight index swaps (OIS), FX resets	Discounted cashflow analysis based on discount and estimation curves (derived from quoted deposit rates, FX swaps and (CC)IRS)
		Caps & floors, interest rate options, European stock options, European & American FX options, forward starting options, digital FX options, FX strips of simple options, European swaptions, European cancellable IRS	Option pricing model based on observable inputs (e.g., volatilities)
	Linear financial liabilities (without optional features) – cash instruments	Deposits, simple cashflows, repo transactions	Discounted cashflow analysis based on discount and estimation curves (derived from quoted deposit rates, FX swaps and (CC)IRS)
	Semi-liquid bonds/asset backed securities	Semi-liquid bonds/asset backed securities	BVAL, prices corroborated by alternative observable market data, or using comparable spread method
	Debt instruments	KBC IFIMA own issues (liabilities)	Discounted cashflow analysis and valuation of related derivatives based on observable inputs
	Linear financial assets (cash instruments)	Loans, commercial paper	Discounted cashflow analysis based on discount and estimation curves (derived from quoted deposit rates, FX swaps and (CC)IRS)
Level 3	Exotic derivatives	Target profit forwards, flexible forwards, American & Asian stock options, Bermudan swaptions, digital interest rate options, quanto interest rate options, digital stock options, composite stock options, barrier stock options, quanto digital FX options, FX Asian options, FX European barrier options, FX simple digital barrier options, FX touch rebates, inflation options, Bermudan cancellable IRS, constant maturity swaps (CMS), CMS spread swaps, CMS spread options, CMS interest rate caps/floors, (callable) range accruals, auto-callable options, lookback options, commodity swaps and forwards	Option pricing model based unobservable inputs (e.g., correlation)
	Illiquid credit-linked instruments	Collateralised debt obligations (notes)	Valuation model based on correlation of probability of default of underlying assets
	Private equity investments	Private equity and non-quoted participations	Based on the valuation guidelines of the European Private Equity & Venture Capital Association
	Illiquid bonds/asset backed securities	Illiquid (mortgage) bonds/asset backed securities that are indicatively priced by a single pricing provider in an inactive market	BVAL, third-party pricing (e.g., lead manager), where prices cannot be corroborated due to a lack of available/reliable alternative market data
	Debt instruments	KBC own issues (KBC IFIMA), mortgage bonds held by ČSOB	Discounted cashflow analysis and valuation of related derivatives based on unobservable inputs (indicative pricing by third parties for derivatives)
	Structured loans	Government-regulated loans with leveraged interest rates and exotic early repayment options (K&H)	Discounted cashflow analysis and valuation of related derivatives based on unobservable inputs

Note 4.6: Financial assets and liabilities measured at fair value – transfers between levels 1 and 2

In 2024, KBC transferred 2 million euros' worth of financial assets and liabilities out of level 1 and into level 2, and 17 million euros' worth of financial assets and liabilities out of level 2 and into level 1. The corresponding figures for 2023 were 42 million euros and 217 million euros, respectively. Most of these reclassifications were carried out due to a change in the liquidity of government bonds and corporate bonds.

Note 4.7: Financial assets and liabilities measured at fair value – focus on level 3

- In 2024, significant movements in financial assets and liabilities classified in level 3 of the fair value hierarchy included the following:
  - Financial assets measured at fair value through profit or loss (other than held for trading): the fair value of loans and advances increased by 107 million euros, primarily on account of new transactions and changes in market inputs, partly offset by instruments that had reached maturity.
  - Financial assets held for trading: the fair value of derivatives increased by 349 million euros, due mainly to changes in market inputs and new purchases, partly offset by the sale of existing positions.
  - Financial liabilities held for trading: the fair value of derivatives rose by 367 million euros, mainly on account of changes in market inputs and new transactions, partly offset by the settlement of existing positions.
  - Financial liabilities measured at fair value through profit or loss: the fair value of issued debt instruments decreased by 307 million euros, primarily on account of transactions that had reached maturity and the sale of existing positions, partly offset by new transactions and changes in market inputs.
  - Financial liabilities relating to hedging derivatives: the fair value of derivatives decreased by 43 million euros due to changes in market inputs.
- In 2023, significant movements in financial assets and liabilities classified in level 3 of the fair value hierarchy included the following:
  - Financial assets measured at fair value through profit or loss (other than held for trading): the fair value of loans and advances increased by 210 million euros, primarily on account of new transactions and changes in market inputs, partly offset by instruments that had reached maturity.
  - Financial assets at fair value through OCI: the fair value of debt instruments decreased by 32 million euros, primarily on account of instruments reaching maturity and the sale of existing positions. The fair value of the equity instruments rose by 32 million euros, due primarily to purchases.
  - Financial assets held for trading: the fair value of derivatives decreased by 22 million euros, due mainly to the sale of existing positions, only partly offset by new purchases and changes in market inputs.
  - Financial liabilities held for trading: the fair value of derivatives decreased by 86 million euros, due mainly to the sale of existing positions and changes in market inputs, only partly offset by new transactions.
  - Financial liabilities measured at fair value through profit or loss: the fair value of issued debt instruments rose by 26 million euros, primarily on account of purchases and changes in market inputs, only partly offset by transactions reaching maturity and the sale of existing positions.
- Some level 3 assets are associated or economically hedged with identical level 3 liabilities, which means that KBC's exposure to unobservable inputs is lower than would appear from the gross figures. Most of the level 3 instruments are also valued using third-party pricing sources, with KBC not developing any unobservable inputs itself. The main unobservable inputs applied by KBC to the valuation of exotic derivatives include: mean reversion parameter on Bermudan swaptions, equity cross-correlations and volatilities for certain stock options, interest-rate correlations for CMS spread options, and the funding costs used to determine the forward equity prices as part of the valuation of certain equity derivatives. The change in fair value resulting from a change in these inputs to reflect reasonably possible alternative assumptions is insignificant.

Note 4.8: Derivatives

- In terms of volume of the notional amounts of the derivatives, approximately 75% are trading derivatives and approximately 25% are hedging derivatives at year-end 2024 (the same as at year-end 2023).
- The majority of trading derivatives are effectively included in the trading book but are largely economically hedged (limited open positions) by other trading derivatives (such as derivative transactions initiated by commercial clients that are economically hedged) or by balance sheet positions (such as currency positions), which leads to large volumes of notional amounts but also to result-neutral revaluations on a net basis.
- A limited number of trading derivatives are ALM derivatives included in the banking book, which are used to hedge economic risk. These are not subject to hedge accounting. Hedge accounting is applied to most of the ALM interest rate contracts. Only a limited number of the ALM derivatives for foreign currencies are included in hedge accounting.

Note 4.8.1: Trading derivatives

				31-12-2024				31-12-2023
(in millions of EUR)	Carrying value		Notional amount *		Carrying value		Notional amount *	
	Assets	Liabilities	Purchased	Sold	Assets	Liabilities	Purchased	Sold
Total	4 613	4 735	619 937	618 507	4 652	5 543	601 382	593 928
Interest rate contracts	1 611	1 830	432 639	429 586	1 847	2 286	406 137	397 084
of which interest rate swaps and futures	*1 531*	*1 789*	*425 063*	*425 067*	*1 710*	*2 202*	*396 431*	*391 097*
of which options	*80*	*41*	*7 576*	*4 518*	*137*	*83*	*9 706*	*5 987*
Foreign exchange contracts	2 199	1 791	172 488	174 451	2 325	2 487	180 523	182 804
of which currency and interest rate swaps, FX swaps and futures	*2 107*	*1 727*	*167 896*	*167 384*	*2 252*	*2 416*	*176 792*	*176 914*
of which options	*92*	*64*	*4 592*	*7 067*	*72*	*72*	*3 730*	*5 890*
Equity contracts	799	1 110	14 531	14 193	471	761	14 381	13 698
of which equity swaps	*646*	*692*	*11 348*	*10 995*	*385*	*393*	*11 314*	*11 031*
of which options	*153*	*418*	*3 182*	*3 198*	*85*	*368*	*3 067*	*2 667*
Credit contracts	0	0	0	0	0	0	0	0
of which credit default swaps	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Commodity and other contracts	4	3	280	277	10	9	342	342

* In this table, both legs of the derivatives are reported in the notional amounts.

Note 4.8.2: Hedging derivatives

31-12-2024											
(in millions of EUR)	Hedging instrument					Hedged item				Impact on equity	
	Notional amount[1]		Carrying value		Change in fair value of hedging instruments as basis for recognising hedge ineffectiveness for the period[2]		Carrying value		Change in fair value of hedged items as basis for recognising hedge ineffectiveness for the period[2]		
Hedging strategy	Pur-chased	Sold	Assets	Liabilities		Type	Total (incl. fair value changes)	Of which accumulated fair value adjustments		Ineffective portion recognised in profit or loss	Effective portion recognised in OCI
Fair value micro hedge											
Interest rate swaps	36 178	36 178	89	63	269	Debt securities held at AC	7 924	- 253	17		
Currency and interest rate swaps	0	0	0	0	0	Loans and advances at AC	569	33	- 45		
						Debt securities held at FVOCI	6 324	92	70		
						Debt securities issued at AC	21 291	- 233	- 314		
						Deposits at AC	102	- 11	13		
Total	36 178	36 178	89	63	269	Total			- 259	11	-
Portfolio hedge of interest rate risk											
Interest rate swaps	141 186	141 186	67	95	- 470	Debt securities held at AC	831	- 31	- 23		
Currency and interest rate options	1 214	0	48	0	- 3	Loans and advances at AC	121 621	- 1 988	622		
						Debt securities held at FVOCI	76	0	- 3		
						Debt securities issued at AC	0	0	0		
						Deposits at AC	17 471	- 379	- 121		
Total	142 400	141 186	115	95	- 473	Total			475	2	-
Cashflow hedge (micro hedge and portfolio hedge)											
Interest rate swaps	17 376	17 376	5	120	20						
Currency and interest rate swaps	1 791	1 751	19	13	- 30						
Total	19 167	19 127	24	133	- 9	Total			9	0	- 487
Hedge of net investments in foreign operations											
Total [3]	2 826	2 806	35	518	54	Total			- 54	0	147

[1] In this table, both legs of the derivatives are reported in the notional amounts.

[2] Ineffectiveness is recognised in 'Net result from financial instruments at fair value through profit or loss' (also see Note 3.3).

[3] Carrying value liabilities: hedging instruments in the form of foreign currency deposits.

31-12-2023

(in millions of EUR)					Hedging instrument				Hedged item		Impact on equity
	Notional amount[1]		Carrying value				Carrying value				
Hedging strategy	Pur-chased	Sold	Assets	Liabilities	Change in fair value of hedging instruments as basis for recognising hedge ineffectiveness for the period	Type	Total (incl. fair value changes)	Of which accumulated fair value adjustments	Change in fair value of hedged items as basis for recognising hedge ineffectiveness for the period	Ineffective portion recognised in profit or loss	Effective portion recognised in OCI
Fair value micro hedge											
Interest rate swaps	30 664	30 664	89	112	284	Debt securities held at AC	6 421	- 301	377		
Currency and interest rate swaps	0	0	0	0	0	Loans and advances at AC	601	75	3		
						Debt securities held at FVOCI	2 440	13	94		
						Debt securities issued at AC	20 803	- 547	- 759		
						Deposits at AC	0	0	0		
Total	30 664	30 664	89	112	284	Total			- 285	- 1	-
Portfolio hedge of interest rate risk											
Interest rate swaps	143 932	143 932	93	123	- 995	Debt securities held at AC	937	- 7	115		
Currency and interest rate options	1 618	0	70	0	- 27	Loans and advances at AC	125 541	- 2 473	1 841		
						Debt securities held at FVOCI	85	3	9		
						Debt securities issued at AC	0	0	0		
						Deposits at AC	15 938	- 507	- 936		
Total	145 550	143 932	163	123	- 1 022	Total			1 029	7	-
Cashflow hedge (micro hedge and portfolio hedge)											
Interest rate swaps	19 603	19 603	15	127	398						
Currency and interest rate swaps	1 142	1 168	1	18	- 14						
Total	20 746	20 772	17	146	385	Total			- 393	- 9	- 611
Hedge of net investments in foreign operations											
Total[3]	2 579	2 570	19	460	77	Total			- 77	0	91

[1] In this table, both legs of the derivatives are reported in the notional amounts.

[2] Ineffectiveness is recognised in 'Net result from financial instruments at fair value through profit or loss' (also see Note 3.3).

[3] Carrying value liabilities: hedging instruments in the form of foreign currency deposits.

- The Treasury departments of the various entities manage the interest rate risk. To prevent rate movements from having a negative impact, the maturities of assets and liabilities are adjusted on the balance sheet using interest rate swaps and other derivatives.
- As regards the relationship between risk management and the hedge accounting policy, 'economic' management takes priority and risks are hedged in accordance with the general ALM framework. Only then is a decision made on which, if any, of these techniques will be used to limit any resulting accounting mismatch.
- The balances remaining in the cashflow hedge reserve from any hedging relationships for which hedge accounting is no longer applied came to -187 million euros in 2024 (-322 million euros in 2023). The accumulated amount of fair value hedge adjustments remaining on the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses amounted to -99 million euros in 2024 (-82 million euros in 2023). These adjustments are amortised to profit or loss.
- The difference between the 'Profit/loss on positions in portfolios hedged against interest rate risk' balance sheet item and accumulated fair value adjustments following portfolio hedges of interest rate risk as included in Note 4.8.2 is attributable to accumulated fair value adjustments regarding discontinued fair value hedges not included in Note 4.8.2 but included in the balance sheet.
- The accumulated fair value adjustments of the hedged assets involved in portfolio hedges of interest rate risk were less negative in 2024 due to the decrease in the risk-free rate and the unwinding effect of the negative accumulated fair value adjustment. The 'Profit/loss on positions in portfolios hedged against interest rate risk' balance sheet item on the liabilities side of the balance sheet was also less negative for the same reasons.
- Also see the paragraph on hedge accounting in the 'How do we manage our risks?' section and Note 3.3.

Estimated cashflows from cashflow hedging derivatives per time bucket (in millions of EUR)	Inflow	Outflow
Not more than three months	21	- 38
More than three but not more than six months	46	- 54
More than six months but not more than one year	103	- 177
More than one but not more than two years	183	- 325
More than two but not more than five years	533	- 770
More than five years	1 320	- 1 572

5.0 Notes on other balance sheet items

Note 5.1: Other assets

(in millions of EUR)	31-12-2024	31-12-2023
Total	1 261	1 101
Prepaid charges and accrued income	464	499
Other	797	602

Note 5.2: Tax assets and tax liabilities

(in millions of EUR)	31-12-2024	31-12-2023
CURRENT TAXES		
Current tax assets	34	134
Current tax liabilities	102	86
DEFERRED TAXES	**837**	**613**
Deferred tax assets by type of temporary difference	1 105	869
Employee benefits	73	78
Losses carried forward	360	97
Tangible and intangible fixed assets	78	55
Provisions for risks and charges	16	18
Impairment for losses on loans and advances	210	203
Financial instruments at fair value through profit or loss and fair value hedges	83	90
Fair value changes, financial assets at FVOCI, cashflow hedges and hedges of net investments in foreign operations	225	261
Other	60	68
Deferred tax liabilities by type of temporary difference	268	257
Employee benefits	65	57
Losses carried forward	0	0
Tangible and intangible fixed assets	54	40
Provisions for risks and charges	0	0
Impairment for losses on loans and advances	3	3
Financial instruments at fair value through profit or loss and fair value hedges	84	74
Fair value changes, financial assets at FVOCI, cashflow hedges and hedges of net investments in foreign operations	13	33
Other	50	49
Recognised as a net amount in the balance sheet as follows:		
Deferred tax assets	904	678
Deferred tax liabilities	67	66
Unused tax losses and unused tax credits	95	117

- Deferred tax assets are recognised to the extent that it is probable that, on the basis of realistic financial projections, taxable profit will be available against which the deductible temporary differences can be utilised in the foreseeable future (limited to a period of eight to ten years).
- Unused tax losses and unused tax credits concern tax losses of group companies which are not capitalised due to insufficient proof of future taxable profit. Most tax losses and tax credits can be carried forward for 20 years or more.
- The net change in deferred taxes (+224 million euros in 2024) breaks down as follows:
  - The change in deferred tax assets of +236 million euros was primarily due to:
    - An increase in deferred tax assets via the income statement (+230 million euros), due mainly to losses carried forward (+263 million euros). This increase includes the recognition of a deferred tax asset for KBC Bank NV of 318 million euros relating to the imminent liquidation of Exicon (formerly KBC Bank Ireland) in the fourth quarter of 2024, partly offset by using deferred tax assets previously created due to taxable profits;
    - A decrease in deferred tax assets on account of changes in the revaluation reserve for financial instruments measured at fair value through OCI, cashflow hedges and hedges of net investments in foreign operations (-36 million euros).
  - The change in deferred tax liabilities of +11 million euros was accounted for chiefly by:
    - An increase in deferred tax liabilities for employee benefit liabilities mainly recorded through OCI (+8 million euros), tangible and intangible fixed assets (+14 million euros) and reinforced by financial instruments at fair value through profit or loss and fair value hedges (+9 million euros);
    - A decrease in deferred tax liabilities on account of changes in the revaluation reserve for financial instruments measured at fair value through OCI, cashflow hedges and hedges of net investments in foreign operations (-20 million euros);
- The deferred tax assets presented in the balance sheet are attributable primarily to KBC Bank and CSOB in the Czech Republic.

Note 5.3: Investments in associated companies and joint ventures

(in millions of EUR)	31-12-2024	31-12-2023
Total	117	31
Overview of investments, including goodwill		
IGLUU s.r.o.	4	3
Isabel NV	94	15
Bancontact Payconiq Company NV	8	7
Batopin NV	8	3
Other	3	2
Goodwill on associated companies and joint ventures		
Gross amount	0	0
Accumulated impairment	0	0
Breakdown by type		
Unlisted	117	31
Listed	0	0
Fair value of investments in listed associated companies and joint ventures	0	0

- Associated companies are companies on whose management KBC exerts significant influence, without having direct or indirect full or joint control. In general, KBC has a 20% to 50% shareholding in such companies. Joint ventures are companies over which KBC exercises joint control.
- Goodwill paid on associated companies and joint ventures is included in the nominal value of 'Investments in associated companies and joint ventures' shown on the balance sheet. An impairment test is performed and, if required, the necessary impairment losses on goodwill are recognised (see table).
- For information on Isabel NV, see Note 3.10.

Note 5.4: Property and equipment and investment property

(in millions of EUR)	31-12-2024	31-12-2023
Property, equipment	3 237	3 065
Investment property	362	257
Rental income	36	37
Direct operating expenses from investments generating rental income	12	11
Direct operating expenses from investments not generating rental income	1	1

MOVEMENTS TABLE	Land and buildings	IT equipment	Other equipment	Total property and equipment	Investment property
2024					
Opening balance	1 214	79	1 772	3 065	257
Acquisitions	103	53	789	945	134
Disposals	- 44	0	- 271	- 315	- 11
Depreciation	- 94	- 36	- 24	- 155	- 13
Other movements	3	- 7	- 300	- 304	- 5
Closing balance	1 183	89	1 966	3 237	362
Accumulated depreciation and impairment	*1 501*	*217*	*841*	*2 560*	*175*
Fair value 31-12-2024					511
2023					
Opening balance	1 276	80	1 474	2 829	351
Acquisitions	95	34	820	949	3
Disposals	- 24	0	- 241	- 265	- 74
Depreciation	- 111	- 36	- 21	- 168	- 12
Other movements	- 22	1	- 259	- 280	- 11
Closing balance	1 214	79	1 772	3 065	257
Accumulated depreciation and impairment	*1 482*	*220*	*876*	*2 579*	*174*
Fair value 31-12-2023					410

- Annual rates of depreciation: mainly 3% for buildings (including investment property), 33% for IT equipment, between 5% and 33% for other equipment. No depreciation is charged for land.
- There was a small amount (around 0.2 billion euros) for commitments for the acquisition of property and equipment. There are no material restrictions on title, or on property and equipment pledged as security for liabilities.
- Most investment property is valued by an independent expert on a regular basis and by in-house specialists on an annual basis, based primarily on the capitalisation of the estimated rental value and on unit prices of similar real property. Account is taken of all the market inputs available on the date of the assessment (including location and market situation, type of building and construction, state of repair, use, etc.).
- Certain other investment property is valued annually by in-house specialists based on the current annual rental per building and expected rental movements and on an individual capitalisation rate per building.
- The impact of the heavy flooding and other extreme weather conditions in 2024 and 2023 on property and equipment and investment property (in this case, our branch network) and on the associated impairment was insignificant. For information regarding climate-related and other ESG risks, see the ‘Sustainability statement’ section.
- The impact of the own activities of KBC Group as a bank-insurer on the environment is very limited, especially when compared to industrial companies and our indirect impact through lending and other activities, and stems mainly from our buildings and vehicles (commuting). We nevertheless also calculate our own direct greenhouse gas impact and apply certain targets in that regard. See ‘Sustainability statement’ in the ‘Report of the Board of Directors’ section for a more detailed explanation. More details can also be found in the Climate Report and the Sustainability Report at www.kbc.com.
- ‘Other equipment’ mostly comprises full service vehicle leases (mainly cars and bicycles) under operating leases. The other movements in ‘Other equipment’ mainly concern depreciation of these assets, recognised under ‘Net other income’ in the income statement.

Note 5.5: Goodwill and other intangible assets

(in millions of EUR)	Goodwill	Software developed in-house	Software developed externally	Other	Total
2024					
Opening balance	1 220	594	60	12	1 886
Acquisitions	0	196	31	7	234
Disposals	0	0	-5	0	-5
Amortisation	0	-90	-22	-2	-114
Other movements	-18	-44	-1	-4	-67
Closing balance	1 202	655	63	14	1 933
Accumulated amortisation and impairment	*193*	*580*	*311*	*15*	*1 099*
2023					
Opening balance	1 326	514	66	9	1 916
Acquisitions	0	187	29	6	222
Disposals	0	0	0	0	0
Amortisation	0	-75	-26	-2	-102
Other movements	-106	-33	-9	-1	-148
Closing balance	1 220	594	60	12	1 886
Accumulated amortisation and impairment	*193*	*419*	*375*	*22*	*1 010*

- Goodwill: includes the goodwill paid on companies included in the scope of consolidation and relating to the acquisition of activities. Goodwill paid on associated companies: included in the nominal value of ‘Investments in associated companies’ shown on the balance sheet.
- Goodwill: includes the goodwill paid on companies included in the scope of consolidation and relating to the acquisition of activities. Goodwill paid on associated companies: included in the nominal value of ‘Investments in associated companies’ shown on the balance sheet.
- Impairment testing: a test was carried out to establish whether impairment on goodwill had to be recognised (see table and Note 3.9). This impairment test is performed at least once a year. We also carry out a high level assessment on a quarterly basis to see whether there is an indication of impairment. In the test, each entity is regarded as a separate cash-generating unit. This is because each entity has a specific risk profile and it is rare to have different profiles within a single entity.
- Impairment on goodwill under IAS 36: recognised in profit or loss if the recoverable amount of an investment is lower than its carrying value. The recoverable amount is defined as the higher of the value in use (calculated based on discounted cashflow analysis) and the fair value (calculated based on multiple analysis, etc.) less costs to sell.
- The main group companies to which goodwill relates are listed in the table. All of these companies have been valued using the discounted cashflow method. The discounted cashflow method calculates the recoverable amount of an investment as the present value of all future free cashflows of the business. This method is based on long-term projections about the company’s business and the resulting cashflows (i.e. projections for a number of years ahead and the residual value of the business at the end of the specific projection period). These long-term projections are the result of an assessment of past and present performances combined with external sources of information on future performances in the respective markets and the global macroeconomic environment. Consequently, in cases where sustainability aspects and products/projects have been factored into the underlying financial projections, this will also affect the valuation. The ultimate growth rate is determined using a long-term average market growth rate. The present value of these future cashflows is calculated using a compound discount rate which is based on the capital asset pricing model (CAPM). A country-specific risk-free rate and a market-risk premium (multiplied by an activity beta) are also used in the calculation. KBC has developed a distinct DCF model. In this regard, free cashflows are the dividends that can be paid out to the company’s shareholders, account taken of the minimum capital requirements.

Goodwill outstanding			Discount rates throughout the specific period of cashflow projections	
(in millions of EUR)	31-12-2024	31-12-2023	31-12-2024	31-12-2023
K&H Bank	169	181	14,7% - 13,5%	15,2% - 13,7%
ČSOB (Czech Republic)	282	287	12,7% - 12,6%	13,0% - 12,8%
ČSOB Stavební spořitelna	65	66	12,7% - 12,6%	13,0% - 12,8%
UBB	546	546	12,4% - 12,3%	13,3% - 12,5%
KBC Asset Management NV	114	114	11,6% - 12,2%	12,0% - 12,3%
KBC Commercial Finance	21	21	11,6% - 12,2%	12,0% - 12,0%
Rest	5	5	–	–
Total	1 202	1 220	–	–

- The period to which the cashflow budgets and projections relate is 10 years in most cases. This longer period is used to take account of current strong growth in the Central and Eastern European countries, where the growth rate is expected to develop towards a more moderate level in the longer term.
- The growth rate used to extrapolate the cashflow projections after that period is equal to the expected long-term growth rate of the gross domestic product. This rate depends on the country and varied between 3.2% and 4.7% in 2024 (also between 3.2% and 4.7% in 2023).
- For all entities, at year-end 2024 the recoverable amount exceeded the carrying value to such a large extent that no reasonably possible change in the key assumptions would result in the recoverable amount being less than or equal to the carrying value.

Note 5.6: Insurance – balance sheet

Applies to KBC Group and KBC Insurance, but not to KBC Bank.

Note 5.7: Provisions for risks and charges

Note 5.7.1: Overview

(in millions of EUR)	31-12-2024	31-12-2023
Total provisions for risks and charges	139	180
Provisions for off-balance-sheet commitments and financial guarantees	73	91
Provisions for other risks and charges	66	89
Provisions for restructuring	*22*	*37*
Provisions for taxes and pending legal disputes	*31*	*37*
Other	*14*	*16*

Note 5.7.2: Details of off-balance-sheet commitments and financial guarantees

(in millions of EUR)	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL (non-performing)	Total
31-12-2024				
Provisions on 01-01-2024	22	20	49	91
Movements with an impact on results				
Transfer of financial assets				
Stage 1 (12-month ECL)	*- 1*	*5*	*2*	*6*
Stage 2 (lifetime ECL)	*1*	*- 9*	*3*	*- 5*
Stage 3 'non-performing' (lifetime ECL)	*0*	*1*	*- 5*	*- 4*
New financial assets	5	1	1	8
Changes in risk parameters during the reporting period	- 6	- 1	- 13	- 21
Changes in the model or methodology	2	0	- 1	1
Derecognised financial assets[1]	- 3	- 1	- 2	- 6
Other	0	0	0	0
Movements without an impact on results				
Derecognised financial assets	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
Other	2	- 1	1	2
Provisions on 31-12-2024	22	15	36	73
31-12-2023				
Provisions on 01-01-2023	19	35	60	114
Movements with an impact on results				
Transfer of financial assets				
Stage 1 (12-month ECL)	*- 2*	*3*	*1*	*2*
Stage 2 (lifetime ECL)	*1*	*- 13*	*9*	*- 3*
Stage 3 'non-performing' (lifetime ECL)	*0*	*1*	*- 2*	*- 2*
New financial assets	10	4	2	16
Changes in risk parameters during the reporting period	- 3	- 6	- 12	- 21
Changes in the model or methodology	0	0	0	0
Derecognised financial assets[1]	- 3	- 3	- 3	- 9
Other	0	0	2	2
Movements without an impact on results				
Derecognised financial assets	0	0	0	0
Changes in the scope of consolidation	0	- 1	0	- 1
Other	0	1	- 7	- 7
Provisions on 31-12-2023	22	20	49	91

[1]Derecognition without an impact on results occurs when the impairment adjustment has already been made upfront (for example, at the moment of the sale agreement (disposals) or before the write-off). Derecognition with an impact on results occurs when the impairment adjustment takes place at the same time (for instance, in the case of debt forgiveness).

- Also see Note 6.1.

Note 5.7.3: Details of provisions for other risks and charges

(in millions of EUR)	Provision for restructuring	Provision for taxes and pending legal disputes	Other	Total
2024				
Opening balance	37	37	16	89
Movements with an impact on results				
Amounts allocated	*3*	*2*	*4*	*9*
Amounts used	*- 20*	*- 5*	*- 3*	*- 27*
Unused amounts reversed	*0*	*- 1*	*- 2*	*- 4*
Transfers out of/into liabilities associated with disposal groups	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
Other	2	- 2	- 1	- 1
Closing balance	22	31	14	66
2023				
Opening balance	92	192	19	303
Movements with an impact on results				
Amounts allocated	*11*	*10*	*4*	*25*
Amounts used	*- 65*	*- 163*	*- 5*	*- 233*
Unused amounts reversed	*- 1*	*- 3*	*- 1*	*- 5*
Transfers out of/into liabilities associated with disposal groups	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
Other	0	1	0	1
Closing balance	37	37	16	89

- For most of the provisions recorded, no reasonable estimate can be made of when they will be used.
- Other provisions include those set aside for miscellaneous risks.
- Information relating to the main legal disputes pending: claims filed against KBC companies are – in keeping with IFRS rules – treated on the basis of an assessment of whether they will lead to an outflow of resources (i.e. 'probable outflow', 'possible outflow' or 'remotely probable outflow'). Provisions are set aside for 'probable outflow' cases (see 'Notes on the accounting policies'). No provisions are constituted for 'possible outflow' cases, but information is provided in the financial statements if such cases might have a material impact on the balance sheet (i.e. when the claim could lead to a possible outflow of more than 50 million euros). All other claims ('remotely probable outflow'), of whatever magnitude, that represent a minor or no risk at all do not have to be reported. The most important cases are listed below. The information provided is limited in order not to prejudice the position of the group in ongoing litigation.
  - Possible outflow: on 6 October 2011, Irving H. Picard, trustee (the 'Trustee') for the liquidation of Bernard L. Madoff Investments Securities LLC (& Bernard L. Madoff), sued KBC Investments Ltd (a full subsidiary of KBC Bank) before the bankruptcy court in New York to claw back approximately 110 million US dollars' worth of transfers made to KBC entities by Madoff (through a feeder fund that KBC had lent to Harley International). This claim is just one of a whole set made by the Trustee against several banks, hedge funds, feeder funds and investors ('joint defense group'). A lengthy litigation process was conducted on the basis of preliminary objections in respect of the applicability of the Bankruptcy Code's 'safe harbor' and 'good defenses' rules, as well as prudential limitations on U.S. courts' powers in international cases, to subsequent transferees (as is the case for KBC Investments Ltd), as detailed in previous disclosures. In June 2015, the Trustee stated his intention to amend the original claim which led to increase the amount claimed to USD 196 000 000. A court ruling dismissing the claim of the Trustee was issued on 3 March 2017. The Trustee appealed and the appellate court (Court of Appeals for the Second Circuit) reversed the dismissal on 28 February 2019. A certiorari petition filed on 30 August 2019 was dismissed by the US Supreme Court on 2 June 2020. As a consequence the merits of the case are handled by the Bankruptcy Court. On 30 August 2021, in two other appeals by other defendants, the Court of Appeals for the Second Circuit reversed the burden of proof from an initial burden on the Trustee to adequately demonstrate the defendant's lack of good faith to a burden on the defendant to prove its good faith. On 1 August 2022, the Bankruptcy Court issued a decision determining the structure of the proceedings. In this context, on 5 August 2022 the Trustee amended his complaint by reducing his claim to a principal of USD 86 million. On 18 November 2022, KBC submitted 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. The proceedings on the merits will therefore continue. On 28 June 2023, KBC filed an answer to the amended complaint. An investigation of the facts will be concluded on 22 September 2025. Despite the increased burden of proof, KBC still believes it has good and credible defenses, including demonstrating its good faith. The procedure may still take several years.

Note 5.8: Other liabilities

(in millions of EUR)	31-12-2024	31-12-2023
Total	1 757	1 678
Breakdown by type		
Retirement benefit obligations or other long-term employee benefits	40	86
Accrued charges and deferred income	378	339
Wages and security charges	384	378
Lease liabilities	1	61
Other	954	815

- For more information on retirement benefit obligations, see Note 5.9 (note that the amount recognised under ‘Retirement benefit obligations or other employee benefits’ in Note 5.8 relates to a broader scope than the amounts presented in Note 5.9).

Note 5.9: Retirement benefit obligations

(in millions of EUR)	31-12-2024	31-12-2023
DEFINED BENEFIT PLANS		
Reconciliation of defined benefit obligations		
Defined benefit obligations at the beginning of the period	1 938	1 848
Current service cost	74	68
Interest cost	64	75
Actuarial gain or loss resulting from changes in demographic assumptions	0	- 3
Actuarial gain or loss resulting from changes in financial assumptions	- 55	101
Experience adjustments	20	- 36
Past-service cost	0	0
Benefits paid	- 138	- 115
Other	3	0
Defined benefit obligations at the end of the period	1 905	1 938
Reconciliation of the fair value of plan assets		
Fair value of plan assets at the beginning of the period	1 998	1 879
Actual return on plan assets	127	144
Expected interest income on plan assets, calculated based on the market interest rates of high-quality corporate bonds	*66*	*78*
Employer contributions	69	65
Plan participant contributions	20	20
Benefits paid	- 138	- 115
Other	9	5
Fair value of plan assets at the end of the period	2 083	1 998
of which financial instruments issued by the group	*0*	*0*
of which property occupied by KBC	*1*	*1*
Funded status		
Plan assets in excess of defined benefit obligations	179	60
Reimbursement rights	0	0
Asset ceiling limit	- 98	- 51
Unfunded accrued/prepaid pension cost	80	9
Movement in net liabilities or net assets		
Unfunded accrued/prepaid pension cost at the beginning of the period	9	19
Amounts recognised in the income statement	- 54	- 45
Amounts recognised in other comprehensive income	51	- 34
Employer contributions	69	65
Other	6	5
Unfunded accrued/prepaid pension cost at the end of the period	80	9
Amounts recognised in the income statement	- 54	- 45
Current service cost	- 74	- 68
Interest cost	1	4
Plan participant contributions	20	20
Other	- 2	0
Changes to the amounts recognised in other comprehensive income	51	- 34
Actuarial gain or loss resulting from changes in demographic assumptions	0	3
Actuarial gain or loss resulting from changes in financial assumptions	55	- 101
Actuarial result on plan assets	61	65
Experience adjustments	- 20	36
Adjustments to asset ceiling limits	- 46	1
Other	1	- 39
DEFINED CONTRIBUTION PLANS		
Expenses for defined contribution plans	- 13	- 18

- Retirement benefits that are actively accrued for the Belgium-based staff of KBC Bank, KBC Insurance and most of their Belgian subsidiaries are accrued exclusively through the KBC pension fund. Up until year-end 2018, employer-funded retirement benefits had accrued primarily through a defined benefit plan, where the benefit is calculated based on the final salary of employees before they retire, the number of years they had been in the plan and a formula that applies a progressive rate scale. A defined contribution plan was introduced on 1 January 2014 for all new employees and any employees who had chosen to switch to it. In this plan, a contribution is deposited based on the current monthly salary and the amounts deposited are paid out together with the (guaranteed) return on retirement. Both types of pension plan are managed by the KBC pension fund, which uses the services of KBC Asset Management for the investment strategy. In addition, there are a number of smaller, closed group insurance schemes from the past that will continue to be funded and are managed by the KBC pension fund. On 1 January 2019, a new defined contribution plan was introduced to replace the one introduced in 2014. All employees were again given the one-time option of switching from the defined benefit plan to the new defined contribution plan. At year-end 2024, 48% of employees were active participants in the defined benefit plan and 52% in the defined contribution plan (the corresponding figures at year-end 2023 were 52% and 48%).
- The expected age of retirement of each employee and the expected wage inflation based on an inflation curve derived from the market value of inflation-linked bonds are taken into account in the calculation of the gross defined benefit obligations.
- Since 1 January 2020, the insurance risks related to death and disability are fully reinsured through an external reinsurance programme.
- The KBC Pension Fund believes in a balanced ESG approach that allows improvement of the greenhouse gas intensity but also considers other environmental themes such as biodiversity and social and governance-related issues. As regards the management of the assets, the share of responsible investments came to around 89% at year-end 2024 (89% at year-end 2023). The aim is for the KBC Pension Fund investment portfolio to be carbon-neutral by 2050. At the end of September 2024, the greenhouse gas intensity of the shares held in portfolio was roughly 37% of the MSCI World AC benchmark, for the corporate bonds held in portfolio it was roughly 42% of the Iboxx Euro Corporates benchmark and for the government bonds held in portfolio it was roughly 114% of the JPM EMU Government Bond benchmark, a decrease from 2019 of 62%, 43% and 27%, respectively.
- As a result of the higher average interest rates, the pension reserves of participants are often higher than the retirement benefit obligations calculated as the present value of the guaranteed minimum pension capital under the defined contribution plan. In 2023, the net asset was therefore reduced by the difference between the retirement benefit obligations calculated in this way and the higher guaranteed minimum reserves and/or the pension reserves calculated using the assigned fund return. The difference at the end of 2024 was 42 million euros and has been added to ‘Adjustments to asset ceiling limits’, resulting in the net asset being reduced by this amount.
- There are no significant defined benefit plans in the group’s other core countries.

Additional information on retirement benefit obligations (in millions of EUR)	2024	2023	2022	2021	2020
Changes in main headings in the main table					
Defined benefit obligations	1 905	1 938	1 848	2 413	2 452
Fair value of plan assets	2 083	1 998	1 879	2 233	1 965
Unfunded accrued/prepaid pension cost	80	9	19	- 217	- 486
Impact of changes in the assumptions used in the actuarial calculation of plan assets and retirement benefit obligations					
Impact on plan assets	0	0	0	0	0
Impact on retirement benefit obligations *	- 55	98	- 586	- 25	182

* Arising from defined benefit plans. A plus sign signifies an increase in the obligation (in absolute value), a minus sign a decrease in the obligation (in absolute value).

Additional information on retirement benefit obligations – DEFINED BENEFIT PLANS

	KBC pension fund
Composition (31-12-2024)	
Equity instruments	33%
Bonds	53%
Real estate	13%
Cash	0%
of which illiquid assets	*17%*
Composition (31-12-2023)	
Equity instruments	31%
Bonds	55%
Real estate	13%
Cash	1%
of which illiquid assets	17%
Contributions expected in 2025 (in millions of EUR)	27
Regulatory framework	Pension plans are registered in collective labour agreements and incorporated into a set of regulations. Annual reporting of funding levels to supervisory authorities (FSMA/NBB). Any underfunding must be reported immediately to the supervisory authorities.
Risks for KBC	Investment risk and inflation risk.
ALM policy	The hedging portfolio hedges against interest rate risk and inflation risk using interest rate swaps. The return portfolio aims to generate an extra return.
Plan amendments	A new version of the employer-funded DC plan was introduced on 1 January 2019. All employees affiliated in the DB plan had a one-off opportunity to switch to the DC plan for future contributions. New employees become affliate of an employer-funded DC plan.
Curtailments and settlements	Not applicable.
Discounting method	Based on quotes for various time buckets of AA-rated corporate bonds. The resulting yield curve is converted into a zero coupon curve.
Key actuarial assumptions	
Average discount rate	3.10%
Expected rate of salary increase	2.47%
Expected inflation rate	2.16%
Expected rate of increase in pensions	-
Weighted average duration of the obligations	10 years
Impact of changes in the assumptions used in the actuarial calculation of the retirement benefit obligations Increase in the retirement benefit obligations on 31-12-2024 consequent on:	
a decrease of 1% in the discount rate	10.98%
an increase of 1% in the expected inflation rate	8.69%
an increase that is 1% higher than the expected real increase in salary	11.54%
an increase of one year in life expectancy	-
The impact of the following assumptions has not been calculated:	Decreasing mortality rates: pension benefits are paid out in capital, so longevity risk is immaterial. Staff turnover rates: the the sensitivity of the changes due to staff turnover is limited.

Additional information on retirement benefit obligations – DEFINED CONTRIBUTION PLANS

	KBC pension fund
Contributions expected in 2025 (in millions of EUR)	29
Regulatory framework	Pursuant to the Belgian Supplementary Pensions Act, the employer must guarantee a minimum return of 2,50% on employee and employer contributions of 2025.
Risks for KBC	Investment risk.
Valuation	Retirement benefit obligations are measured on the basis of the accrued benefits on the reporting date, making a projection of these benefits (at the rate of interest guaranteed by law) until the expected age of retirement, and discounting the resulting benefits. KBC has two types of defined contribution plan: one that is financed through employee contributions and one through employer contributions. The value of the employer-funded DC plan takes account of future contributions in the projection, whereas the value of the employee-funded DC plan doesn't as the obligation of the employer in the employee-funded DC plan only relates to the guaranteed interest.
Discounting method	Based on quotes for various time buckets of AA-rated corporate bonds. The resulting yield curve is converted into a zero coupon curve.
Key actuarial assumptions	
Average discount rate	3.30%
Weighted average duration of the obligations	15 years
Impact of changes in the assumptions used in the actuarial calculation of the retirement benefit obligations Increase in the retirement benefit obligations on 31-12-2024 consequent on:	
a decrease of 1% in the discount rate	17.99%

Note 5.10: Parent shareholders' equity and additional tier-1 instruments

Quantities	31-12-2024	31-12-2023
Ordinary shares	995 371 469	995 371 469
of which ordinary shares that entitle the holder to a dividend payment	*995 371 469*	*995 371 469*
of which treasury shares	*0*	*0*
Additional information		
Par value per share (in EUR)	9.78	9.78
Number of shares issued but not fully paid up	0	0

- Ordinary shares: ordinary shares of no nominal value. All ordinary shares carry voting rights and each share represents one vote. No participation certificates or non-voting shares have been issued.
- On 31 December 2024, 995 371 469 ordinary shares were in circulation, all of which belonged to KBC Group NV.
- Additional tier-1 (AT1) instruments (these securities are classified as equity instruments under IAS 32 and the coupon is treated as a dividend):
  - In February 2019, KBC Group issued 500 million euros in AT1 securities and underwrote an AT1 security for the same amount at KBC Bank (a perpetual AT1 instrument with a five year first-call date and a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 4.95% per annum, which is payable every six months). Under CRR Article 78(1)(a), KBC asked the ECB for permission to call this instrument in March 2024. Under agreement EBA Q&A 2023_6791 of 15 September 2023, the instrument is disqualified as tier-1 capital in the solvency calculations as soon as the replacement instrument is issued (this placement occurred in early September; see below). The instrument was called on 5 March 2024.
  - In September 2023, KBC Group issued 750 million euros in AT1 securities and underwrote an AT1 security for the same amount at KBC Bank (a perpetual AT1 instrument with a five year first-call date and a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 8.40% per annum, which is payable every six months).
  - In September 2024, KBC Group issued 750 million euros in AT1 securities and underwrote an AT1 security for the same amount at KBC Bank (a perpetual AT1 instrument with a seven year first-call date and a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 6.65% per annum, which is payable every six months).
  - In April 2018, KBC Group issued 1 billion euros in AT1 securities and underwrote an AT1 security for the same amount at KBC Bank (a perpetual AT1 instrument with a five year first-call date and a temporary write-down trigger should the

common equity ratio fall below 5.125% and an initial coupon of 4.45% per annum, which is payable every six months). In September 2024, KBC Group made the holders of those securities a capped purchase offer. Following the placement of new AT1 securities in the amount of 750 million euros in September 2024 (see above), KBC Group announced that the maximum acceptance amount for the AT1 securities issued in April 2018 was set at 750 million euros; on 18 September, KBC Group announced that 636 million euros had ultimately been repurchased and KBC Bank purchased the transferred AT1 security for the same amount at KBC Group.

6.0 Other notes

Note 6.1: Off-balance-sheet commitments and financial guarantees given and received

(in millions of EUR)			31-12-2024			31-12-2023
	Nominal amount	Provision	Net exposure	Nominal amount	Provision	Net exposure
Undrawn portion of credit lines granted						
Stage 1	45 507	18	45 488	41 569	20	41 549
Stage 2	3 314	9	3 305	6 683	14	6 670
Stage 3 – non-performing	52	2	50	79	5	73
Total	48 873	30	48 844	48 331	39	48 292
of which irrevocable credit lines	*29 183*	*10*	*29 173*	*27 859*	*23*	*27 836*
Financial guarantees given						
Stage 1	10 362	3	10 358	7 863	2	7 861
Stage 2	1 008	5	1 003	2 952	6	2 947
Stage 3 – non-performing	113	32	80	133	44	90
Total	11 483	41	11 442	10 948	51	10 897
Other commitments given						
Total	859	2	857	1 092	1	1 091
Off-balance-sheet commitments and financial						
Total	61 215	73	61 142	60 371	91	60 280

- Fair value of financial guarantees: based on the available market value.
- The carrying value of financial assets pledged by KBC as collateral came to 44 968 million euros for liabilities and 1 674 million euros for contingent liabilities (36 603 million euros and 4 489 million euros, respectively, in 2023). At year-end 2024, some 21.8 billion euros' worth of residential mortgage loans and cash collections were entered in the cover asset register for the special estate of the covered bond programme (18.9 billion euros at year-end 2023).
- There is an obligation to return collateral received (which may be sold or repledged in the absence of default by the owner; see table) in its original form, or possibly in cash. Collateral can be called in if loans are terminated for various reasons such as default or bankruptcy. In the event of bankruptcy, the collateral will be sold by the receiver. In other cases, the bank will organise the foreclosure itself or take possession of the collateral. Collateral received that relates to OTC derivatives is primarily cash, which is recognised by KBC on the balance sheet (and is not included in the table). More details are provided in Note 4.3.
- Collateral acquired through foreclosure came to 3 million euros in 2024 (3 million euros in 2023).

Collateral received (which may be sold or repledged in the absence of default by the owner) (in millions of EUR)	Fair value of collateral received		Fair value of collateral sold or repledged	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Financial assets	36 276	46 421	12 279	5 267
Equity instruments	30	21	2	2
Debt securities	35 994	46 165	12 277	5 265
Loans and advances	252	235	0	0
Cash	0	0	0	0
Other	0	0	0	0

- In the years 2016-2022, KBC contributed to the Single Resolution Fund (SRF) by means of irrevocable payment commitments (IPCs) in the amount of 90 million euros, which are fully covered by cash collateral. In line with industry practice, the following accounting treatment is applied to IPCs: i) the amount of cash collateral is recognised as a financial asset and ii) the hypothetical fund call in case of a resolution is reported as a contingent liability. The recognition of the cash collateral as a financial asset is based on the consideration that, in any scenario, the collateral should be returned to the bank and that interest is received on the amount outstanding. In its 2023 decision, the General Court of the EU ruled that in a scenario in which a bank loses its banking license, it has no claim on the cash collateral. KBC decided to await the outcome of the appeal in this case at the European Court of Justice before considering the potential implications on the accounting treatment of IPCs. The amount of 90 million euros is deducted in the calculation of the common equity capital.

Note 6.2: Leasing

(in millions of EUR)	31-12-2024	31-12-2023
Finance lease receivables		
Gross investment in finance leases, receivable	8 591	7 824
At not more than one year	*2 131*	*1 925*
At more than one but not more than five years	*4 999*	*4 551*
At more than five years	*1 461*	*1 349*
Unearned future finance income on finance leases	689	627
Net investment in finance leases	7 903	7 198
At not more than one year	*1 947*	*1 766*
At more than one but not more than five years	*4 594*	*4 178*
At more than five years	*1 361*	*1 254*
of which unguaranteed residual values accruing to the benefit of the lessor	*43*	*41*
Accumulated impairment for uncollectable lease payments receivable	40	31
Contingent rents recognised in the income statement	107	110
Operating lease receivables		
Future aggregate minimum rentals receivable under non-cancellable operating leases	776	698
Contingent rents recognised in the income statement	1	1

- KBC acts only to a limited extent as a lessee in operational and financial leasing.
- Finance leases: KBC offers finance lease products ranging from equipment and vehicle leasing to real estate leasing. In Belgium, finance leases are typically sold through KBC group’s branch network, and that channel is becoming increasingly important in Central Europe, too.
- Operating leases: involve primarily full service vehicle leases (mainly cars and bicycles). These are sold through the KBC Bank and CBC Banque branch network and through an internal sales team. Full service car leasing activities are being further developed in Central Europe, too. The increased importance of leasing hybrid and all-electric vehicles supports the transition to green mobility, and the segment of electric company bicycles also continued to grow.
- We report on estimated greenhouse gas emissions associated with lending, leasing and other activities and, in that context, have defined objectives for reducing the greenhouse gas intensity of our financial and operational car leasing. See ‘Sustainability statement’ in the ‘Report of the Board of Directors’ section for a more detailed explanation.

Note 6.3: Related-party transactions

						2024						2023
Transactions with related parties, excluding key management (in millions of EUR)	**Parent entities with joint control**	**Subsidiaries and other entities of group**	**Associated companies**	**Joint ventures**	**Other**	**Total**	**Parent entities with joint control**	**Subsidiaries and other entities of group**	**Associated companies**	**Joint ventures**	**Other**	**Total**
Assets	0	312	201	9	0	523	4	337	100	27	0	468
Loans and advances	0	200	72	0	0	272	4	220	81	0	0	305
Equity instruments (including investments in associated companies and joint ventures)	0	51	129	9	0	189	0	66	18	27	0	112
Other	0	61	0	0	0	62	0	51	0	0	0	51
Liabilities	19 071	1 029	92	1	716	20 909	20 663	1 180	80	0	677	22 601
Deposits	164	786	40	1	713	1 705	921	908	23	0	674	2 526
Other financial liabilities	18 821	135	0	0	0	18 956	19 695	168	0	0	0	19 863
Other	86	108	52	0	3	249	48	104	58	0	3	212
Income statement	- 1 697	- 138	2	0	- 25	- 1 858	- 1 488	- 74	- 3	0	- 3	- 1 568
Net interest income	- 639	- 135	2	0	- 22	- 795	- 446	- 122	1	0	0	- 567
Interest income	*2*	*186*	*3*	*0*	*0*	*191*	*1*	*139*	*2*	*0*	*0*	*143*
Interest expense	*- 641*	*- 321*	*- 2*	*0*	*- 22*	*- 986*	*- 447*	*- 261*	*- 1*	*0*	*0*	*- 709*
Dividend income	0	1	3	0	0	4	0	2	0	0	0	2
Net fee and commission income	1	22	0	0	3	26	1	31	0	0	2	34
Fee and commission income	*1*	*155*	*0*	*0*	*3*	*158*	*1*	*146*	*0*	*0*	*2*	*149*
Fee and commission expense	*0*	*- 132*	*0*	*0*	*0*	*- 132*	*0*	*- 115*	*0*	*0*	*0*	*- 115*
Net other income	0	- 20	0	0	0	- 20	0	- 20	- 1	0	0	- 22
Total Opex without bank tax	- 1 059	- 5	- 2	0	- 6	- 1 073	- 1 042	35	- 2	0	- 6	- 1 015
Undrawn portion of loan commitments, financial guarantees and other commitments												
Given by the group	0	165	1	0	50	216	0	168	1	0	150	320
Received by the group	0	0	0	0	0	0	0	0	0	0	0	0

Transactions with key management (members of the Board of Directors and Executive Committee) (in millions of EUR) *	2024	2023
Total *	2	2
Breakdown by type of remuneration		
Short-term employee benefits	2	2
Post-employment benefits	0	0
Defined benefit plans	*0*	*0*
Defined contribution plans	*0*	*0*
Other long-term employee benefits	0	0
Termination benefits	0	0
Share-based payments	0	0
Stock options (units)		
At the beginning of the period	0	0
Granted	0	0
Exercised	0	0
Composition-related changes	0	0
At the end of the period	0	0
Advances and loans granted to key management and partners	2	0

* Remuneration to key management or partners of the consolidating company on the basis of their activity in that company, its subsidiaries and associated companies, including the amount of retirement pensions granted to former key management staff on that basis.

- The ‘Subsidiaries and KBC group entities’ heading in the first table includes transactions with unconsolidated subsidiaries (transactions with consolidated subsidiaries have already been eliminated from the consolidated financial statements) and transactions with other KBC group entities (primarily KBC Insurance).
- The ‘Other’ heading in the first table includes KBC Ancora, Cera and MRBB.
- All related-party transactions occur at arm’s length.
- Key management comprises the members of the Board of Directors and Executive Committee of KBC Bank NV.
- There were no significant impairment charges vis-à-vis related parties.

Note 6.4: Statutory auditor’s remuneration

Statutory auditor's remuneration (PwC, in EUR)	2024	2023
KBC Bank and its subsidiaries		
Standard audit services	6 341 161	6 447 795
Other services	616 673	479 637
Other certifications	611 394	478 287
Tax advice	0	0
Other non-audit assignments	5 279	1 351
KBC Bank (alone)		
Standard audit services	2 430 441	2 442 215
Other services	123 106	84 124

Note 6.5: Subsidiaries, joint ventures and associated companies

KBC Bank: main companies included in the scope of consolidation at year-end 2024

Company	Registered office	Company number	Share of capital held at group level (in %)	Business unit*	Activity
KBC Bank NV	Brussels – BE	0462.920.226	100.00	BEL/GRP	credit institution
CBC BANQUE SA	Namur – BE	0403.211.380	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	0469.444.267	100.00	BEL	asset management
KBC Autolease NV	Leuven – BE	0422.562.385	100.00	BEL	leasing
KBC Commercial Finance NV	Brussels – BE	0403.278.488	100.00	BEL	factoring
KBC IFIMA SA	Luxembourg – LU	--	100.00	GRP	finance
KBC Securities NV	Brussels – BE	0437.060.521	100.00	BEL	stockbroker
K&H Bank Zrt.	Budapest – HU	--	100.00	IMA	credit institution
Loan Invest NV	Brussels – BE	0889.054.884	100.00	BEL	securitisation
United Bulgarian Bank AD	Sofia – BG	--	99.96	IMA	credit institution

* BEL = Belgium Business Unit, CZR = Czech Republic Business Unit, IMA = International Markets Business Unit, GRP = Group Centre.

- The main group companies are shown in the table. A complete list of group companies (included in or excluded from the scope of consolidation) is provided at www.kbc.com > About us > Our structure.
- All (material) entities (including structured entities (SPVs)) over which the consolidating entity exercises, directly or indirectly, exclusive control are consolidated according the method of full consolidation. To assess whether or not structured entities have to be consolidated, KBC uses the principles set out in IFRS 10, as well as thresholds for inclusion in consolidation.
- Disclosures of interests in other entities (IFRS 12)
  - Significant judgements and assumptions:
    - In general, funds managed by KBC are not included in the scope of consolidation, as they do not meet the three criteria of control (power, exposure to a variable return and ability to use such power to affect those returns).
    - Joint entities in which KBC does not hold 50% of the share capital are classified as joint ventures, since KBC Bank has joint control over these entities based on shareholder agreements. Based on the Articles of Association and/or shareholder agreements, voting rights in (and therefore the control of) the joint venture are spread evenly across the different shareholders and decisions may only be taken by unanimity.
  - Interests in subsidiaries:
    - For the vast majority of the entities, the voting rights are materially equal to the ownership rights.
    - Pursuant to the joint capital decision, specific Pillar-II levels have been set to ensure that certain minimum capital ratios are respected, which impose certain restrictions on the repatriation of capital and distribution of dividends.
    - With regard to Loan Invest NV, KBC is exposed to loan losses on the mortgage portfolio and, therefore, recognises impairment losses on them where necessary.
  - Interests in unconsolidated structured entities:
    - KBC Bank NV is arranger and dealer of a number of 40-billion-euro medium term notes programmes issued by 19 unconsolidated structured entities established for that purpose. These entities were established between 2006 and 2016 under the Irish Companies Act 2014 as an Irish public limited company or an Irish private limited company. Their primary business is to raise money by issuing notes in order to buy financial assets (such as securities, bonds and deposits) and to enter into related derivative and other contracts (such as equity-based swaps, interest-based swaps, total return swaps, repo transactions, etc.). They provide investment opportunities for clients by providing economies of scale, a diversification of credit risk and a high level of granularity. Each structured entity has a prospectus that was approved by the Central Bank of Ireland (available at www.kbc.be/prospectus/spv). However, the structured entities are not consolidated because they fail to meet the three criteria for consolidation (power, exposure to a variable return and ability to use such power to affect those returns). At year-end 2024, the assets under management at these entities amounted to 4.8 billion euros.
    - Sponsored unconsolidated structured entities are defined as structured entities where KBC Group or one of its subsidiaries acts as arranger of the issuance programme, but where the decision-making power of the entities does not reside with KBC Bank or one of its subsidiaries. As a result, these entities are not consolidated.
    - At year-end 2024, KBC Bank had received income from unconsolidated structured entities in the form of management fees (9.2 million euros) and accounting fees (1 million euros). KBC Bank has liabilities in respect of the unconsolidated structured entities amounting to 0.5 billion euros, consisting mainly of term deposits (0.5 billion euros).
- At year-end 2024, no group companies were active in the extractive industry. As a result, no consolidated report on payments to governments has been prepared (see Article 3:8 § 1 of the Companies and Associations Code).

Note 6.6: Main changes in the scope of consolidation

- Sale of activities in Ireland (2022, 2023 and 2024)
  - At the end of August 2021, KBC Bank Ireland reached agreement on the disposal of a non-performing mortgage loan portfolio of roughly 1.1 billion euros in a transaction that was financed by funds that were managed by CarVal Investors. The deal was finalised in early February 2022. The loans will be managed by Pepper Finance Corporation (Ireland) DAC as the legal title holder of the loans. Pepper is supervised by the Central Bank of Ireland.
  - In October 2021, KBC Bank Ireland also 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. The latter also acquired a small non-performing mortgage loan (and credit card balances) portfolio. The transaction was finalised on 3 February 2023. The acquisition, initially totalling approximately 6.5 billion euros, included approximately 7.6 billion euros in performing mortgage loans, approximately 0.1 billion euros in mainly performing commercial and consumer loans, approximately 0.1 billion euros in non-performing mortgage loans and approximately 1.8 billion euros in deposits. The transaction had an impact on the income statement of +365 million euros in 2023 (of which +408 million euros in 'Net other income'). Once finalised, the transaction also positively impacted the common equity ratio by approximately 0.9 percentage points in the first quarter of 2023 (partly due to a reduction in risk-weighted assets).
  - On 1 December 2023, KBC Bank Ireland transferred the vast majority of the remaining assets and liabilities to KBC Bank Dublin branch.
  - On 30 April 2024, KBC Bank Ireland (currently Exicon DAC) returned its banking licence to the Central Bank of Ireland.
  - See also Note 3.11.
- There were no other material changes in 2024.

Note 6.7: Risk management and capital adequacy

Capital management is a key management process relating to all decisions on the level and composition of our capital, both for banking and insurance. It covers all instruments that are positioned to absorb losses in going concern and/or gone concern situations. Capital management aims to achieve the best possible balance between regulatory requirements, investor expectations, rating agencies' views and management ambitions. Ultimate accountability for capital management lies with the Board of Directors.

Capital management entails a broad scope of activities covering strategic topics (such as defining policies, targets, etc.), frameworks and models (e.g., for regulatory capital, internal capital, cost of equity, measuring performance, etc.), planning and allocation (e.g., allocating capital to business, planning capital instrument issuances, forecasting capital ratios, etc.), implementation (e.g., dividends, capital transactions) and monitoring (including current solvency positions at various levels, compliance with group policies and regulatory requirements).

ICAAP (Internal Capital Adequacy Assessment Process) consists of numerous business and risk processes that together contribute to the aim of being adequately capitalised at all times in view of our risk profile and the quality of our risk management and control environment.

We report the solvency of the bank based on IFRS data and according to the rules imposed by the regulator.

This implies that we calculate our solvency ratios based on CRR/CRD IV. KBC began applying the transitional provisions for IFRS 9 on 30 June 2020. KBC Bank is subject to minimum solvency ratios. The main measure is the transitional common equity ratio, with the minimum regulatory requirement being 10.77%. This includes the pillar 1 minimum requirement (4.5%), the pillar 2 requirement (0.98% set by the ECB following its supervisory review and evaluation process) and the buffer requirements (5.29% set by the local competent authorities in KBC's core markets). At year-end 2024, the transitional common equity ratio was 13.2%.

(in millions of EUR)	KBC Bank (consolidated) CRR/CRD 31-12-2024 Transitional	31-12-2023 Transitional
Total regulatory capital, after profit appropriation	18 981	17 952
Tier-1 capital	16 440	15 573
Common equity	14 576	13 823
Parent shareholders' equity	16 665	15 450
Solvency adjustments	-2 088	-1 627
Additional going concern capital[1]	1 864	1 750
Tier-2 capital[2]	2 541	2 379
Total weighted risk volume[3]	110 087	103 192
Common equity ratio	13.2%	13.4%

[1] Contains perpetual subordinated loans with a fully discretionary and non-cumulative interest payment.The securities also include a loss-absorption mechanism, more specifically a temporary write-down if the CET1 ratio falls below 5,125%. See also note 5.10.
[2] Contains subordinated loans with a fixed maturity date of which the principal amount and interest payment in the going concern cannot be canceled.
[3] It is not the responsibility of the statutory auditor to ensure that the RWA internal models meet the approval criteria as laid down in the regulatory standards.

- More detailed information is provided in the 'How do we manage our capital?' section of this report and in KBC's Risk Report.
- The loan portfolio accounts for the largest share of the financial assets. Based on internal management reports, the composition and quality of the loan portfolio is set out in detail in the 'How do we manage our risks?' section (under 'Credit risk'). The information required in relation to risks is provided in those parts of the 'How do we manage our risks?' section which have been audited by the statutory auditor and which constitute part of the financial statements.

Note 6.8: Post-balance-sheet events

Significant non-adjusting events between balance sheet date and the date on which the financial statements were approved for publication by the Board of Directors (13 March 2025):

- None

Note 6.9: General information on the company

Name:	KBC Bank NV.
Incorporated:	17 March 1998.
Country of incorporation:	Belgium.
Registered office:	Havenlaan 2, 1080 Brussels, Belgium.
VAT:	BE 0462.920.226.
RLP:	Brussels.
Website:	https://www.kbc.com

E-mail address reserved for shareholders and bondholders:

IR4U@kbc.be

Legal form:	*naamloze vennootschap* (company with limited liability) under Belgian law; organisation of public interest; the company is a credit institution that is subject to the prudential supervision of the National Bank of Belgium and the European Central Bank.
Life:	undefined.
Object:	In Belgium or abroad, for its own account or for account of third parties, the company has as object the execution of all banking operations in the widest sense, as well as the exercise of all other activities which banks are or shall be permitted to pursue (Article 2 of the Articles of Association).

Documents open to public inspection:

The Articles of Association of the company are open to public inspection at the Registry of the Dutch-speaking division of the Brussels Business Court and are published on www.kbc.com. The financial statements and annual report are filed with the National Bank of Belgium and are available at www.kbc.com. The annual report can also be obtained from the company's registered office and will be sent to those requesting it. Extracts of minutes concerning decisions on the appointment, resignation and the termination of the offices of members of the Executive Committee and the Board of Directors are published in the appendices to the Belgian Official Gazette. Financial reports about the company are published on www.kbc.com.

General Meeting of Shareholders:

A General Meeting is held every year at the company's registered office or at any other place indicated in the convening notice, at 11 a.m. on the Wednesday immediately prior to the last Thursday of April, or, if this day is a statutory public holiday or bank holiday, at 11 a.m. on the business day immediately before it. Each share gives entitlement to one vote.

For information on the general meeting of shareholders and the right of shareholders to take part in such meetings, see Article 21 et seq. of the Articles of Association, which are available at www.kbc.com.

Statutory auditor’s report

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF KBC BANK NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of KBC Bank NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 27 April 2022, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the Group's consolidated accounts for nine consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cashflow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR 335.629 million and a profit for the year (attributable to equity holders of the parent) of EUR 2.869 million.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Estimation uncertainty with respect to impairment allowances for loans and advances

Description of the Key Audit Matter

The appropriateness of impairment allowances for loans and advances measured at amortised cost requires significant management judgement. Measuring impairment allowances for loans and advances measured at amortised cost under IFRS 9 requires an assessment of the 12-month or the lifetime expected credit losses and the assessment of significant increases in credit risk or whether loans and advances measured at amortised cost have defaulted.

The geopolitical and macroeconomic uncertainties continue to impact the determination of the expected credit loss provisions produced by the models.

Information regarding impairment allowances for loans and advances measured at amortised cost, including information concerning the impact of the geopolitical and emerging risks, is included in Notes 3.9 and 4.2 to the consolidated accounts, in application of the policies as described in Note 1.2 “Summary of material accounting policies”.

At year-end 31 December 2024, the carrying value before impairment of loans and advances measured at amortised cost amounts to EUR 215.457 million, the total corresponding impairment at that date amounts to EUR 2.447 million.

The assessment of significant increases in credit risk, the assessment of whether loans and advances at amortised cost are in default and the measurement of 12-month or lifetime expected credit losses are part of the estimation process of the Group and are, amongst others, based on macroeconomic scenarios and microeconomic parameters (as defined by the Group), credit risk models, triggers indicating a significant increase in credit risk and default triggers, the financial condition of the counterparty and the expected future cash flows or the value of collateral.

The use of different modelling techniques, scenarios and assumptions, including in the determination of the expected credit loss provisions related to the geopolitical and macroeconomic uncertainties, could lead to different estimates of impairment allowances on loans and advances measured at amortised cost.

As the loans and advances measured at amortised cost represent the majority of the Group’s balance sheet and given the related estimation uncertainty on impairment allowances we consider this as a key audit matter.

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How our Audit addressed the Key Audit Matter

Our audit procedures comprised an assessment of the overall governance of the credit and impairment process of the Group, including the 12-month and lifetime expected loss modelling processes and the determination of the expected credit loss provisions related to the geopolitical and macroeconomic uncertainties. We have assessed and tested the design and operating effectiveness of the controls within the loan origination process, risk management process and the estimation process for determining impairment allowances. For loan impairment allowances determined on an individual basis, we have performed, for a sample of corporate and SME credit files, a detailed review; we challenged the default triggers and the quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default.

For the 12-month and lifetime expected credit loss impairment allowances, we challenged the adequacy of significant increase in credit risk triggers and the macroeconomic scenarios and microeconomic parameters (as defined by the Group) and, together with our experts, we tested the underlying models including the Group's model approval and independent validation process.

We also assessed the completeness of the factors considered by management in their determination of the expected credit loss provisions related to the geopolitical and macroeconomic uncertainties and tested the mathematical accuracy of the calculations to determine these adjustments and assessed their reasonableness.

Finally, we assessed the completeness and accuracy of the disclosure and whether the disclosures are in compliance with the IFRS Accounting Standards as adopted by the European Union.

In our view, the impairments estimated by management, including the expected credit loss provisions related to the geopolitical and macroeconomic uncertainties, are within a reasonable range of outcomes in view of the overall loans and advances and of the related uncertainties as disclosed in the consolidated accounts.

Estimation uncertainty on impairment of goodwill

Description of the Key Audit Matter

As described in Note 5.5 to the consolidated accounts, in application of the policies as described in Note 1.2 "Summary of material accounting policies", the Group has recorded an outstanding goodwill balance amounting to EUR 1.202 million as at 31 December 2024. Impairment analyses are performed annually, or whenever a triggering event has occurred, in order to determine whether the recoverable amount exceeds the carrying amount.

Taking into consideration the significant management judgement and the related estimation uncertainty involved in determining the recoverable amount at the level of the respective cash generating units, we consider this as a key audit matter.

How our Audit addressed the Key Audit Matter

We obtained an understanding of the internal control framework related to goodwill impairment. Next to that, we assessed, together with our experts, the appropriateness of the discounted cash flow models developed by management, the evaluation of the significant assumptions used by management related to the free cash flow projections, the discount rates and the terminal growth rates of the respective cash generating units, as well as the completeness and accuracy of the underlying data used in the models.

Finally, we assessed the completeness and accuracy of the disclosures and whether the disclosures are in compliance with the IFRS Accounting Standards as adopted by the European Union.

In our view, the resulting outcomes of management's goodwill impairment assessment are within a reasonable range of outcomes in view of the overall outstanding goodwill and of the related uncertainties as disclosed in the consolidated accounts.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

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As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

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Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, including the sustainability information, and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

This responsibility does not include performing the assurance engagement on the consolidated sustainability statement included in the directors' report on the consolidated accounts, as the Company has appointed another registered auditor for this assurance engagement.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

The directors' report on the consolidated accounts includes the consolidated sustainability information that is the subject of a separate auditor's report, which contains an "Unqualified conclusion" on the limited level of assurance with regard to this sustainability information, issued by KPMG Bedrijfsrevisoren BV on 28 March 2025. This section does not concern the assurance on the consolidated sustainability information included in the directors' report on the consolidated accounts.

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing the sections:

- "Ratios used"; and
- "EU-taxonomy - detailed tables".

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

FREE TRANSLATION FROM THE DUTCH ORIGINAL

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statement

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Diegem, 28 March 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by

Damien Walgrave*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Damien Walgrave BV

Jeroen Bockaert**
Bedrijfsrevisor/Réviseur d'entreprises

**Acting on behalf of Jeroen Bockaert BV

Company annual accounts

10				9	EUR
NAT.	Date Filed	N°	P.	E.	D.

C-inst 1

ANNUAL ACCOUNTS

NAME: KBC BANK

Legal Form: NV
Address: Havenlaan N°.: 2 Box:
Postal Code: 1080 Municipality: BRUSSELS
Country: België
Register of Legal Persons (RLP) - Chamber of Commerce: Brussels
Internet address*: http://www.kbc.be

Company 0462.920.226

Date 24/10/2023 of the deposition of the partnership deed OR of the most recent document mentioning the date of publication of the partnership deed and the act changing the articles of association.

ANNUAL ACCOUNT in thousands EURO
approved by the General Meeting of 23/04/2025

concerning the financial year covering the period from 01/01/2024 till 31/12/2024

Previous period from 01/01/2023 till 31/12/2023
The amounts of the previous financial year are / ~~are not~~ ** identical to those which have been previously published.

COMPLETE LIST WITH name, first name, profession, residence-address (address, number, postal code, municipality) and position with the enterprise, OF DIRECTORS, MANAGERS and AUDITORS

	Period on the Board in 2024	End of current term of office
CHAIRMAN OF THE EXECUTIVE COMMITTEE		
Mr. Johan THIJS, Havenlaan 2, 1080 Brussel	entire year	2025
CHAIRMAN OF THE BOARD OF DIRECTORS:		
Mr. Koenraad DEBACKERE, A. Stesselstraat 8, 3012 Leuven	entire year	2028

Members: see next page

Enclosed to these annual accounts:
- the report of the statutory auditor
- the annual report of the Board of Directors to the ordinary General Meeting of shareholders

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Total number of pages deposited:
Number of the pages of the standard form not deposited for not being of service: -

Signature (name and position)	Signature (name and position)
J. THIJS	K. DEBACKERE
Chairman of the Executive Committee	Chairman of the Board of Directors

* Optional Statement
** Delete where appropriate

LIST OF DIRECTORS, MANAGERS AND AUDITORS (continuation from previous page)

Members:

Dhr. Peter ANDRONOV, Havenlaan 2, 1080 Brussel	entire year	2025
Dhr. Nabil ARISS, Havenlaan 2, 1080 Brussel	untill 24/04/2024	
Dhr. Ales BLAZEK, Havenlaan 2, 1080 Brussel	entire year	2026
Mevr. Sonja DE BECKER, Meerbeekstraat 20, 3071 Erps-Kwerps	entire year	2028
Dhr. Marc DE CEUSTER, Havenlaan 2, 1080 Brussel	entire year	2027
Mevr. Els DE GROOT, Havenlaan 2, 1080 Brussel	from 09/12/2024	2028
Dhr. Koenraad DEBACKERE, voorzitter van de Raad van Bestuur, A. Stesselstraat 8, 3012 Leuven	entire year	2028
Dhr. Franky DEPICKERE, ondervoorzitter van de Raad van Bestuur, Havenlaan 2, 1080 Brussel	entire year	2027
Dhr. Erik LUTS, Havenlaan 2, 1080 Brussel	entire year	2025
Dhr. Bo MAGNUSSON, Havenlaan 2, 1080 Brussel	entire year	2028
Dhr. David MOUCHERON, Havenlaan 2, 1080 Brussel	entire year	2025
Mevr Liesbet OKKERSE, Havenlaan 2, 1080 Brussel	entire year	2027
Mevr. Vladimira PAPIRNIK, Havenlaan 2, 1080 Brussel	untill 24/04/2024	
Dhr. Luc POPELIER, Havenlaan 2, 1080 Brussel	untill 01/09/2024	
Dhr. Bartel PUELINCKX, Havenlaan 2, 1080 Brussel	from 02/09/2024	2028
Mevr. Diana RADL ROGEROVA, Havenlaan 2, 1080 Brussel	from 24/04/2024	2028
Mevr. Alicia REYES REVUELTA, Havenlaan 2, 1080 Brussel	entire year	2026
Dhr. Johan THIJS, Havenlaan 2, 1080 Brussel	entire year	2025
Mevr. Christine VAN RIJSSEGHEM, Havenlaan 2, 1080 Brussel	entire year	2026

AUDITOR:

PwC Auditors BV 0429.501.944
Culliganlaan 5, 1831 Diegem, Belgium
Function: Commissioner, Member Number: B00009
Mandate : appointed till 2025

Represented by:
Jeroen Bockaert (membership IBR A02315)
Auditor
Culliganlaan 5, 1831 Diegem, Belgium

Damien Walgrave (membership IBR A02037)
Auditor
Culliganlaan 5, 1831 Diegem, Belgium

DECLARATION ABOUT SUPPLEMENTARY AUDITING OR ADJUSTMENT MISSION

The managing board declares that the assignment neither regarding auditing nor adjusting has been given to a person who was not authorised by law pursuant to art. 34 and 37 of the Law of 22nd April 1999 concerning the auditing and tax professions.

The annual accounts ~~have~~ / have not* been audited or adjusted by an external accountant or auditor who is not a statutory auditor.

If YES, mention here after: name, first names, profession, residence-address of each external accountant or auditor, the number of membership with the professional Institute ad hoc and the nature of this engagement:

A. Bookkeeping of the undertaking**,
B. Preparing the annual accounts**,
C. Auditing the annual accounts and/or
D. Adjusting the annual accounts.

If the assignment mentioned either under A or B is performed by authorised accountants or authorised accountants-tax consultants, information will be given on: name, first names, profession and residence-address of each authorised accountant or accountant-tax consultant, his number of membership with the Professional Institute of Accountants and Tax consultants and the nature of this engagement.

Name, first name, profession, residence-address	Number of membership	Nature of the engagement (A, B, C and/or D)

* Delete where appropriate.

** Optional disclosure.

BALANCE SHEET AFTER APPROPRIATION

ASSETS	Notes	Code	Current period	Previous period
I. Cash in hand, balances with central banks and post office banks		10100	37.948.738	24.518.426
II. Treasury bills eligible for refinancing at central banks		10200	2.690.136	949.842
III. Loans and advances to credit institutions	6.1	10300	12.415.986	25.570.336
A. Repayable on demand		10310	357.101	454.280
B. Other loans and adv. (with agreed maturity dates)		10320	12.058.885	25.116.056
IV. Loans and advances to customers	6.2	10400	103.938.930	98.174.112
V. Debt securities and other fixed-income securities	6.3	10500	51.247.770	40.007.213
A. Issued by public bodies		10510	25.489.736	25.148.102
B. Issued by other borrowers		10520	25.758.034	14.859.111
VI. Shares and other variable-yield securities	6.4	10600	890.533	560.532
VII. Financial fixed assets	6.5/ 6.6.1	10700	13.038.013	13.745.731
A. Participating interests in affiliated enterprises		10710	11.061.543	11.247.543
B. Participating interests in other enterprises linked by participating interests		10720	64.728	64.504
C. Other shares held as financial fixed assets		10730	55.344	37.269
D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests		10740	1.856.398	2.396.414
VIII. Formation expenses and intangible fixed assets	6.7	10800	82.037	63.413
IX. Tangible fixed assets	6.8	10900	2.382.351	2.038.329
X. Own shares		11000	0	0
XI. Other assets	6.9	11100	848.791	856.114
XII. Accrued income	6.10	11200	6.777.211	7.412.089
TOTAL ASSETS		19900	232.260.495	213.896.136

	Notes	Code	Current Period	Previous Period
LIABILITIES				
THIRDPARTY FUNDS		201/208	216.345.839	198.248.752
I. Amounts owed to credit institutions	6.11	20100	30.207.899	17.393.637
A. Repayable on demand		20110	5.974.166	6.190.042
B. Amounts owed as a result of the rediscounting of trade bills		20120	0	0
C. Other debts with agreed maturity dates or periods of notice		20130	24.233.733	11.203.595
II. Amounts owed to customers	6.12	20200	134.224.441	126.648.208
A. Savings deposits		20210	46.386.424	45.664.300
B. Other debts		20220	87.838.017	80.983.908
1. repayable on demand		20221	57.821.787	57.719.909
2. with agreed maturity dates or periods of notice		20222	29.980.863	23.264.000
3. as a result of the rediscounting of trade bills		20223	35.367	0
III. Debts evidenced by certificates	6.13	20300	21.826.640	20.929.996
A. Debt securities and other fixed-income securities in circulation		20310	8.084.146	5.811.968
B. Other		20320	13.742.493	15.118.028
IV. Other liabilities	6.14	20400	1.610.072	1.935.277
V. Accrued charges and deferred income	6.15	20500	7.667.349	9.205.751
VI. Provisions and deferred taxes		20600	66.112	78.140
A. Provisions for liabilities and charges		20610	66.112	78.140
1. Pensions and similar obligations		20611	17.652	19.227
2. Taxation		20612	0	0
3. Other liabilities and charges	6.16	20613	48.461	58.913
B. Deferred taxes		20620	0	0
VII. Fund for general banking risks		20700	132.158	116.158
VIII. Subordinated liabilities	6.17	20800	20.611.169	21.941.586
OWN FUNDS		209/213	15.914.656	15.647.384
IX. CAPITAL	6.18	20900	9.732.238	9.732.238
A. Subscribed capital		20910	9.732.238	9.732.238
B. Uncalled capital (-)		20920	0	0
X. Share premium account		21000	2.066.339	2.066.339
XI. Revaluation surpluses		21100	0	0
XII. Reserves		21200	986.197	917.226
A. Legal reserve		21210	973.224	904.253
B. Reserves not available for distribution		21220	0	0
1. In respect of own shares held		21221	0	0
2. Other		21222	0	0
C. Untaxed reserves		21230	12.973	12.973
D. Reserves available for distribution		21240	0	0
XIII. Profits (losses (-)) brought forward (+)/(-)		21300	3.129.883	2.931.581
TOTAL LIABILITIES		29900	232.260.495	213.896.136

OFF BALANCE SHEET CAPTIONS	Notes	Code	Current period	Previous period
I. Contingent liabilities	6.22	30100	10.182.864	10.150.014
A. Non-negotiated acceptances		30110	11.375	7.960
B. Guarantees serving as direct credit substitutes		30120	2.021.071	1.814.335
C. Other guarantees		30130	6.500.951	6.815.894
D. Documentary credits		30140	1.056.727	1.051.800
E. Assets charged as collateral security on behalf of third parties		30150	592.740	460.024
II. Commitments which could give rise to a risk	6.22	30200	41.057.913	32.450.899
A. Firm credit commitments		30210	7.588.851	6.526.929
B. Commitments as a result of spot purchases of transferable or other securities		30220	274.472	91.758
C. Undrawn margin on confirmed credit lines		30230	33.194.590	25.832.212
D. Underwriting and placing commitments		30240	0	0
E. Commitments as a result of open-ended sale and repurchase agreements		30250	0	0
III. Assets lodged with the credit institution		30300	324.923.860	282.973.564
A. Assets held by the credit institution for fiduciary purposes		30310	6.650.312	6.232.015
B. Safe custody and equivalent items		30320	318.273.549	276.741.550
IV. Uncalled amounts of share capital		30400	5.010	6.653

INCOME STATEMENT (presentation in vertical form)

		Notes	Code	Current Period	Previous period
I. Interest receivable and similar income		6.23	40100	8.194.845	8.237.511
A. Of which: from fixed-income securities			40110	1.384.868	1.217.420
II. Interest payable and similar charges			40200	6.315.675	5.889.203
III. Income from variable-yield securities		6.23	40300	1.057.622	904.195
A. From shares and other variable-yield securities			40310	14.827	13.774
B. From participating interests in affiliated enterprises			40320	1.039.765	890.139
C. From participating interests in other enterprises linked by participating interests			40330	2.632	125
D. From other shares held as financial fixed assets			40340	398	157
IV. Commissions receivable		6.23	40400	1.042.702	869.232
A. Brokerage and related commissions			40410	732.289	680.124
B. Management, consultancy and conservation commissions			40420	44.656	38.345
C. Other commissions received			40430	265.757	150.763
V. Commissions payable			40500	259.872	280.063
VI. Profit (loss) on financial transactions	(+)/(-)	6.23	40600	203.106	-100.072
A. On trading of securities and other financial instruments			40610	247.962	-83.004
B. On disposal of investment securities			40620	-44.855	-17.068
VII. General administrative expenses			40700	2.323.384	2.353.895
A. Remuneration, social security costs and pensions			40710	846.367	823.315
B. Other administrative expenses			40720	1.477.018	1.530.580
VIII. Depreciation/amortization of and other write-downs on formation expenses, intangible and tangible fixed assets			40800	387.476	329.964
IX. Decrease in write downs on receivables and in provisions for off balance sheet captions 'I. Contingent liabilities' and 'II. Commitments which could give rise to a risk'	(+)/(-)		40900	279.142	107.633
X. Decrease in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities	(+)/(-)		41000	-511	-91
XI. Utilization and write-backs of provisions for liabilities and charges other than those included in the off balance sheet captions	(+)/(-)		41100	-10.051	-12.528
XII. Provisions for liabilities and charges other than those included in the off balance sheet captions			41200	7.553	14.600
XIII. Transfer from (Transfer to) the fund for general banking risks	(+)/(-)		41300	-16.000	-9.464
XIV. Other operating income		6.23	41400	695.131	630.262
XV. Other operating charges		6.23	41500	77.586	74.726
XVI. Profits (losses) on ordinary activities before taxes	(+)/(-)		41600	1.537.280	1.494.199

		Notes	Code	Current period	Previous period
XVII. Extraordinary income			41700	394.093	20.014
A. Adjustments to depreciation/amortization of and to other write-downs on intangible and and tangible fixed assets			41710	0	0
B. Adjustments to write-downs on financial fixed assets			41720	383.116	18.206
C. Adjustments to provisions for extraordinary liabilities and charges			41730	368	0
D. Gain on disposal of fixed assets			41740	10.609	1.807
E. Other extraordinary income		6.25	41750	0	0
XVIII. Extraordinary charges			41800	14.545	75.268
A. Extraordinary depreciation/amortization of and extraordinary write-downs on formation expenses and intangible and tangible fixed assets			41810	6.422	5.378
B. Write-downs on financial fixed assets			41820	4.000	44.826
C. Provisions for extraordinary liabilities and charges	(+/-)		41830	1.873	3.518
D. Loss on disposal of fixed assets			41840	2.250	21.546
E. Other extraordinary charges		6.25	41850	0	0
XIX. Profits (Losses) for the period before taxes	(+/-)		41910	1.916.829	1.438.945
XIXbis. A. Transfer to deferred taxes			41921	-4	0
B. Transfer from deferred taxes			41922	0	0
XX. Income taxes	(+/-)	6.26	42000	156.561	127.479
A. Income taxes			42010	157.352	130.364
B. Adjustement of income taxes and write-back of tax provisions			42020	792	2.884
XXI. Profits (Losses) for the period	(+/-)		42100	1.760.264	1.311.466
XXII. Transfer to untaxed reserves	(+/-)		42200	0	0
XXIII. Profit (Losses) for the period available for appropriation	(+/-)		42300	1.760.264	1.311.466

APPROPRIATION ACCOUNT

		Code	Current period	Previous period
A. Profit (loss) to be appropriated	(+)/(-)	49100	4.691.845	4.408.746
1. Profit (loss) for the period available for appropriation	(+)/(-)	(42300)	1.760.264	1.311.466
2. Profit (loss) to be carried forward	(+)/(-)	(21300P)	2.931.581	3.097.280
B. Transfers from capital and reserves		49200	0	0
1. From capital and share premium account		49210	0	0
2. From reserves		49220	0	0
C. Transfers to capital and reserves		49300	68.971	65.573
1. To capital and share premium account		49310	0	0
2. To the legal reserve		49320	68.971	65.573
3. To other reserves		49330	0	0
D. Profit (loss) to be carried forward	(+)/(-)	49400	3.129.883	2.931.581
E. Shareholders' contribution in respect of losses		49500	0	0
F. Profit to be distributed		49600	1.492.991	1.411.591
1. Dividends		49610	1.473.150	1.393.520
2. Director's or manager's entitlements		49620	0	0
3. Other allocations		49630	19.842	18.071

NOTES

I. STATEMENT OF LOANS AND ADVANCES TO CREDIT INSTITUTIONS (Assets caption III)

	Code	Current period	Previous period
A. FOR THE CAPTION AS A WHOLE	(10300)	12.415.986	25.570.336
1. Loans and advances to affiliated enterprises	50101	9.951.075	19.502.733
2. Loans and advances to other enterprises linked by participating interests	50102	0	0
3. Subordinated loans and advances	50103	0	0
B. OTHER LOANS AND ADVANCES TO CREDIT INSTITUTIONS (with agreed maturity dates or periods of notice)	(10320)	12.058.885	25.116.056
1. Trade bills eligible for refinancing with the central bank of the country(ies) of establishment of the credit	50104	0	
2. Breakdown according to the remaining maturity			
a. Up to 3 months	50105	5.024.967	
b. Over 3 months up to 1 year	50106	2.613.263	
c. Over 1 year up to 5 years	50107	3.504.756	
d. Over 5 years	50108	915.898	
e. Undated	50109	0	

II. STATEMENT OF LOANS AND ADVANCES TO CUSTOMERS (Assets caption IV)

	Code	Current Period	Previous Period
1. Loans to affiliated enterprises	50201	5.833.685	5.344.582
2. Loans to other enterprises linked by participating interests	50202	69.695	78.011
3. Subordinated loans	50203	0	1.106
4. Trade bills eligible for refinancing with the central bank of the country or countries where the credit institution is established	50204	0	0
5. Breakdown according to the remaining maturity :			
a. Up to 3 months	50205	15.135.597	
b. Over 3 months up to 1 year	50206	4.673.280	
c. Over 1 year up to 5 years	50207	19.955.761	
d. Over 5 years	50208	63.962.806	
e. Undated	50209	211.485	
6. Breakdown of customer loans based on the type of debtor			
a. Claims on government	50210	4.755.111	4.249.983
b. Retail exposures	50211	42.166.898	40.399.271
c. Claims on enterprises	50212	57.016.921	53.524.858
7. Breakdown by type :			
a. Trade bills (including own acceptance)	50213	82.080	
b. Loans and advances as a result of leasing and similar agreements	50214	2.454.330	
c. Fixed-rate loans	50215	1.452.401	
d. Mortgage loans	50216	37.583.864	
e. Other term loans with a maturity over 1 year	50217	46.294.926	
f. Other loans and advances	50218	16.071.328	
8. Geographical breakdown			
a. Belgian origin	50219	92.876.304	
b. Foreign	50220	11.062.626	
9. Details of mortgage loans with reconstitution of capital or linked to life insurance and capitalization contracts			
a. Principal sums initially lent	50221	0	
b. Reconstitution fund and mathematical reserves relating to these loans	50222	0	
c. Net amount outstanding (a-b)	50223	0	

III. STATEMENT OF DEBT SECURITIES AND OTHER FIXED-INCOME SECURITIES (Assets caption V)

	Code	Current period	Previous period
A. GENERAL	(10500)	51.247.770	40.007.213
1. Securities issued by affiliated enterprises	50301	16.507.605	7.686.176
2. Securities issued by enterprises linked by participating interests	50302	0	687
3. Securities representing subordinated loans	50303	4.801.407	4.278.614
4. Country analysis of the securities issued			
a. By public bodies	50304	6.099.760	
b. By other borrowers	50305	19.389.975	
c. Belgian issuers other than public bodies	50306	3.111.857	
d. Foreign issuers other than public bodies	50307	22.646.178	
5. Listing			
a. Book value of listed securities	50308	33.851.725	
b. Market value of listed securities	50309	32.991.394	
c. Book value of unlisted securities	50310	17.396.045	
6. Maturities			
a. Remaining maturity of up to one year	50311	15.744.093	
b. Remaining maturity of over one year	50312	35.503.678	
7. Analysis by portfolio			
a. Trading portfolio	50313	3.617.927	
b. Investment portfolio	50314	47.629.843	
8. Trading portfolio			
a. Difference between market value (if higher) and acquisition cost (for securities marked to market)	50315	1.285.720	
b. Difference between market value (if higher) and carrying value (for securities valued in accordance with Art. 35ter §2 para. 2)	50316	0	
9. Investment portfolio			
a. Difference between redemption value (if higher) and carrying value	50317	718.924	
b. Difference between redemption value (if lower) and carrying value	50318	636.972	

		Code	Current period	Previous period
B. ANALYSIS OF THE CARRYING VALUE OF INVESTMENT SECURITIES				
1. As at end of the preceding period		50323P	xxxxxxxxxxxxxxx	37.721.517
2. Movements during the the period	(+/-)	50319	9.913.500	
a . Acquisitions		50320	51.622.346	
b . Sales		50321	41.788.671	
c . Adjustments by application of Article 35ter §4 and 5	(+/-)	50322	79.826	
3. Acquisition cost as at end of the period		50323	47.635.018	
4. Transfers between portfolios				
a . Transfers from the investment portfolio to the trading portfolio		50324	0	
b . Transfers from the trading portfolio to the investment portfolio		50325	0	
c . Impact on result		50326	0	
5. Write-Downs as at end of the period		50332P	xxxxxxxxxxxxxxx	4.951
6. Movements during the the period	(+/-)	50327	223	
a . Recorded		50328	309	
b . Excess written back		50329	0	
c . Cancellations		50330	86	
d . Transfers from one caption to another	(+/-)	50331	0	
7. Write-downs as at end of the period		50332	5.174	
8. Carrying value as at end of the period		(50314)	47.629.843	

IIIBIS THEMATIC CITIZENS LENDING

		Codes	Current period	Previous period
1.	**Total amount drawn**	50340	36.460	36.681
	a. Bonds (art. 4)	50341	36.460	36.681
	b. Allowed interbank loans (art. 6)	50342	0	0
2.	**Use of assets**	50350	509.149	638.209
	a. Citizens Lending	50351	509.149	638.209
	b. Investment pursuant to art. 11	50352	0	0
	c. Interbank loans drawn	50353	0	0
3.	**Income from realized investments pursuant to art. 11**	50360	0	0

IV. STATEMENT OF SHARES AND OTHER VARIABLE-YIELD SECURITIES (Assets caption VI)

	Code	Current Period	Previous Period
A. GENERAL REPORT	(10600)	890.533	560.532
1. Country analysis of the issuers of securities			
a. Belgian issuers	50401	139.250	151.779
b. Foreign issuers	50402	751.283	408.753
2. Listing			
a. Carrying value	50403	884.239	
b. Market value	50404	884.273	
c. Carrying value of unlisted securities	50405	6.294	
3. Analysis by portfolio			
a. Trading portfolio	50406	883.145	
b. Investment portfolio	50407	7.388	
4. Trading portfolio			
a. Difference between market value (if higher) and acquisition cost (for securities marked to market)	50408	86.463	
b. Difference between market value (if higher) and carrying value (for securities valued in accordance with Article 35ter §2 paragraph 2)	50409	0	

B. ANALYSIS OF THE CARRYING VALUE OF INVESTMENT SECURITIES		Code	Current period	Previous period
1. Acquisition cost as at the end of the period		50414P	xxxxxxxxxxxxxxx	17.714
2. Movements during the the period	(+)/(-)	50410	601	
a. Acquisitions		50411	1.245	
b. Sales		50412	378	
c. Other adjustments	(+/-)	50413	-265	
3. Acquisition cost as at end of the period		50414	18.316	
4. Transfers between portfolios				
a. Transfers from the investment portfolio to the trading portfolio		50415	0	
b. Transfers from the trading portfolio to the investment portfolio		50416	0	
c. Impact on result		50417	0	
5. Write-downs as per end of the period		50423P	xxxxxxxxxxxxxxx	11.353
6. Movements during the period	(+)/(-)	50418	-425	
a. Recorded		50419	20	
b. Excess written back		50420	445	
c. Cancellations		50421	0	
d. Transfers from one caption to another	(+)/(-)	50422	0	
7. Write-downs as at end of the period		50423	10.928	
8. Carrying value as at end of the period		(50407)	7.388	

V. STATEMENT OF FINANCIAL FIXED ASSETS (Assets caption VII)

	Code	Current period	Previous period
A. GENERAL			
1. Breakdown of financial fixed assets by economic sector			
a. Participating interests in enterprises that are credit institutions	50501	8.077.090	8.352.319
b. Participating interests in enterprises that are not credit institutions	50502	2.984.453	2.895.224
c. Participating interests in enterprises linked by participating interests that are credit institutions	50503	6	6
d. Participating interests in enterprises linked by participating interests that are not credit institutions	50504	64.722	64.498
e. Other shares held as financial fixed assets in enterprises that are credit institutions	50505	0	0
f. Other shares held as financial fixed assets in enterprises that are not credit institutions	50506	55.344	37.269
g. Subordinated loans in linked enterprises that are credit institutions	50507	290.500	290.500
h. Subordinated loans in linked enterprises that are not credit institutions	50508	1.565.898	2.105.914
i. Subordinated loans in enterprises with participation interests that are credit institutions	50509	0	0
j. Subordinated loans in enterprises with participation interests that are not credit institutions	50510	0	0
2. Listings			
a. Participating interests in affiliated listed enterprises	50511	0	
b. Participating interests in affiliated not listed enterprises	50512	11.061.543	
c. Participating interests in other enterprises linked by participating interests that are listed	50513	0	
d. Participating interests in other enterprises linked by participating interests that are not listed	50514	64.728	
e. Other shares held as financial fixed assets in enterprises that are listed	50515	2.608	
f. Other shares held as financial fixed assets in enterprises that are not listed	50516	52.735	
g. Amount of subordinated loans represented by listed securities	50517	0	

	Code	Current period	Previous period
B. ANALYSIS OF THE CARRYING VALUE OF FINANCIAL FIXED ASSETS IN AFFILIATED ENTERPRISES			
1. Acquisition cost at the end of the period	50522P	xxxxxxxxxxxxxxx	13.500.343
2. Movements during the period (+/-)	50518	-564.616	
a. Acquisitions	50519	512.271	
b. Sales and disposals	50520	1.076.887	
c. Transfers from one caption to another (+/-)	50521	0	
3. Acquisition cost as at the end of the period	50522	12.935.728	
4. Revaluation surpluses	50528P	xxxxxxxxxxxxxxx	0
5. Movements during the period (+/-)	50523	0	
a. Recorded	50524	0	
b. Acquisitions from third parties	50525	0	
c. Cancellations	50526	0	
d. Transfers from one caption to another (+/-)	50527	0	
6. Revaluation surpluses as at the end of the period	50528	0	
7. Write-downs as at the end of the period	50535P	xxxxxxxxxxxxxxx	2.252.800
8. Movements during the period (+/-)	50529	-378.616	
a. Recorded	50530	4.000	
b. Excess written back	50531	382.616	
c. Acquisitions from third parties	50532	0	
d. Cancellations	50533	0	
e. Transfers from one caption to another (+/-)	50534	0	
9. Write-downs as at end of the period	50535	1.874.185	
10. Net carrying value as at the end of the period	10710	11.061.543	

	Code	Current period	Previous period
C. ANALYSIS OF THE CARRYING VALUE OF FIXED FINANCIAL ASSETS IN ENTERPRISES LINKED BY PARTICIPATING INTERESTS			
1. Acquisition cost at the end of the period	50540P	xxxxxxxxxxxxxxx	77.975
2. Movements during the period (+/-)	50536	-276	
a. Acquisitions	50537	9.060	
b. Sales and disposals	50538	9.336	
c. Transfers from one caption to another (+/-)	50539	0	
3. Acquisition cost as at the end of the period	50540	77.700	
4. Revaluation surpluses	50546P	xxxxxxxxxxxxxxx	0
5. Movements during the period (+/-)	50541	0	
a. Recorded	50542	0	
b. Acquisitions from third parties	50543	0	
c. Cancellations	50544	0	
d. Transfers from one caption to another (+/-)	50545	0	
6. Revaluation surpluses as at the end of the period	50546	0	
7. Write-downs as at the end of the period	50553P	xxxxxxxxxxxxxxx	13.472
8. Movements during the period (+/-)	50547	-500	
a. Recorded	50548	0	
b. Excess written back	50549	0	
c. Acquisitions from third parties	50550	0	
d. Cancellations	50551	500	
e. Transfers from one caption to another (+/-)	50552	0	
9. Write-downs as at end of the period	50553	12.972	
10. Net carrying value as at the end of the period	10720	64.728	

	Code	Current period	Previous period
D. ANALYSIS OF THE CARRYING VALUE OF OTHER SHARES HELD AS FINANCIAL FIXED ASSETS			
1. Acquisition cost at the end of the period	50558P	xxxxxxxxxxxxxxx	49.048
2. Movements during the period (+/-)	50554	18.074	
a. Acquisitions	50555	20.780	
b. Sales and disposals	50556	2.706	
c. Transfers from one caption to another (+/-)	50557	0	
3. Acquisition cost as at the end of the period	50558	67.123	
4. Revaluation surpluses	50564P	xxxxxxxxxxxxxxx	0
5. Movements during the period (+/-)	50559	0	
a. Recorded	50560	0	
b. Acquisitions from third parties	50561	0	
c. Cancellations	50562	0	
d. Transfers from one caption to another (+/-)	50563	0	
6. Revaluation surpluses as at the end of the period	50564	0	
7. Write-downs as at the end of the period	50571P	xxxxxxxxxxxxxxx	11.779
8. Movements during the period (+/-)	50565	0	
a. Recorded	50566	1.280	
b. Excess written back	50567	1.280	
c. Acquisitions from third parties	50568	0	
d. Cancellations	50569	0	
e. Transfers from one caption to another (+/-)	50570	0	
9. Write-downs as at end of the period	50571	11.779	
10. Net carrying value as at the end of the period	10730	55.344	

E. ANALYSIS OF THE CARRYING VALUE OF SUBORDINATED LOANS TO AFFILIATED ENTERPRISES		Code	Current period	Previous period
1. Net carrying value as at end of the period		50579P	xxxxxxxxxxxxxxx	2.396.414
2. Movements during the period	(+)/(-)	50572	-540.016	
a. Additions		50573	7.800	
b. Reimbursements		50574	547.816	
c. Write-downs		50575	0	
d. Amounts written back		50576	0	
e. Realized exchange gains/losses	(+)/(-)	50577	0	
f. Other	(+)/(-)	50578	0	
3. Net carrying value as at the end of the period		50579	1.856.398	
4. Accumulated write-downs as at the end of the period		50580	0	

		Code	Current period	Previous period
F. ANALYSIS OF THE CARRYING VALUE OF SUBORDINATED LOANS TO ENTERPRISES LINKED BY PARTICIPATING INTERESTS				
1. Net carrying value as at end of the period		50579P	xxxxxxxxxxxxxxx	0
2. Movements during the period	(+)/(-)	50572	0	
a. Additions		50573	0	
b. Reimbursements		50574	0	
c. Write-downs		50575	0	
d. Amounts written back		50576	0	
e. Realized exchange gains/losses	(+)/(-)	50577	0	
f. Other	(+)/(-)	50578	0	
3. Net carrying value as at the end of the period		50579	0	
4. Accumulated write-downs as at the end of the period		50580	0	

VI LIST OF ENTERPRISES IN WHICH THE INSTITUTION HOLDS A PARTICIPATING INTEREST

A. SHARE IN THE CAPITAL AND OTHER RIGHTS IN OTHER COMPANIES

List enterprises in which the enterprise holds a participating interest within the meaning of the Royal Decree of September 23 rd 1992 and other enterprises in which the institution holds rights in the amount of at least 10% of the capital issued.

NAME, full address of the REGISTERED OFFICE and for the enterprise governed by Belgian law, the COMPANY NUMBER	Shares held				Information from the most recent period for which annual accounts are available			
	directly			by subsidiaries	Annual accounts dated	Currency	Own funds	Net result
	Type	Number	%	%			(+) or (-) (in thousands units)	
1. Affiliated enterprises								
ALMAFIN REAL ESTATE NV Havenlaan 2, 1080 BRUSSEL (BE0403355494)	Ordinary	62.000	100,00	0,00	31/12/2023	EUR	12.466	1.449
BEL ROM SAPTE S.R.L. Strada Paleologu 24, - BUCURESTI (RO)	Ordinary	9.613.200	99,99	0,01	31/12/2023	RON	146.197	12.623
BRUSSELS NORTH DISTRIBUTION NV Havenlaan 2, 1080 BRUSSEL (BE0476212887)	Ordinary	100	100,00	0,00	31/12/2023	EUR	69	22
C PLUS SAS Rue Rene Caudron 2, 78960 VOISINS-LE-BRETONNEUX (FR)	Ordinary	50.000	83,33	0,00	31/12/2016	EUR	-12.696	-10
CBC BANQUE SA Avenue Albert 1Er 60, 5000 NAMUR (BE0403211380)	Ordinary	2.989.625	100,00	0,00	31/12/2023	EUR	687.037	122.583
ČESKOSLOVENSKÁ OBCHODNÁ BANKA A.S. Žižkova 11, 811 02 BRATISLAVA (SK)	Ordinary	20.032	100,00	0,00	31/12/2023	EUR	1.163.255	120.989
ČESKOSLOVENSKÁ OBCHODNÍ BANKA A.S. Radlicka 150, 150 57 PRAHA (CZ)	Ordinary	292.750.002	100,00	0,00	31/12/2023	CZK	109.349.000	15.018.000
DANUBE HOLDINGS LIMITED Sandwith Street , - DUBLIN (IE)	Ordinary	500	100,00	0,00	31/12/2023	EUR	1	0
EXICON DAC Sandwith Street , D02 X489 DUBLIN (IE)	Ordinary	827.892.024	100,00	0,00	31/12/2023	EUR	1.064.697	316.394
GLARE NOMINEE LIMITED Sandwith Street , - DUBLIN (IE)	Ordinary	500	100,00	0,00	31/12/2023	EUR	1	0
HELLO SHOPPING PARK S.R.L. Strada Paleologu 24, - BUCURESTI (RO)	Ordinary	10.000.000	100,00	0,00	31/12/2023	RON	122.310	3.650
IIB HOMELOANS AND FINANCE LIMITED Sandwith Street , - DUBLIN (IE)	Ordinary	829	100,00	0,00	31/12/2023	EUR	2.685	59
IMMO MECHELEN CITY CENTER NV Havenlaan 2, 1080 BRUSSEL (BE0635828862)	Ordinary	100	100,00	0,00	31/03/2024	EUR	62	0
IMMO NAMOTT NV Havenlaan 2, 1080 BRUSSEL (BE0840412849)	Ordinary	100	100,00	0,00	31/12/2023	EUR	62	0
IMMO-BASILIX NV Havenlaan 2, 1080 BRUSSEL (BE0453348801)	Ordinary	2.500	100,00	0,00	12/09/2024	EUR	67	466
IMMOBILIÈRE DISTRI-LAND NV Havenlaan 2, 1080 BRUSSEL (BE0436440909)	Ordinary	1.094	87,52	0,00	31/12/2023	EUR	417	10
IMMO-QUINTO NV Havenlaan 2, 1080 BRUSSEL (BE0466000470)	Ordinary	587.094	100,00	0,00	31/12/2023	EUR	5.089	-13
IMMOSCOOP 2.0 BV Vaartdijk 3, 3018 WIJGMAAL (BE0770397655)	Ordinary	55.482	89,35	0,00	31/12/2023	EUR	949	-3.697
IMMO-ZÉNOBE GRAMME NV Havenlaan 2, 1080 BRUSSEL (BE0456572664)	Ordinary	100	100,00	0,00	31/12/2023	EUR	76	0
JULIETTE FH BV Havenlaan 2, 1080 BRUSSEL (BE0890935397)	Ordinary	440.000	100,00	0,00	31/12/2023	EUR	963	201
K&H BANK ZRT. Lechner Ödön Fasor 9, 1095 BUDAPEST (HU)	Ordinary	140.978.164.412	100,00	0,00	31/12/2023	HUF	569.574.000	107.484.000
KBC ASSET MANAGEMENT NV Havenlaan 2, 1080 BRUSSEL (BE0469444267)	Ordinary	5.766.805	100,00	0,00	31/12/2023	EUR	159.030	367.937
KBC AUTOLEASE NV Prof. R. Van Overstraetenplein 5, 3000 LEUVEN (BE0422562385)	Ordinary	184.994	100,00	0,00	31/12/2023	EUR	7.875	20.416
KBC BAIL IMMOBILIER FRANCE SAS Rue De La Victoire 52, 75009 PARIS (FR)	Ordinary	3.000.000	100,00	0,00	31/12/2023	EUR	30.979	182
KBC COMMERCIAL FINANCE NV Havenlaan 2, 1080 BRUSSEL (BE0403278488)	Ordinary	120.000	100,00	0,00	31/12/2023	EUR	9.459	6.173
KBC FOCUS FUND NV Havenlaan 2, 1080 BRUSSEL (BE0647812124)	Ordinary	551.477	100,00	0,00	31/12/2023	EUR	27.146	-2.239

KBC IFIMA S.A. Rue Du Fort Wallis 4, 2714 LUXEMBOURG (LU)	Ordinary	22.679	100,00	0,00	31/12/2023	EUR	6.321	-275
KBC IMMOLEASE NV Brusselsesteenweg 100, 3000 LEUVEN (BE0444058872)	Ordinary	1.000.428	100,00	0,00	31/12/2023	EUR	27.280	3.011
KBC INVESTMENTS LIMITED Old Broad Street 111, EC2N 1FP LONDON (GB)	Ordinary	105.000.100	100,00	0,00	31/12/2023	USD	504.545	21.427
KBC LEASE BELGIUM NV Brusselsesteenweg 100, 3000 LEUVEN (BE0426403684)	Ordinary	267.181	100,00	0,00	31/12/2023	EUR	11.003	1.090
KBC MORTGAGE FINANCE Sandwith Street , - DUBLIN (IE)	Ordinary	100	100,00	0,00	31/12/2023	EUR	0	0
KBC REAL ESTATE LUXEMBOURG SA Rue Jean Piret 1, 2350 LUXEMBOURG (LU)	Ordinary	3.100	100,00	0,00	31/12/2023	EUR	31.009	3.218
KBC SECURITIES NV Havenlaan 2, 1080 BRUSSEL (BE0437060521)	Ordinary	1.899.517	100,00	0,00	31/12/2023	EUR	60.957	1.181
KBC SUSTAINABILITY SERVICES BV Van Overstraetenplein 2, 3000 LEUVEN (BE0791529205)	Ordinary	1.650	100,00	0,00	31/12/2023	EUR	286	-464
KBC VASTGOEDPORTEFEUILLE BELGIË NV Havenlaan 2, 1080 BRUSSEL (BE0438007854)	Ordinary	57.768	100,00	0,00	31/12/2023	EUR	10.970	985
LUXEMBOURG NORTH DISTRIBUTION SA Rue Jean Piret 1, 2350 LUXEMBOURG (LU)	Ordinary	100	100,00	0,00	31/12/2023	EUR	101	67
POELAERT INVEST NV Havenlaan 2, 1080 BRUSSEL (BE0478381531)	Ordinary	10.000	100,00	0,00	31/12/2023	EUR	15.912	3.237
SETLE BV Ambachtsweg 14, 3890 GINGELOM (BE0666412269)	Ordinary	607.118	60,28	0,00	31/12/2023	EUR	657	-772
SOLUZ.IO NV Zwartzustersvest 24, 2800 MECHELEN (BE0711710576)	Cat. A	249.002	91,07	0,00	31/12/2023	EUR	2.138	525
START IT X NV Van Overstraetenplein 5, 3000 LEUVEN (BE0730852042)	Ordinary	1.000	100,00	0,00	31/12/2023	EUR	1.875	12
SUSTAINABLE IMPACT BV Spinnerijstraat 107, 8500 KORTRIJK (BE0683710636)	Ordinary	8.000	80,00	0,00	31/12/2023	EUR	2.948	-671
UBB INTERLEASE EAD Tsarigradsko Shose Blvd 135A, 1040 SOFIA (BG)	Ordinary	3.474.648	100,00	0,00	31/12/2023	BGN	90.095	8.813
UNITED BULGARIAN BANK AD Vitosha Blvd 89B, 1463 SOFIA (BG)	Ordinary	193.939.160	99,96	0,00	31/12/2023	BGN	3.375.767	417.454
2. Enterprises linked by participating interests >=20% en <= 50%								
BANCONTACT PAYCONIQ COMPANY NV Aarlenstraat 82, 1040 BRUSSEL (BE0675984882)	Cat. B	12.414.111	22,50	0,00	31/12/2023	EUR	33.897	2.739
BATOPIN NV Sint-Lazaruslaan 10, 1210 SINT-JOOST-TEN-NODE (BE0744908035)	Ordinary	20.000	25,00	0,00	31/12/2023	EUR	11.450	-12.123
ISABEL NV Keizerinlaan 13, 1000 BRUSSEL (BE0455530509)	Ordinary	253.322	25,33	0,00	31/12/2023	EUR	80.261	13.893
BRS MICROFINANCE COOP CV Muntstraat 1, 3000 LEUVEN (BE0508996711)	Cat. C	7.500	33,51	0,00	31/12/2023	EUR	21.924	470
GEMMA FRISIUS-FONDS K.U. LEUVEN NV Waaistraat 6, 3000 LEUVEN (BE0477960372)	Cat. A	4.000	40,00	0,00	31/12/2023	EUR	39.910	-1.994
GREENOMETER S.R.O. Radlicka 150, 150 00 PRAHA (CZ)		n/a	50,00	0,00	31/12/2023	CZK	19.247	-3.068
JOYN INTERNATIONAL NV Ilgatlaan 9, 3500 HASSELT (BE0578946577)	Ordinary	50.400.042	50,00	0,00	31/12/2022	EUR	4.799	-5.887
JUSTINVEST NV Borsbeeksebrug 22, 2600 BERCHEM (BE0476658097)	Ordinary	50	33,33	0,00	31/12/2023	EUR	2.047	190
RABOT INVEST NV Borsbeeksebrug 22/B7, 2600 BERCHEM (BE0479758733)	Ordinary	60	25,00	0,00	31/12/2023	EUR	1.263	543

3. Enterprises linked by participating interests >=10% en <= 20%								
BAEKELAND II NV Sint-Pietersnieuwstr 25, 9000 GENT (BE0876424296)	Ordinary	2.000.000	18,02	0,00	31/12/2023	EUR	39	-2
BEDRIJVENCENTRUM VILVOORDE NV Mechelsesteenweg 277, 1800 VILVOORDE (BE0434222577)	Ordinary	338	9,31	0,00	31/12/2023	EUR	813	-88
BELGIAN MOBILE ID NV Markiesstraat 1, 1000 BRUSSEL (BE0541659084)	Cat. A Ord/ A	90.404	12,23	0,00	31/12/2023	EUR	20.510	1.621
BEM NV Kunstlaan 20, 1000 BRUSSEL (BE0461612904)	Ordinary	1.500	6,47	0,00	31/12/2023	EUR	3.475	-41
BUSINESS BREWERY NV Interleuvenlaan 62, 3001 HEVERLEE (BE0428014676)	Ordinary	40	9,52	0,00	31/12/2023	EUR	1.360	-10
DESIGNCENTER DE WINKELHAAK NV Lange Winkelhaakstraat 26, 2060 ANTWERPEN (BE0470201857)	Cat. B	124	19,47	0,00	31/12/2023	EUR	560	67
EUROPAY BELGIUM BV Metrologielaan 8, 1130 BRUXELLES (BE0434197536)	Ordinary	5.255	14,62	0,96	31/12/2023	EUR	1.813	36
FLANDERS TECHNOLOGY & INNOVATION BV Research Park 160, 1731 ZELLIK (BE1003648706)	Cat. B	100	11,10	0,00		EUR	0	0
IMPULSE MICROFINANCE INVESTMENT FUND NV Sneeuwbeslaan 20, 2610 WILRIJK (BE0870792160)	Ordinary	2.000	17,57	0,00	31/12/2023	EUR	1.460	453
KBC PRIVATE PARTNERS CLIMATE TECHNOLOGIES RI PRIVAK COMM Havenlaan 2, 1080 BRUSSEL (BE1005212978)	Cat. A/B	4.890.000	10,33	0,21		EUR	0	0
NBX BV Sint-Aldegondiskaai 36, 2000 ANTWERPEN (BE0578917180)	Ordinary	7.353	12,09	0,00	31/03/2024	EUR	8.950	-2.050
QBIC FEEDER FUND NV Ottergemsesteenweg 808, 9000 GENT (BE0846493561)	Cat. B	4.000	14,71	0,00	31/12/2023	EUR	12.320	-656
RURAL IMPULSE FUND Rue Aldringen 11, L-1118 LUXEMBOURG (LU)	Ordinary	15.000	16,67	0,00	31/12/2017	EUR	16.596	7.117
VISA BELGIUM BV Metrologielaan 8, 1130 BRUSSEL (BE0435551972)	Ordinary	24	13,07	0,57	30/09/2023	EUR	2.591	326

B. ENTERPRISES FOR WHICH THE CREDIT INSTITUTION HAS UNLIMITED LIABILITY IN ITS CAPACITY OF FULLY LIABLE PARTNER OR MEMBER

The annual accounts of any enterprise to which the enterprise is unlimited liable will be added to the present accounts and published jointly.
Departure from that requirement will be mentioned in the second column referring to the appropiate code (A or B), explained hereafter.

The annual accounts of the enterprise:

A. are published by filing with the National Bank of Belgium;

B. are effectively published in another Member State of the EEC as laid down in Article 3 of the Directive 2009/101/EEC;

C. are fully consolidated or proportionally consolidated in the reporting institution's accounts which have been prepared audited and published in accordance with the Royal Decree of September 23 rd 1992 on the consolidated accounts of institutions.

Name and full address of registered office and, for enterprises governed by Belgian law, VAT number or national identification number	Code, if any

VII. STATEMENT OF FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

		Code	Current period	Previous period
A. Formation expenses				
1. Net carrying value as at the end of the period		50705P	xxxxxxxxxxxxxxx	0
2. Movements during the period		50701	0	
a. New expenses incurred		50702	0	
b. Amortization		50703	0	
c. Other	(+)/(-)	50704	0	
3. Net carrying value as at the end of the period		50705	0	
4. Of which				
a. Expenses of formation or capital increase, loan issue expenses and other formation expenses		50706	0	
b. Reorganization costs		50707	0	

		Code	Current period	Previous period
B. GOODWILL				
1. Acquisition cost as at the end of the period		50712P	xxxxxxxxxxxxxxx	0
2. Movements during the period		50708	0	
a. Acquisitions, including own construction		50709	0	
b. Sales and disposals		50710	0	
c. Transfers from one caption to another	(+)/(-)	50711	0	
3. Acquisition cost as at the end of the period		50712	0	
4. Amortizations and write-downs as at the end of the period		50719P	xxxxxxxxxxxxxxx	0
5. Movements during the period		50713	0	
a. Recorded		50714	0	
b. Excess written back		50715	0	
c. Acquisitions from third parties		50716	0	
d. Cancellations		50717	0	
e. Transfers from one caption to another	(+/-)	50718	0	
6. Amortizations and write-downs as at the end of the period		50719	0	
7. Net carrying value as at the end of the period		50720	0	

		Code	Current period	Previous period
C. COMMISSIONS FOR ATTRACTING NEW BUSINESS WITH CUSTOMERS				
1. Acquisition cost as at the end of the period		50725P	xxxxxxxxxxxxxxx	0
2. Movements during the period		50721	0	
a. Acquisitions, including own construction		50722	0	
b. Sales and disposals		50723	0	
c. Transfers from one caption to another	(+)/(-)	50724	0	
3. Acquisition cost as at the end of the period		50725	0	
4. Amortizations and write-downs as at the end of the period		50732P	xxxxxxxxxxxxxxx	0
5. Movements during the period		50726	0	
a. Recorded		50727	0	
b. Excess written back		50728	0	
c. Acquisitions from third parties		50729	0	
d. Cancellations		50730	0	
e. Transfers from one caption to another	(+)/(-)	50731	0	
6. Amortizations and write-downs as at the end of the period		50732	0	
7. Net carrying value as at end of the period		50733	0	

		Code	Current period	Previous period
D. OTHER INTANGIBLE FIXED ASSETS				
1. Acquisition cost as at end of the period		50738P	xxxxxxxxxxxxxxx	102.390
2. Movements during the period		50734	26.700	
a. Acquisitions, including own construction		50735	26.915	
b. Sales and disposals		50736	214	
c. Transfers from one caption to another	(+)/(-)	50737	0	
3. Acquisition cost as at end of the period		50738	129.091	
4. Amortizations and write-downs as at end of the period		50745P	xxxxxxxxxxxxxxx	38.978
5. Movements during the period		50739	8.076	
a. Recorded		50740	8.287	
b. Excess written back		50741	0	
c. Acquisitions from third parties		50742	0	
d. Cancellations		50743	211	
e. Transfers from one caption to another	(+)/(-)	50744	0	
6. Amortizations and write-downs as at the end of the period		50745	47.054	
7. Net carrying value as at the end of the period		50746	82.037	

VIII. TANGIBLE FIXED ASSETS (Assets caption IX)

		Code	Current period	Previous period
A. LAND AND BUILDINGS				
1. Acquisition cost as at the end of the period		50805P	xxxxxxxxxxxxxxx	1.210.589
2. Movements during the period	(+)/(-)	50801	12.271	
a. Acquisition, including own construction		50802	45.994	
b. Sales and disposals		50803	34.613	
c. Transfers from one caption to another	(+)/(-)	50804	889	
3. Acquisition cost as at the end of the period		50805	1.222.859	
4. Revaluation surpluses as at the end of the period		50811P	xxxxxxxxxxxxxxx	30.660
5. Movements during the period	(+)/(-)	50806	0	
a. Recorded		50807	0	
b. Acquisitions from third parties		50808	0	
c. Cancellations		50809	0	
d. Transfers from one caption to another	(+)/(-)	50810	0	
6. Revaluation surpluses as at the end of the period		50811	30.660	
7. Amortizations and write-downs as at the end of the period		50818P	xxxxxxxxxxxxxxx	853.078
8. Movements during the period	(+)/(-)	50812	2.894	
a. Recorded		50813	28.861	
b. Excess written back		50814	0	
c. Acquisitions from third parties		50815	0	
d. Cancellations		50816	25.967	
e. Transfers from one caption to another	(+)/(-)	50817	0	
9. Amortizations and write-downs as at the end of the period		50818	855.972	
10. Net carrying value as at the end of the period		50819	397.548	

		Code	Current period	Previous period
B. PLANT, MACHINERY AND EQUIPMENT				
1. Acquisition cost as at the end of the period		50824P	xxxxxxxxxxxxxxx	2.747
2. Movements during the period	**(+)/(-)**	50820	-533	
a. Acquisition, including own construction		50821	186	
b. Sales and disposals		50822	719	
c. Transfers from one caption to another	(+)/(-)	50823	0	
3. Acquisition cost as at the end of the period		50824	2.214	
4. Revaluation surpluses as at the end of the period		50830P	xxxxxxxxxxxxxxx	0
5. Movements during the period	**(+)/(-)**	50825	0	
a. Recorded		50826	0	
b. Acquisitions from third parties		50827	0	
c. Cancellations		50828	0	
d. Transfers from one caption to another	(+)/(-)	50829	0	
6. Revaluation surpluses as at the end of the period		50830	0	
7. Amortization and write-downs as at the end of the period		50837P	xxxxxxxxxxxxxxx	2.290
8. Movements during the period	**(+)/(-)**	50831	-371	
a. Recorded		50832	348	
b. Excess written back		50833	0	
c. Acquisitions from third parties		50834	0	
d. Cancellations		50835	719	
e. Transfers from one caption to another	(+)/(-)	50836	-1	
9. Amortizations and write-downs as at the end of the period		50837	1.919	
10. Net carrying value as at the end of the period		50838	296	

		Code	Current period	Previous period
C. FURNITURE AND VEHICLES				
1. Acquisition cost as at the end of the period		50843P	xxxxxxxxxxxxxxx	69.934
2. Movements during the period	**(+)/(-)**	50839	-39.342	
a. Acquisition, including own construction		50840	500	
b. Sales and disposals		50841	39.842	
c. Transfers from one caption to another	(+)/(-)	50842	0	
3. Acquisition cost as at the end of the period		50843	30.592	
4. Revaluation surpluses as at the end of the period		50849P	xxxxxxxxxxxxxxx	0
5. Movements during the period	**(+)/(-)**	50844	0	
a. Recorded		50845	0	
b. Acquisitions from third parties		50846	0	
c. Cancellations		50847	0	
d. Transfers from one caption to another	(+)/(-)	50848	0	
6. Revaluation surpluses as at the end of the period		50849	0	
7. Amortizations and write-downs as at the end of the period		50856P	xxxxxxxxxxxxxxx	52.127
8. Movements during the period	**(+)/(-)**	50850	-39.376	
a. Recorded		50851	659	
b. Excess written back		50852	125	
c. Acquisitions from third parties		50853	0	
d. Cancellations		50854	39.911	
e. Transfers from one caption to another	(+)/(-)	50855	1	
9. Amortizations and write-downs as at the end of the period		50856	12.750	
10. Net carrying value as at the end of the period		50857	17.842	

D. LEASING AND OTHER SIMILAR RIGHTS		Code	Current period	Previous period
1. Acquisition cost as at the end of the period		50862P	xxxxxxxxxxxxxxx	172.161
2. Movements during the period	(+)/(-)	50858	4.999	
a. Acquisition, including own construction		50859	32.431	
b. Sales and disposals		50860	27.432	
c. Transfers from one caption to another	(+)/(-)	50861	0	
3. Acquisition cost as at the end of the period		50862	177.160	
4. Revaluation surpluses as at the end of the period		50868P	xxxxxxxxxxxxxxx	0
5. Movements during the period	(+)/(-)	50863	0	
a. Recorded		50864	0	
b. Acquisitions from third parties		50865	0	
c. Cancellations		50866	0	
d. Transfers from one caption to another	(+)/(-)	50867	0	
6. Revaluation surpluses as at the end of the period		50868	0	
7. Amortizations and write-downs as at the end of the period		50875P	xxxxxxxxxxxxxxx	30.512
8. Movements during the period	(+)/(-)	50869	667	
a. Recorded		50870	7.614	
b. Excess written back		50871	0	
c. Acquisitions from third parties		50872	0	
d. Cancellations		50873	6.947	
e. Transfers from one caption to another	(+)/(-)	50874	0	
9. Amortizations and write-downs as at the end of the period		50875	31.179	
10. Net carrying value as at the end of the period		50876	145.980	
11. Of which				
a. Land and buildings		50877	145.980	
b. Plant, machinery and equipment		50878	0	
c. Furniture and vehicles		50879	0	

		Code	Current period	Previous period
E. OTHER TANGIBLE FIXED ASSETS				
1. Acquisition cost as at the end of the period		50884P	xxxxxxxxxxxxxxx	2.061.981
2. Movements during the period	(+)/(-)	50880	465.749	
a. Acquisition, including own construction		50881	787.007	
b. Sales and disposals		50882	320.368	
c. Transfers from one caption to another	(+)/(-)	50883	-889	
3. Acquisition cost as at the end of the period		50884	2.527.730	
4. Revaluation surpluses as at the end of the period		50890P	xxxxxxxxxxxxxxx	0
5. Movements during the period	(+)/(-)	50885	0	
a. Recorded		50886	0	
b. Acquisitions from third parties		50887	0	
c. Cancellations		50888	0	
d. Transfers from one caption to another	(+)/(-)	50889	0	
6. Revaluation surpluses as at the end of the period		50890	0	
7. Amortizations and write-downs as at the end of the period		50897P	xxxxxxxxxxxxxxx	597.306
8. Movements during the period	(+)/(-)	50891	168.189	
a. Recorded		50892	348.571	
b. Excess written back		50893	1	
c. Acquisitions from third parties		50894	0	
d. Cancellations		50895	180.381	
e. Transfers from one caption to another	(+)/(-)	50896	0	
9. Amortizations and write-downs as at the end of the period		50897	765.495	
10. Net carrying value as at the end of the period		50898	1.762.235	

		Code	Current period	Previous period
F. ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS				
1. Acquisition cost as at the end of the period		50903P	xxxxxxxxxxxxxxx	25.570
2. Movements during the period	(+)/(-)	50899	32.881	
a. Acquisition, including own construction		50900	32.881	
b. Sales and disposals		50901	0	
c. Transfers from one caption to another	(+)/(-)	50902	0	
3. Acquisition cost as at the end of the period		50903	58.451	
4. Revaluation surpluses as at the end of the period		50909P	xxxxxxxxxxxxxxx	0
5. Movements during the period	(+)/(-)	50904	0	
a. Recorded		50905	0	
b. Acquisitions from third parties		50906	0	
c. Cancellations		50907	0	
d. Transfers from one caption to another	(+)/(-)	50908	0	
6. Revaluation surpluses as at the end of the period		50909	0	
7. Amortization and write-downs as at the end of the period		50916P	xxxxxxxxxxxxxxx	0
8. Movements during the period	(+)/(-)	50910	0	
a. Recorded		50911	0	
b. Excess written back		50912	0	
c. Acquisitions from third parties		50913	0	
d. Cancellations		50914	0	
e. Transfers from one caption to another	(+)/(-)	50915	0	
9. Amortizations and write-downs as at the end of the period		50916	0	
10. Net carrying value as at the end of the period		50917	58.451	

IX. OTHER ASSETS (Assets caption XI)

	Current period
Breakdown (if the amount in this caption is significant)	
Option contracts	420.304
Amounts to be awarded already received	105.022
Paid to European Resolution Fund - 15% is not recognized in the income statement	78.397
Tax receivables	33.828
Invested assets in connection with pension liabilities for the NY branch	12.317
Life insurance for the NY branch	123.416
Recoverable taxes and withholding tax	12.313
Other	63.195

X. DEFERRED CHARGES AND ACCRUED INCOME (Assets caption XII)

	Code	Current period
1. Deferred charges	51001	87.557
2. Accrued income	51002	6.689.653

X.bis REINVESTMENT OF SEGREGATED CUSTOMER FUNDS

	Code	Current period
Total	51003	0

XI. STATEMENT OF AMOUNTS OWED TO CREDIT INSTITUTIONS (Liabilities caption I)

	Code	Current period	Previous period
1. Amounts due to affiliated enterprises	51101	2.062.889	2.863.768
2. Amounts due to other enterprises linked by participating interests	51102	0	0
3. Breakdown of debts other than on sight according to their remaining maturity			
a. Up to 3 months	51103	23.103.609	
b. Over 3 months up to 1 year	51104	43.359	
c. Over 1 year up to 5 years	51105	977.369	
d. Over 5 years	51106	109.396	
e. Undated	51107	0	

XII. STATEMENT OF AMOUNTS OWED TO CUSTOMERS (Liabilities caption II)

	Code	Current period	Previous period
1. Affiliated enterprises	51201	1.956.869	2.632.271
2. Other enterprises linked by participating interests	51202	109.082	101.679
3. Breakdown according to the remaining maturity			
a. Repayable on demand	51203	57.821.787	
b. Up to 3 months	51204	20.034.273	
c. Over 3 months up to 1 year	51205	8.332.473	
d. Over 1 year up to 5 years	51206	1.042.895	
e. Over 5 years	51207	605.401	
f. Undated	51208	46.387.612	
4. Breakdown of debt owed to customers depending on the nature of the debtors			
a. Debt owed to government	51209	2.641.086	3.763.651
b. Debt owed to private persons	51210	77.439.101	70.059.432
c. Debt owed to enterprises	51211	54.144.254	52.825.125
5. Geographical breakdown of debt owed to customers			
a. Of Belgian origin	51212	116.698.151	
b. Of foreign origin	51213	17.526.290	

XIII. STATEMENT OF DEBTS EVIDENCED BY CERTIFICATES (liabilities caption III)

	Code	Current period	Previous period
1. Debts represented by a certificate that, to the knowledge of the institution, are debts owed to affiliated companies.	51301	1.645.181	489.972
2. Debts represented by a certificate that, to the knowledge of the institution, are debts owed to companies linked by participating interests.	51302	0	0
3. Breakdown of debt represented by certificates in accordance to their remaining maturity.			
a. Up to 3 months	51303	13.510.053	
b. Over 3 months up to 1 year	51304	2.438.432	
c. Over 1 year up to 5 years	51305	5.507.578	
d. Over 5 years	51306	370.577	
e. Undated	51307	0	

XIV. OTHER LIABILITIES (liabilities caption IV)

	Code	Current period
1. Taxes, remuneration and social security charges due to the tax authorities	51401	0
a. Overdue debts	51402	0
b. Unmatured debts	51403	0
2. Taxes, remuneration and social security charges due to the National Social Security Office	51404	0
a. Overdue debts	51405	0
b. Unmatured debts	51406	0
3. Taxes		
a. Taxes payable	51407	91.854
b. Estimated tax liabilities	51408	8.771
4. Other liabilities		
Breakdown if the amount in this caption is significant		
Options and warrants		597.595
Other liabilities related to remuneration and social security contributions		177.053
Dividends still to be paid		497.686
Intercompany debts related to global trading activities		63.464
Suppliers		72.644
Payables to personnel		19.842
Confirmed outstanding debts		17.859
Other liabilities - Future running costs		35.917
Other		27.388

XV. ACCRUED CHARGES AND DEFERRED INCOME (liabilities caption V)

	Code	Current period
1. Accrued charges	51501	7.490.622
2. Deferred income	51502	176.727

XVI. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (liabilities VI.A.3)

	Current period
Breakdown of liabilities (VI.A.3) if the amounts in this caption are significant	
Credit commitments	23.624
Litigation and operational disputes	6.159
Provision for other risks and future expenses	17.665
Provision for disability payments	1.012

XVII. STATEMENT OF SUBORDINATED LIABILITIES (liabilities caption VIII)

	Code	Current period	Previous period
1. Subordinated debts due to affiliated enterprises	51701	20.611.169	21.941.586
2. Subordinated debts due to other enterprises linked by participating interests	51702	0	0

	Code	Current period
3. Charges as a result of subordinated liabilities	51703	737.556

4. For each subordinated loan, the following information: reference number, the ISO code of the currency, the amount of the loan in the currency of the loan, the remuneration arrangements, the due date and, if no due date is determined, the terms of duration, where appropriate the circumstances in which the institution is required to repay in advance, the conditions for the subordination and if appropriate, the conditions for the conversion into capital or into some other form of liability.

Detail of each subordinated loan :

Reference nummer	Currency	Amount	Maturity date or conditions governing the maturity	a) Circumstances in which the entreprise is required to repay this loan. b) Conditions for the suborditaion c) Conditions for conversion into capital
1	EUR	364.000	24/04/2018 - 24/10/2025 Deposits originated by KBC Group - AT1	a) Unconditional
2	EUR	750.000	05/09/2023 - 05/03/2029 Deposits originated by KBC Group - AT1	a) Unconditional
3	EUR	750.000	17/09/2024 - 17/09/2031 Deposits originated by KBC Group - AT1	a) Unconditional
4	EUR	9.997	06/03/2015 - 06/03/2025 Deposits originated by KBC Group - Tier2	a) Unconditional
5	EUR	749.930	06/03/2015 - 06/03/2025 Deposits originated by KBC Group - Tier2	a) Unconditional
6	EUR	498.192	24/01/2023 - 25/04/2028 Deposits originated by KBC Group - Tier2	a) Unconditional
7	EUR	498.372	17/01/2024 - 17/04/2030 Deposits originated by KBC Group - Tier2	a) Unconditional
8	GBP	500.000	19/03/2024 - 19/03/2029 Deposits originated by KBC Group - Tier2	a) Unconditional
9	EUR	24.992	04/10/2017 - 04/10/2027 Deposits originated by KBC Group - Holdco	a) Unconditional
10	EUR	499.257	24/01/2020 - 24/01/2030 Deposits originated by KBC Group - Holdco	a) Unconditional
11	EUR	499.120	16/06/2020 - 16/06/2026 Deposits originated by KBC Group - Holdco	a) Unconditional
12	EUR	749.654	10/09/2020 - 10/09/2025 Deposits originated by KBC Group - Holdco	a) Unconditional
13	EUR	747.805	14/01/2021 - 14/01/2028 Deposits originated by KBC Group - Holdco	a) Unconditional
14	EUR	498.693	31/05/2021 - 31/05/2031 Deposits originated by KBC Group - Holdco	a) Unconditional
15	GBP	399.872	21/09/2021 - 21/09/2026 Deposits originated by KBC Group - Holdco	a) Unconditional
16	EUR	749.140	01/12/2021 - 01/03/2026 Deposits originated by KBC Group - Holdco	a) Unconditional
17	EUR	749.118	21/01/2022 - 21/01/2027 Deposits originated by KBC Group - Holdco	a) Unconditional
18	EUR	189.695	28/02/2022 - 31/05/2031 Deposits originated by KBC Group - Holdco	a) Unconditional
19	EUR	749.951	29/03/2022 - 29/03/2025 Deposits originated by KBC Group - Holdco	a) Unconditional
20	EUR	100.000	20/06/2022 - 20/06/2034 Deposits originated by KBC Group - Holdco	a) Unconditional
21	EUR	747.852	25/08/2022 - 25/08/2030 Deposits originated by KBC Group - Holdco	a) Unconditional
22	EUR	100.000	16/09/2022 - 16/09/2034 Deposits originated by KBC Group - Holdco	a) Unconditional
23	GBP	424.424	20/09/2022 - 20/09/2027 Deposits originated by KBC Group - Holdco	a) Unconditional
24	EUR	998.841	23/11/2022 - 23/11/2026 Deposits originated by KBC Group - Holdco	a) Unconditional
25	USD	1.000.000	19/01/2023 - 19/01/2028 Deposits originated by KBC Group - Holdco	a) Unconditional
26	EUR	999.807	19/04/2023 - 19/04/2029 Deposits originated by KBC Group - Holdco	a) Unconditional
27	EUR	1.249.726	06/06/2023 - 06/06/2025 Deposits originated by KBC Group - Holdco	a) Unconditional
28	EUR	745.539	06/06/2023 - 06/12/2031 Deposits originated by KBC Group - Holdco	a) Unconditional
29	USD	1.000.000	21/09/2023 - 21/09/2033 Deposits originated by KBC Group - Holdco	a) Unconditional
30	EUR	497.958	28/11/2023 - 28/11/2028 Deposits originated by KBC Group - Holdco	a) Unconditional
31	EUR	749.862	27/03/2024 - 27/03/2032 Deposits originated by KBC Group - Holdco	a) Unconditional
32	USD	1.250.000	16/10/2024 - 16/10/2029 Deposits originated by KBC Group - Holdco	a) Unconditional
33	USD	123.000	7/02/2005 - 7/02/2025 Deposits originated by KBC IFIMA	a) Fiscal requalification
34	EUR	499.848	10/04/2019 - 10/04/2025 Euro Medium Term Note	a) Unconditional

XVIII. STATEMENT OF CAPITAL

	Code	Current period	Previous period
A. CAPITAL			
1. Subscribed capital			
a. Subscribed capital as at the end of the preceding period	20910P	xxxxxxxxxxxxxx	9.732.238
b. Subscribed capital as at the end of the period	(20910)	9.732.238	

	Code	Amounts (in thousands)	Number of shares (in units)
c. Changes during the period		0	0
d. Structure of the capital			
e. Categories of shares			
Ordinary shares entitled to dividend		9.732.238	995.371.469
f. Registered shares	51801	xxxxxxxxxxxxxx	995.371.469
g. Bearer and or dematerialized shares	51802	xxxxxxxxxxxxxx	

	Code	Uncalled capital	Called but unpaid capital
2. CAPITAL NOT PAID UP			
a. Uncalled capital	(20920)	0	xxxxxxxxxxxxxx
b. Called but unpaid capital	51803	xxxxxxxxxxxxxx	0
c. Shareholders still owing capital payment			

	Code	Current period (in thousands)
3. OWN SHARES		
a. Held by the reporting institution itself		
* Amount of capital held	51804	0
* Corresponding number of shares	51805	0
b. Held by its subsidiaries		
* Amount of capital held	51806	0
* Corresponding number of shares	51807	0
4. SHARE ISSUANCE COMMITMENTS		
a. Following the exercise of conversion rights		
* Amount of convertible loans outstanding	51808	0
* Amount of capital to be subscribed	51809	0
* Maximum corresponding number of shares to be issued	51810	0
b. Following the exercise of subscription rights		
* Number of subscription rights outstanding	51811	0
* Amount of capital to be subscribed	51812	0
* Maximum corresponding number of shares to be issued	51813	0
5. AUTHORIZED CAPITAL NOT ISSUED	51814	0

	Code	Current period
6. SHARES NOT REPRESENTING CAPITAL		
a. Repartition		
* Number of parts	51815	0
* Number of votes	51816	0
b. Breakdown by shareholder		
* Number of parts held by the reporting institution itself	51817	0
* Number of parts held by its subsidiaries	51818	0

B. SHAREHOLDER STRUCTURE OF THE INSTITUTION AT YEAR END, ACCORDING TO THE NOTIFICATIONS RECEIVED BY THE INSTITUTION

KBC Groep NV	Number of shares:	995.371.469

XIX. BREAKDOWN OF BALANCE SHEET, IF MORE THAN 15 MILLION EUROS, IN EUROS AND IN FOREIGN CURRENCY

	Code	Current period
1. Total Assets		
a. In Euro	51901	197.082.532
b. In foreign currency (equivalent in EUR)	51902	35.177.963
2. Total liabilities		
a. In Euro	51903	195.865.199
b. In foreign currency (equivalent in EUR)	51904	36.395.296

XX. FIDUCIARY TRANSACTIONS ACCORDING TO ARTICLE 27TER §1 PARAGRAPH 3

	Current period
Concerned assets and liabilities items	

XXI. STATEMENT OF GUARANTEED DEBTS AND OBLIGATIONS

	Current period
A. MORTGAGES (amount of enrollment or carrying amount of the collateralized buildings, if this is less)	
1. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of the institution	
a. Liabilities	
b. Off balance sheet	
2. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and commitments of third parties	

	Current period
B. PLEDGE OF THE TRADING FUND (total enrollment)	
1. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of the institution	
a. Liabilities	
b. Off balance sheet	
2. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of third parties	

	Current period
C. PLEDGE OF OTHER ASSETS (book value of pledged assets)	
1. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of the institution	
a. Liabilities	
Discounting, repurchase agreements and secured advances	32.873.955
Asset Pledge requirement KBC New York	162.874
Asset Pledge Bancontact	200.321
Asset Pledge National Bank of Belgium	987.250
Covered bonds	20.614.826
b. Off-balance sheet	
Cash & Bond Collateral wrt derivatives	3.644.745
European Resolution Fund	78.397
2. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and commitments of third parties	

	Current period
D. COLLATERAL ON FUTURE ASSETS (total assets in question)	
1. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of the institution	
a. Liabilities	
b. Off-balance sheet	
2. Collateral provided by the institution or irrevocably promised on its own assets as security for debts and obligations of third parties	

XXII. STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS WITH POTENTIAL CREDIT RISK (off balance sheet I and II)

	Codes	Current period	Previous period
1. Total contingent liabilities on behalf of affiliated companies	52201	2.531.337	1.996.966
2. Total contingent liabilities on behalf of companies linked by participating interests	52202	188	436
3. Total commitments with a potential credit risk to affiliated companies	52203	592.740	460.024
4. Total commitments with a potential risk with regard to companies linked by participating interests	52204	0	0

XXIII. OPERATING RESULTS (items I to XV of the income statement)

	Code	Current period	Previous period
1. Breakdown of operating income according to origin			
a. Interest and similar income	(40100)	8.194.845	8.237.511
* Belgian sites	52301	6.880.322	6.900.796
* Foreign offices	52302	1.314.523	1.336.715
b. Income from fixed-income securities: shares and other variable-yield securities	(40310)	14.827	13.774
* Belgian sites	52303	20	54
* Foreign offices	52304	14.807	13.719
c. Income from fixed-income securities: investments in affiliated companies	(40320)	1.039.765	890.139
* Belgian sites	52305	432.944	414.955
* Foreign offices	52306	606.820	475.184
d. Income from fixed-income securities: shares in companies linked by participating interests	(40330)	2.632	125
* Belgian sites	52307	2.632	125
* Foreign offices	52308	0	0
e. Income from fixed-income securities: other shares held as fixed financial assets	(40340)	398	157
* Belgian sites	52309	398	157
* Foreign offices	52310	0	0
f. Commissions received	(40400)	1.042.702	869.232
* Belgian sites	52311	1.000.195	837.597
* Foreign offices	52312	42.506	31.634
g. Profit on financial transactions	(40600)	203.106	-100.072
* Belgian sites	52313	175.220	-130.519
* Foreign offices	52314	27.886	30.447
h. Other operating income	(41400)	695.131	630.262
* Belgian sites	52315	681.390	630.961
* Foreign offices	52316	13.741	-699
2. Employees on the personnel register			
a. Total number at the closing date	52317	8.419	8.429
b. Average number of employees in full-time equivalents	52318	7.752	7.770
* Management Personnel	52319	65	66
* Employees	52320	7.687	7.705
* Workers	52321	0	0
* Other	52322	0	0
c. Number of actual worked hours	52323	10.580.045	10.630.207
3. Personnel			
a. Remuneration and direct social benefits	52324	603.818	592.785
b. Employers' social security	52325	150.687	144.111
c. Employers' premiums for extra statutory insurance	52326	55.336	57.804
d. Other personnel	52327	21.524	20.838
e. Retirement and survivors' pensions	52328	15.001	7.778
4. Provisions for pensions and similar obligations			
a. Increase (+)	52329	5.621	12.177
b. Decrease (-)	52330	6.813	7.473

	Code	Current period	Previous period
5. Breakdown of other operating income if this represents a significant amount			
a. Leasing activities		434.958	355.276
b. Recalculations to / recuperations of group companies		185.522	176.873
c. Other		74.651	65.134
d. Reimbursement of bank taxes		0	32.979
6. Other operating expenses			
a. Corporate taxes	52331	52.414	47.367
b. Other	52332	25.172	27.359
c. Analysis of other operating expenses if this represents a significant amount			
7. Operating revenue from affiliated companies	52333	2.908.100	3.406.497
8. Operating costs relating to affiliated companies	52334	2.546.743	2.282.512

XXIV. STATEMENT OF OFF BALANCE SHEET OPERATIONS ON SECURITIES, CURRENCIES AND OTHER FINANCIAL INSTRUMENTS WHICH BRING NO OBLIGATION WITH A POTENTIAL CREDIT RISK ACCORDING TO HEADING II OF THE OFF BALANCE SHEET ITEMS

	Code	Current period
A. TYPES OF OPERATIONS (amounts on the closing date of the accounts)		
1. Securities transactions		
a. Forward purchases and sales of securities and marketable securities	52401	0
* of which: not intended for hedging purposes	52402	0
2. Exchange transactions (amounts to be provided)		
a. Forward exchange contracts	52403	152.800.222
* of which: not intended for hedging purposes	52404	152.800.222
b. Currency and interest rate swaps	52405	26.677.699
* of which: not intended for hedging purposes	52406	22.190.879
c. Currency futures	52407	0
* of which: not intended for hedging purposes	52408	0
d. Options on currencies	52409	11.090.913
* of which: not intended for hedging purposes	52410	11.090.913
e. Forward exchange contracts	52411	0
* of which: not intended for hedging purposes	52412	0
3. Transactions in other financial instruments		
Forward transactions in interest rate (nominal / notional reference)		
a. Interest rate swap agreements	52413	694.199.189
* of which: not intended for hedging purposes	52414	555.884.329
b. Interest futures transactions	52415	9.567.770
* of which: not intended for hedging purposes	52416	9.567.770
c. Future Interest rate Agreements	52417	15.377.408
* of which: not intended for hedging purposes	52418	15.377.408
d. Interest rate options	52419	13.736.603
* of which: not intended for hedging purposes	52420	13.736.603
Other purchase and sales (sale / purchase price agreed between parties)		
e. Other option transactions	52421	7.036.425
* of which: not intended for hedging purposes	52422	7.036.425
f. Other futures transactions	52423	750.353
* of which: not intended for hedging purposes	52424	750.353
g. Other forward purchases and sales	52425	587.861
* of which: not intended for hedging purposes	52426	587.861

B. MICRO-COVERAGE TRANSACTIONS REFERRED TO IN ARTICLE 36BIS, §1

1. Coverage transaction at fair value

Nature of financial instruments	Notional amounts		Market value (A)	Book value on the balance sheet (B)			Codes	Difference (A-B)
	Deliverable	Receivable	Total*	Total*	of which interest proration			
					Assets (+)	Liabilities (-)		
Interest rate swaps	30.380.940	30.379.110	-457.843	-49.617	246.561	-296.178	52433	-408.227
Forward swaps							52434	
Swaptions							52435	
interest options							52436	
Other							52437	
TOTAL	30.380.940	30.379.110	-457.843	-49.617	246.561	-296.178	52438	-408.227

Explanatory description of the difference between market value and book value on the balance sheet (codes 52433 to 52437)

Dirty mark-to-market value excluding accrued interest (carrying value) constitutes clean mark-to-market value, determined by:
- yield curve valuations
  Yield curve valuations are temporary fluctuations that reach zero over the full term. Hedge accounting eliminates the associated P&L volatility.
- currency translation gains/losses between EUR notional amounts and non-EUR notional amounts bought/sold in case of CCIRS and FX swaps
  Currency translation gains/losses in notional amounts of the derivatives are hedged including exchange risk of hedged assets and liabilities in case of hedge accounting of yield curve fluctuations to avoid net P&L impact.

	Codes	Amount
Ineffectiveness of coverage not recognized in the income statement		
Amount of coverage ineffectiveness not recognized in the income statement at the end of the period. Description and comments on the chosen method of calculating ineffectiveness :	52439	-9.951

Effectiveness is measured based on prospective and retrospective effectiveness tests. Ineffectiveness is measured by determining the difference in market value by comparing that of the actual hedging instrument and that of a hypothetical derivative qualifying as the perfect hedge for the hedged risk.

2. Cash flow coverage

Nature of financial instruments	Notional amounts		Market value (A)	Book value on the balance sheet (B)			Codes	Difference (A-B)
	Deliverable	Receivable	Total*	Total*	of which interest proration			
					Assets (+)	Liabilities (-)		
Interest rate swaps	1.751.150	1.790.876	6.008	-1.693	26.879	-28.572	52440	7.701
Forward swaps							52441	
Swaptions							52441	
interest options							52443	
Other							52444	
TOTAL	1.751.150	1.790.876	6.008	-1.693	26.879	-28.572	52445	7.701

Explanatory description of the difference between market value and book value on the balance sheet (codes 52440 to 52444)

Dirty mark-to-market value excluding accrued interest (carrying value) constitutes clean mark-to-market value, determined by:
- yield curve valuations
  Yield curve valuations are temporary fluctuations that reach zero over the full term. Hedge accounting eliminates the associated P&L volatility.
- currency translation gains/losses between EUR notional amounts and non-EUR notional amounts bought/sold in case of CCIRS and FX swaps
  Currency translation gains/losses in notional amounts of the derivatives are hedged including exchange risk of hedged assets and liabilities in case of hedge accounting of yield curve fluctuations to avoid net P&L impact.

	Codes	Amount
Ineffectiveness of coverage not recognized in the income statement		
Amount of coverage ineffectiveness not recognized in the income statement at the end of the period. Description and comments on the chosen method of calculating ineffectiveness :	52446	

Effectiveness is measured based on prospective and retrospective effectiveness tests. Ineffectiveness is measured by determining the difference in market value by comparing that of the actual hedging instrument and that of a hypothetical derivative qualifying as the perfect hedge for the hedged risk.

* Positive value for asset, negative value for liability

C. MACRO-COVERAGE TRANSACTIONS REFERRED TO IN ARTICLE 36BIS, §1BIS, LID 1, 1°

1. Coverage transaction at fair value

Nature of financial instruments	Notional amounts		Market value (A)	Book value on the balance sheet (B)			Codes	Difference (A-B)
	Deliverable	Receivable	Total*	Total*	of which interest proration			
					Assets (+)	Liabilities (-)		
Interest rate swaps	94.665.518	94.645.623	1.191.129	-131.092	808.502	-939.595	52447	1.322.222
Forward swaps							52448	
Swaptions							52449	
interest options							52450	
Other							52451	
TOTAL	94.665.518	94.645.623	1.191.129	-131.092	808.502	-939.595	52452	1.322.222

Explanatory description of the difference between market value and book value on the balance sheet (codes 52447 to 52451)

Dirty mark-to-market value excluding accrued interest (carrying value) constitutes clean mark-to-market value, determined by:

- yield curve valuations
  Yield curve valuations are temporary fluctuations that reach zero over the full term. Hedge accounting eliminates the associated P&L volatility.
- currency translation gains/losses between EUR notional amounts and non-EUR notional amounts bought/sold in case of CCIRS and FX swaps
  Currency translation gains/losses in notional amounts of the derivatives are hedged including exchange risk of hedged assets and liabilities in case of hedge accounting of yield curve fluctuations to avoid net P&L impact.

Description of instruments covered and economic risks covered

-hedging of yield curve fluctuations by means of IRS.
  Including IRS with grandfathering label based on derogation from Article 36a §2, which will cease to apply from 2023 (valuation at market value from 1 January 2023).
-deferral (capitalisation) of foreign exchange transactions of CCIRS and FX swaps set up for non-EUR funding of intragroup participating interests (CZK, HUF and RON).

Ineffectiveness of coverage not recognized in the income statement	Codes	Amount
Amount of coverage ineffectiveness not recognized in the income statement at the end of the period. Description and comments on the chosen method of calculating ineffectiveness :	52453	-14.400

Effectiveness is measured based on prospective and retrospective effectiveness tests. Ineffectiveness is measured by determining the difference in market value by comparing that of the actual hedging instrument and that of a hypothetical derivative qualifying as the perfect hedge for the hedged risk.

* Positive value for asset, negative value for liability

2. Cash flow coverage

Nature of financial instruments	Notional amounts		Market value (A)	Book value on the balance sheet (B)			Codes	Difference (A-B)
	Deliverable	Receivable	Total*	Total*	of which interest proration			
					Assets (+)	Liabilities (-)		
Interest rate swaps	13.095.000	13.095.000	-535.748	-64.773	73.278	-138.051	52454	-470.976
Forward swaps							52455	
Swaptions							52456	
interest options							52457	
Other							52458	
TOTAL	13.095.000	13.095.000	-535.748	-64.773	73.278	-138.051	52459	-470.976

Explanatory description of the difference between market value and book value on the balance sheet (codes 52447 to 52451)

Dirty mark-to-market value excluding accrued interest (carrying value) constitutes clean mark-to-market value, determined by:

- yield curve valuations
  Yield curve valuations are temporary fluctuations that reach zero over the full term. Hedge accounting eliminates the associated P&L volatility.
- currency translation gains/losses between EUR notional amounts and non-EUR notional amounts bought/sold in case of CCIRS and FX swaps
  Currency translation gains/losses in notional amounts of the derivatives are hedged including exchange risk of hedged assets and liabilities in case of hedge accounting of yield curve fluctuations to avoid net P&L impact.

Description of instruments covered and economic risks covered

Hedging of yield curve fluctuations by means of IRS.

Ineffectiveness of coverage not recognized in the income statement

	Codes	Amount
Amount of coverage ineffectiveness not recognized in the income statement at the end of the period.		
Description and comments on the chosen method of calculating ineffectiveness :	52460	-8.904

Effectiveness is measured based on prospective and retrospective effectiveness tests. Ineffectiveness is measured by determining the difference in market value by comparing that of the actual hedging instrument and that of a hypothetical derivative qualifying as the perfect hedge for the hedged risk.

* Positive value for asset, negative value for liability

D. COVERAGE RESULTS ON DISQUALIFIED TRANSACTIONS DEFERRED IN THE SUSPENSE ACCOUNT AND STILL SHOULD BE AMORTIZED AND AS REFERRED TO IN ARTICLE 36BIS, §4, 3° AND 4° - BREAKDOWN BY REMAINING TERM

1. Transactions referred to in Article 36bis, §4, 3° - Instruments remaining in the institution's assets

	=< 3 months	> 3 months =< 1 year	> 1 year =< 5 year	>= 5 year	Codes	Total
Suspense account asset (asset item XIII)						
Micro-coverage					52461	
macro coverage					52462	
Waiting account liabilities (liability item V)						
Micro-coverage					52463	
macro coverage					52464	

Description of financial instruments that no longer qualify as hedging transactions, but which remain within the institution's assets, indicating the type of coverage (micro coverage or macro coverage, fair value coverage or cash flow coverage), their current classification (banking or trading portfolio) and the original covered instruments

2. Transactions referred to in Article 36bis, §4, 4° - Instruments that are no longer part of the institution's assets

	=< 3 months	> 3 months =< 1 year	> 1 year =< 5 year	>= 5 year	Codes	Total
Suspense account asset (asset item XIII)						
Micro-coverage					52465	
macro coverage	-1.062	-2.787	-1.368		52466	-5.217
Waiting account liabilities (liability item V)						
Micro-coverage					52467	
macro coverage	-39.154	-91.463	-55.072		52468	-185.689

E. INTEREST RATE MANAGEMENT OPERATIONS WITHOUT TAKING ON ADDITIONAL RISK WITH A SECURITIZATION VEHICLE PROVIDED BY THE CREDIT INSTITUTION IS CONSOLIDATED (ARTICLE 36A, §1A, SECOND PARAGRAPH)

	Notional amounts		Market value (A)	Book value on the balance sheet (B)				
Nature of financial instruments	Deliverable	Receivable	Total*	Total*	of which interest proration		Codes	Difference (A-B)
					Assets (+)	Liabilities (-)		
Interest rate swaps	2.928.968	2.928.968	-59.436				52469	-59.436
Forward swaps							52470	
Swaptions							52471	
interest options							52472	
Other							52473	
TOTAL	2.928.968	2.928.968	-59.436				52474	-59.436

Explanatory description of the difference between market value and book value on the balance sheet (codes 52469 to 52473)

The difference between dirty MtM (market value) and accrued interest (book value) constitutes clean MtM determined by:

- yield curve valuations

Yield curve valuations are temporary fluctuations that add up to zero over the entire duration. Hedge accounting eliminates associated P&L volatility.

Securitization vehicles involved		Nature of operations and observations
Designation	Code LEI	
Loan Invest NV	635400VLKUYLHJTXS840	Securitization of mortgage loans and SME-loans.

* Positive value for asset, negative value for liability

XXV. EXTRAORDINARY RESULTS

	Code	Current period
1. Realised gains on transfer of fixed assets to affiliated companies	52501	0
2. Incurred losses on transfer of fixed assets to affiliated companies	52502	0
3. Breakdown of the other exceptional income if it comprises significant amounts		0
4. Breakdown of the other extraordinary costs if they comprise significant amounts		

XXVI. INCOME TAXES

	Code	Current period
1. Income taxes for the year	52601	-151.906
a. Taxes and withholding taxes due or paid	52602	-134.244
b. Excess of income tax prepayments and of withholding taxes	52603	12.313
c. Estimated additional charges for income taxes	52604	-29.975
2. Income taxes for previous years	52605	-5.447
a. Additional income taxes due or paid	52606	-5.447
b. Additional charges for income taxes, estimated (included in liabilities)	52607	0
3. Main sources of differences between the profit before tax, as stated in the financial statements, and the estimated taxable income		
Movements in taxable reserves and provisions		100.208
The specific tax system applicable to gains and losses on shares		-381.826
The application of the foreign tax credit scheme on dividends received		-1.041.412
Innovation deduction		-2.000
Disallowed expenses (other than write-downs, losses on shares, revenue participation and corporation tax)		219.369
Recovery of tax losses		-178.894

4. Impact of extraordinary results on the amount of income taxes for the year

Realised gains and incurred losses on shares under financial fixed assets (gains not taxable and losses not deductible)		2.848
Write-downs (not deductible) and write-backs (not taxable) on shares under financial fixed assets		379.116

	Code	Current period
5. Sources of deferred taxes		
a. Deferred tax assets	52608	568.677
* Accumulated tax losses deductible from future taxable profits	52609	0
* Other deferred tax assets		568.677
Taxable impairments		409.403
Taxable supplies		148.037
Other taxable reserves		11.236
b. Passive deferrals	52610	0
* Breakdown of the passive deferrals		

XXVII. VALUE ADDED TAX AND TAXES BORNE BY THIRD PARTIES

	Code	Current period	Previous period
1. Charged value added tax			
a. To the reporting institution (deductible)	52701	398.011	353.584
b. By the reporting institution	52702	329.609	290.999
2. Amounts withheld on behalf of third parties as			
a. Payroll tax	52703	152.429	153.408
b. Withholding tax	52704	298.675	181.666

XXVIII. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS (INCLUDED TRANSACTIONS WITH RELATED PARTIES)

A. OFF BALANCE SHEET RIGHTS AND COMMITMENTS

	Code	Current period
1. Substantial commitments to acquire fixed assets		
2. Substantial commitments to dispose of fixed assets		

3. Amount, type and form of significant litigation and other significant commitments

Significant disputes pending:

Claims filed against KBC group companies are treated on the basis of an assessment of whether they will lead to an outflow of resources (i.e. ‘probable outflow’, ‘possible outflow’ or ‘remotely probable outflow’). Provisions are set aside for ‘probable outflow’ cases (see ‘Notes on the accounting policies’). No provisions are constituted for ‘possible outflow’ cases, but information is provided in the financial statements if such cases might have a material impact on the balance sheet (i.e. when the claim could lead to a possible outflow of more than 50 million euros). All other claims (‘remotely probable outflow’), of whatever magnitude, that represent a minor or no risk at all do not have to be reported. The most important cases are listed below. The information provided is limited in order not to prejudice the position of the group in ongoing litigation.

Possible outflow:

On 6 October 2011, Irving H. Picard, trustee (the ‘Trustee’) for the liquidation of Bernard L. Madoff Investments Securities LLC (& Bernard L. Madoff), sued KBC Investments Ltd (a full subsidiary of KBC Bank) before the bankruptcy court in New York to claw back approximately 110 million US dollars’ worth of transfers made to KBC entities by Madoff (through a feeder fund that KBC had lent to Harley International). This claim is one of a whole set made by the Trustee against several banks, hedge funds, feeder funds and investors (all defendants referred to below as the ‘joint defense group’).
A protracted lawsuit has been conducted based on procedural remedies relating to the applicability of the Bankruptcy Code’s ‘safe harbor’ and ‘good defenses’ rules to subsequent transferees (as is the case for KBC Investments Ltd), as detailed in previous disclosures. In June 2015, the Trustee amended the original claim, with the sum sought being increased to 196 million US dollars.
A court ruling dismissing the claim of the Trustee was issued on 3 March 2017. The Trustee appealed and on 28 February 2019 the Court of Appeals for the Second Circuit reversed the dismissal. A certiorari petition filed on 30 August 2019 was dismissed by the US Supreme Court on 2 June 2020. As a consequence the merits of the case are handled by the Bankruptcy Court.
On 30 August 2021 the Court of Appeals for the Second Circuit reversed the burden of proof in two other appeal proceedings involving other defendants from an initial burden on the Trustee to prove the defendant’s lack of good faith to a burden on the defendant to prove its good faith.
On 1 August 2022, the Bankruptcy Court issued a decision determining the structure of the proceedings. In this context, on 5 August 2022 the Trustee amended his complaint by reducing his claim to a principal of USD 86 000 000. On 18 November 2022, KBC submitted a motion to dismiss the amended complaint for lack of specific jurisdiction of the US court. The final reply supporting its motion must be submitted on or before 10 March 2023. A hearing will then be held in April 2023. Despite the increased burden of proof, KBC still believes it has good and credible defenses, both procedurally and on the merits, including demonstrating its good faith.
On 26 April 2023, the court rejected this jurisdictional exception.So the proceedings continue.
On 28 June 2023, KBC filed a response to the amended complaint. A fact-finding is ongoing untill 22 September 2025. Although the burden of proof has been increased, KBC still believes it has good and credible defences, including demonstrating its good faith. The proceedings may continue for several years.

Other significant liabilities.

The bank irrevocably guarantees all the sums, indebtedness, obligations and liabilities outstanding on 31 December 2024 of the following companies, which are consequently exempt from publication on a consolidated basis.

KBC Asset Management NV

4. Where appropriate, a brief description of the system of supplementary retirement or survivor benefit of the personnel or the executives, stating the measures taken to cover the resulting charges

A system of additional pension provisions, a supplementary death capital, orphan's interest and invalidity allowances is provided for all staff members. For all staff who have been employed since 2014, this is organised via the KBC Pension Fund in a "fixed contribution" plan. This means that the amount of these provisions depends on the employee's remuneration over the course of his career. For staff who were already in service before 2014, these provisions are organised within the framework of a "defined benefit" plan, which means that the amount of these provisions depends on the final remuneration, the number of years of service and the age at the time of retirement. Since 2014, the target plan to be achieved is therefore a closed plan (no more new accessions).

These pension provisions are fully financed by the employer by means of annual allowances that are charged to the result. These allowances in the defined benefit plan are calculated on an actuarial basis using the aggregate cost method. The allowances in the "defined contribution" plan are calculated as a percentage of the individual, actual remuneration; for contribution plans, a statutory minimum return guarantee of 1.75% applies until 31 December 2024 was 1,75%. From 1 January 2025 it is increased to 2.5%. The allowances are paid to the KBC Pension Fund, which is responsible for the management of the reserves thus formed, their payment and the administration.

In addition, a supplementary pension plan (fixed contribution plan) is provided, based exclusively on the personal contributions of the employees through deductions from salary payments. The legal return guarantee was 1.75% until 31 December 2024. From 1 January 2025, it is increased to 2.5%. This plan was discontinued on 1 January 2019. In other words, no new accessions will take place and it only exists for those staff who were already members of this plan before 1/1/2019 and who have opted to continue the plan beyond 1/1/2019. Here too, the management, payment and administration of this plan has been entrusted to the KBC pension fund.

	Code	Current period
5. Pensions that are borne by the institution itself: the estimated amount of obligations arising from past services	52801	
Bases and methods of estimation		

6. Nature and business purpose of off balance sheet arrangements

Provided that the risks or benefits of such arrangements are material and to the extent that disclosure of the risks or benefits is necessary for assessing the financial situation of the institution;
where appropriate, the financial consequences of these operations for the facility must also be mentioned:

KBC Bank NV is a member of a VAT grouping.

KBC Bank has set up a company for investments in debt securities, called Loan Invest NV, which has acquired loans of KBC Bank, using funds received from the issuance of securities.

KBC Bank carries an important part of these securities on its balance sheet. The interest risk carried by Loan Invest NV is covered by interest rate swaps concluded between Home Loan Invest and KBC Bank, so that this operation has a limited effect on the ALM management of the bank and on the income statement. The balance sheet shows a decrease of loans for an amount of 4.217 million euros and an increase of investment securities for an amount of 2.929 million euros. KBC Bank NV has a subordinated claim on Loan Invest NV, worth 1.519 million euros.

The main reason for setting up this operation is to make part of the loans of KBC Bank more liquid, as the securities issued by Loan Invest NV and held by KBC Bank are eligible for refinancing with the ECB. As a consequence the main purpose of this operation is improving the liquidity risk of the bank.

Note that Loan Invest NV is listed as a “Special Purpose Entity”, included in the consolidated reporting of KBC Bank.

The annual accounts of Loan Invest NV are available at the Central Balance Sheet Office.

B. TRANSACTIONS WITH RELATED PARTIES

Indication of such transactions if they are significant, including the amount of these transactions, the nature of the relationship with the related party and any other information on transactions that would be required to obtain a better understanding of the financial situation of the institution:

Related party	The nature of the relationschip	Current period
CBC BANQUE SA	Other option transactions	20.212
	Guarantees given	13.900
	Guarantees received	1.166.331
	Interest rate options	264.277
	Options on currencies	84.994
	Interest rate swap agreements	19.306.641
	Forward exchange contracts	301.924
	Committed lines	4.238
	Currency and interest rate swaps	3.850
	Other forward purchases and sales	41.472
ČESKOSLOVENSKÁ OBCHODNÁ BANKA A.S.	Other option transactions	53.488
	Guarantees given	19.687
	Guarantees received	550.620
	Interest rate options	36.571
	Options on currencies	43.880
	Interest rate swap agreements	8.200.902
	Forward exchange contracts	212.495
ČESKOSLOVENSKÁ OBCHODNÍ BANKA A.S.	Other option transactions	376.191
	Guarantees given	25.076
	Guarantees received	1.018.536
	Interest rate options	714.327
	Options on currencies	1.369.173
	Interest rate swap agreements	51.962.624
	Forward exchange contracts	19.638.589
	Currency and interest rate swaps	307.029
	Other forward purchases and sales	57.731
K&H BANK ZRT.	Other option transactions	18.233
	Guarantees given	1.628
	Guarantees received	284.033
	Interest rate options	143.728
	Options on currencies	691.321
	Assets pledged as collateral	24.349
	Interest rate swap agreements	9.117.426
	Forward exchange contracts	979.269
	Currency and interest rate swaps	77.022
	Other forward purchases and sales	7.358
KBC ASSET MANAGEMENT NV	Guarantees given	327.214
	Forward exchange contracts	79.295
	Committed lines	30.000
KBC AUTOLEASE NV	Committed lines	248.752
KBC BAIL IMMOBILIER FRANCE SAS	Guarantees given	337.818
	Guarantees received	54.399
	Committed lines	13.738
KBC COMMERCIAL FINANCE NV	Guarantees received	1.307
	Committed lines	3.200.000

Related party	The nature of the relationschip	
KBC GLOBAL SERVICES NV	Committed lines	16.700
KBC GROEP NV	Interest rate swap agreements	500.000
KBC IFIMA S.A.	Other option transactions	223.970
	Guarantees given	1.153.913
	Interest rate swap agreements	295.806
KBC IMMOLEASE NV	Committed lines	146.292
KBC LEASE BELGIUM NV	Committed lines	221.948
KBC SECURITIES NV	Other option transactions	148.975
	Guarantees received	10.786
	Committed lines	500.000
KBC VERZEKERINGEN NV	Guarantees given	133.206
	Guarantees received	4.191.791
	Interest rate swap agreements	1.032.800
	Committed lines	8.000
	Currency and interest rate swaps	38.883
LOAN INVEST NV	Interest rate swap agreements	2.928.968
POELAERT INVEST NV	Committed lines	28.000
	Guarantees given	13.952
	Guarantees received	16.609
	Interest rate swap agreements	91.074
	Forward exchange contracts	1.706.392
	Assets pledged as collateral	500.040

C. Nature and financial impact of the significant events after the balance sheet date which are not taken into account in the income statement or the balance sheet

XXIX. FINANCIAL RELATIONS WITH

	Code	Current period
A. DIRECTORS AND MANAGERS, INDIVIDUALS OR CORPORATE BODIES WHO CONTROL THE INSTITUTION DIRECTLY OR INDIRECTLY WITHOUT BEING RELATED TO IT OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PEOPLE		
1. Amounts receivable from these persons	52901A	274.523
a. Conditions on amounts receivable		
b. Possibly refunded amount or amount which is waived	52901B	
All related party transactions occur at arm's length.		
2. Guarantees granted on their behalf	52902	0
a. Principal terms of the guarantees granted		
3. Other significant commitments undertaken in their favour	52903	0
a. Main conditions of these obligations		
4. Direct and indirect remuneration and pensions, included in P&L, provided that such disclosure does not concern exclusively or mainly the situation of a single identifiable person		
a. To directors and managers	52904	406
b. To former directors and former managers	52905	0

	Code	Current period
B. THE AUDITOR(S) AND THE PEOPLE HE (SHE) IS (ARE) RELATED TO		
1. Remuneration of the auditor(s)	52906	2.430
2. Fees for exceptional services or special services provided to the company by the auditor(s)		
a. Other audit services	52907	123
b. Tax advisory services	52908	0
c. Other non-audit services	52909	0
3. Fees for exceptional services or special services provided to the company by persons with whom the auditor(s) is(are) related		
a. Other audit services	52910	0
b. Tax advisory services	52911	0
c. Other non-audit services	52912	0

4. Statements in accordance with Article 3:64, §2 en §4 of the Company Code

XXX. POSITIONS IN FINANCIAL INSTRUMENTS

	Code	Current period
1. Financial instruments to be received by the institution on behalf of clients	53001	7.974.197
2. Financial instruments to be delivered by the institution to clients	53002	12.810.176
3. Financial instruments of clients held in custody by the institution	53003	311.811.093
4. Financial Instruments from clients given in custody by the institution	53004	214.906.305
5. Financial Instruments from clients held as collateral by the institution	53005	3.549.672
6. Financial Instruments from clients given as collateral by the institution	53006	0

XXXI. COUNTRY BY COUNTRY INFORMATION

Information to be provided by the institutions referred to in Article 4(1)(3) of 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 amending Regulation (EU) No 648/2012 with the exception of those undertakings which draw up and publish consolidated accounts in accordance with the Royal Decree of 23 September 1992 on the consolidated accounts of credit institutions, investment firms and collective investment undertakings.

DENOMINATION of the branch, subsidiary or joint subsidiary Nature of activities COUNTRY	Financial year				
	Number of employees *in full-time equivalents*	Turnover (= Interest income and similar income + income from variable-income securities + commissions received + gain on financial transactions)	Profit (Loss) before taxes	Tax on the results	Government grants received

XXXII. DERIVATIVES NOT ESTIMATED AT FAIR VALUE

FOR EACH CATEGORY OF DERIVATIVE FINANCIAL INSTRUMENTS NOT BE VALUED ON THE BASIS OF FAIR VALUE

				Period		Previous Period	
Category of financial derivatives	Hedge risk	Speculation/ hedging	Volume	Book value	Fair value	Book Value	Fair value
Interest rate swaps	Interest rate risk	Hedging	138.314.860	-245.366	127.010	-176.900	-195.131
Cross currency interest rate swaps	Interest- and currency risk	Hedging	4.506.715	-1.809	17.099	10.070	-18.267

FINANCIAL FIXED ASSETS CARRIED AT AN AMOUNT IN EXCESS OF FAIR VALUE	Book value	Fair value
Amount of individual assets or appropriate groupings of those assets		
Reasons for not reducing the book value		
Informations that suggest than the book value will be recovered		

XXXII. DECLARATION ON CONSOLIDATED ACCOUNTS

A. TO BE COMPLETED BY ALL CREDIT INSTITUTIONS

The institution has drawn up and has published consolidated annual accounts and a consolidated annual report*

~~**The institution does not draw up consolidated annual accounts nor a consolidated annual report because she is exempted due to following reason(s)***~~

The institution does not, solely nor jointly, control one or more subsidiaries governed by Belgian or foreign law*

The institution is a subsidiary of a parent company that draws up and publishes consolidated accounts, in which the annual accounts are included through consolidation*

Justification of compliance with the conditions set out in Article 4 of the Royal Decree of September 23rd 1992:

Name and full address of the registered office and, for institutions governed by Belgian law, the company number of the parent company publishing the consolidated accounts by virtue of which the exemption is granted

B. TO BE COMPLETED BY INSTITUTIONS WHICH ARE SOLELY OR JOINTLY-HELD SUBSIDIARIES

Name and full address of the registered office and, for companies governed by Belgian law, the company number of the parent company or companies preparing and publishing the consolidated accounts in which the accounts of the reporting institution are consolidated **:

KBC GROEP NV
HAVENLAAN 2, 1080 BRUSSEL
0403.227.515
The parent company draws up consolidated annual accounts and publishes these consolidated annual accounts.

If the parent company or companies are governed by foreign law, state the place where the above-mentioned consolidated accounts may be obtained **:

* Delete where appropriate

** If the accounts are consolidated at several levels, give details of the largest and smallest aggregate to which the reporting institution belongs as a subsidiary and for which consolidated accounts are prepared and published

C. FINANCIAL RELATIONSHIPS OF THE GROUP LED BY THE COMPANY IN BELGIUM WITH THE AUDITOR(S) OR PEOPLE HE (THEY) IS (ARE) RELATED TO: Statement in accordance with article 133, paragraph 6 of the Company Law

	Code	Current period
D. FINANCIAL RELATIONSHIPS OF THE GROUP LED BY THE COMPANY IN BELGIUM WITH THE AUDITOR(S) OR PEOPLE HE (THEY) IS (ARE) RELATED TO: Statement in accordance with article 134, paragraphs 4 and 5 of the Company Law		
1. Auditor's fees for carrying out an auditor's mandate on the level of the group led by the company that publishes the information	53201	6.341
2. Fees for exceptional services or special services rendered in this group by the auditor(s)		
a. Other audit services	53202	313
b. Tax consultancy services	53203	0
c. Other non-audit services	53204	3
3. Fees for the people who are related to the auditor(s) for carrying out an auditor's mandate on the level of the group led by the company that publishes the information	53205	0
4. Fees for exceptional services or special services rendered in this group by the people who are related to the auditor(s)		
a. Other audit services	53206	299
b. Tax consultancy services	53207	0
c. Other non-audit services	53208	2

XXXIII. INDICATIONS REGARDING RELATIONS WITH ASSOCIATED COMPANIES WITHIN THE MEANING OF
OF ARTICLE 1:21 OF THE COMPANIES AND ASSOCIATIONS CODE

	Code	Current period
1. Amount of financial assets	**53101**	**37.385**
- Holdings	53102	37.385
- Subordinated loans	53103	0
- Other claims	53104	0
2. Receivables from associated companies	**53105**	**89.669**
- On more than one year	53106	89.669
- within one year	53107	0
3. Debts to associated companies	**53108**	**86.350**
- On more than one year	53109	51.555
- within one year	53110	34.795
4. Personal and real guarantees	**53111**	**24.563**
- made by the company or irrevocably promised as security for debts or liabilities of associates	53112	21.900
- Held by associates or irrevocably promised as security for the debts or obligations of the company	53113	2.663
5. Other significant financial commitments	**53114**	**0**

SOCIAL REPORT (in euro)

Numbers of joint industrial committees which are competent for the enterprise:	310				

STATEMENT OF THE PERSONS EMPLOYED

EMPLOYEES RECORDED IN THE STAFF REGISTER

During the current period	Codes	Total	1. Male	2. Female
Average number of employees				
Full-time	1001	5.222	3.074	2.148
Part-time	1002	2.848	597	2.251
Total of full-time equivalents (VTE)	1003	7.381	3.524	3.857
Number of hours actually worked				
Full-time	1011	7.304.689	4.421.617	2.883.072
Part-time	1012	2.768.989	570.028	2.198.961
Total	1013	10.073.679	4.991.646	5.082.033
Personnel costs				
Full-time	1021	549.976.902,40	348.923.897,54	201.053.004,86
Part-time	1022	209.685.937,87	48.847.883,36	160.838.054,51
Total	1023	759.662.840,27	397.771.780,90	361.891.059,37
Advantages in addition to wages	1033	13.904.295,17	7.280.514,41	6.623.780,76

During the previous period	Codes	P. Total	1P. Male	2P. Female
Average number of employees	1003	7.448	3.583	3.865
Number of hours actually worked	1013	10.104.636	5.046.189	5.058.447
Personnel costs	1023	750.085.715,14	396.078.528,48	354.007.186,66
Advantages in addition to wages	1033	14.363.901,81	7.584.777,28	6.779.124,53

At the closing date of the current period	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees recorded in the personnel register	105	5.276	2.804	7.405,9
By nature of the employment contract				
Contract for an indefinite period	110	5.273	2.804	7.402,9
Contract for a definite period	111	3	0	3,0
Contract for the execution of a specifically assigned work	112	0	0	0
Replacement contract	113	0	0	0
According to the gender and by level of education				
Male	120	3.074	587	3.519,9
primary education	1200	0	0	0
secondary education	1201	167	57	207,3
higher education (non-university)	1202	1.720	394	2.020,6
university education	1203	1.187	136	1.292,1
Female	121	2.202	2.217	3.886,0
primary education	1210	0	0	0
secondary education	1211	162	218	327,2
higher education (non-university)	1212	1.198	1.504	2.326,9
university education	1213	842	495	1.231,9
By professional category				
Management staff	130	52	3	53,5
Employees	134	5.224	2.801	7.352,4
Workers	132	0	0	0
Other	133	0	0	0

HIRED TEMPORARY STAFF AND PERSONNEL PUT AT THE ENTERPRISE'S DISPOSAL

During the current period	Codes	1. Temporary personnel	2. Persons put at the disposal of the enterprise
Average number of employees	150	11	0
Number of hours actually worked	151	21.081	0
Charges of the enterprise	152	950.280,92	0

TABLE OF PERSONNEL CHANGES DURING THE CURRENT PERIOD

ENTRIES	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees recorded on the personnel register during the financial year	205	579	80	640
By nature of the employment contract				
Contract for an indefinite period	210	574	80	635
Contract for a definite period	211	5	0	5
Contract for the execution of a specifically assigned work	212	0	0	0
Replacement contract	213	0	0	0

DEPARTURES	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
The number of employees with a in the staff register listed date of termination of the contract during the period	305	428	255	601
By nature of the employment contract				
Contract for an indefinite period	310	428	255	601
Contract for a definite period	311	0	0	0
Contract for the execution of a specifically assigned work	312	0	0	0
Replacement contract	313	0	0	0
According to the reason for termination of the employment contract				
Retirement	340	105	173	214
Unemployment with company bonus	341	0	0	0
Dismissal	342	27	3	29
Other reason	343	296	79	358
Of which: the number of persons who continue to render services to the enterprise at least half-time on a self-employed basis	350	0	0	0

INFORMATION WITH REGARD TO TRAINING RECEIVED BY EMPLOYEES DURING THE CURRENT PERIOD

	Codes	Male	Codes	Female
Total number of official advanced professional training projects at company expense				
Number of participating employees	5801	3.473	5811	3.999
Number of training hours	5802	91.266	5812	99.297
Costs for the company	5803	7.654.422,48	5813	8.813.715,95
of which gross costs directly linked to the training	58031	7.473.833,92	58131	8.605.776,51
of which paid contributions and deposits in collective funds	58032	180.588,56	58132	207.939,44
of which received subsidies (to be deducted)	58033	0,00	58133	0,00
Total number of less official and unofficial advance professional training projects at company expense				
Number of participating employees	5821	3.787	5831	4.366
Number of training hours	5822	112.900	5832	119.950
Costs for the company	5823	7.575.221,83	5833	8.733.408,63
Total number of initial professional training projects at company expense				
Number of participating employees	5841	0	5851	0
Number of training hours	5842	0	5852	0
Costs for the company	5843	0,00	5853	0,00

Valuation rules KBC Bank

1. General

The accounting principles and valuation rules are conform to Belgian accounting legislation and the provisions of the Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The annual accounts are made up as at 31 December after profit appropriation.
In conformity with Article 3 of the above-mentioned Royal Decree, the annual accounts are drawn up according to the principle of a true and fair view. A transparent, clear and consistent financial reporting is important for KBC Bank as a financial institution. As such, KBC aims to align as much as possible, within the possibilities of the Belgian accounting law and the systems, with the international accounting standards IFRS, as applied for the consolidated annual accounts.

2. Valuation rules

CURRENCY TRANSLATION
All monetary items denominated in foreign currency are translated into their equivalent in euros at the spot rate at balance sheet date. Negative and positive valuation differences, except for those relating to the financing of shares and investments in foreign

currency and to dotation capital for foreign branches, are recorded in the profit and loss account.

Non-monetary items are valued on the basis of the historical rate at acquisition or, where appropriate, on the basis of the exchange rate at which the currency used to pay the price was purchased.

For transactions that entailed funding (lending), the rate of the day is used if there is no exchange rate.
Income and charges denominated in foreign currency are stated in the profit and loss account at the rate prevailing when they wererecognised. Foreign-currency income and expenditure which is hedged in advance is recorded in euros on the basis of the fixed rate.

Translation of the financial statements of foreign branches outside the euro zone:
balance sheet items are translated at the closing exchange rate prevailing at year-end, profit and loss account items are translated based on average rates. For this purpose, each month’s profit or loss is translated into euros at the rate prevailing at the end of that month.

The translation difference at balance sheet date, resulting from translating the profit and loss account on the basis of average rates, is taken to the profit and loss account as profit on financial transactions.

AMOUNTS RECEIVABLE
Interest collected in advance and similar income (including such additional compensation as fees for foreign loans) for the entire loan period cannot be taken to the profit and loss account immediately, and is therefore posted to an accruals and deferrals heading. At month-end, the amount earned is written to the profit and loss account.

Origination and processing fees charged are taken to profit and loss immediately on the inception of the loans and advancesconcerned, credit insurance premiums are taken to the profit and loss account annually when paid.

Commissions due (payable in advance) for bank guarantees given are recorded in the profit and loss account immediately. The commissions received by KBC Bank for credit broking are charged to the profit and loss account when the credit is disbursed.

Amounts receivable arising from advances and cash deposits are recorded in the balance sheet for the amount made available. The difference between the amount made available and the nominal value (discount) is recognised on an accruals basis according to the straight- line method as interest receivable via the accruals and deferrals accounts.

Dated commercial credit, consumer credit, home loans and receivables arising from leasing contracts are recorded in the balance sheet in the outstanding principal amount, plus the interest past due and sundry costs to be paid by customers. Interest received

but not yet due (interest collected in advance) is recorded in the profit and loss account on an accruals basis via the accruals and deferrals headings.

The other amounts receivable are recognised in the balance sheet at nominal value.
Loans and advances that are transferred through securitisation operations where the transfer qualifies as a sale under NBB/BNB guidelines no longer constitute bank assets and consequently may not appear on the balance sheet of KBC Bank, although the amount is required to be recorded in the contingent accounts. Until the securitisation operation comes to an end, the entry in the contingent accounts is required to be adjusted at the end of each month to reflect customers' loan repayments. Any gains realised on the sale of securitised assets are taken to the profit and loss account immediately at the time of the sale.

If the sales price is made up entirely or in part of a variable element dependent on the buyer's operating profit, this element will only be taken to the profit and loss account when the operating profit is known and this element is therefore fixed.

In synthetic securitisation operations, the (credit) risk in respect of the underlying (loan) portfolio is all that is transferred to a thirdparty, and this by means of a credit default swap, for example, and not through the effective transfer/sale of the (loan) receivables.

In other words, the loans remain on the balance sheet. Transactions used to hedge the company's own loan receivables arerecognised as guarantees given or received. Transactions relating to the trading portfolio are recorded as interest rate swaps.

Both types of transaction are marked to market and taken to profit and loss, unless carried out on an illiquid market (in this case, positive valuation differences are posted to an accruals and deferrals heading, and negative valuation differences to the profit and loss account).
For loans with an uncertain outcome, general provisions are set aside and specific write-downs are charged. All interest and various other receivables which have remained unpaid for three months after having become payable will not be recognised in the profit
and loss account.
Non-specific write-downs are calculated for domestic loans with an uncertain outcome on the basis of the principal amount whose repayment is uncertain, the percentage susceptible to reclassification (that portion of the 'uncertain outcome' portfolio that might become 'doubtful') and the loss percentage.
For loans classified as irrecoverable and doubtful, specific write-downs are posted on a case-by-case basis and charged to the assets heading in the annual accounts in which the risks appear, in order to cover the losses which are considered certain or likely
to ensue on the outstanding loans. Interest due and charges are written to reserves.
Loans are classified as irrecoverable and doubtful if the loan balance is payable and if debt-recovery procedures have been initiated in or out of court.
The amount of any security is equal to the principal amount registered. Personal security is recorded in the accounts in the amount that can be obtained if execution is levied.

SECURITIES

Securities are recognised at acquisition cost at the time of purchase, excluding costs and less subscription fees. The ancillary costs attendant on acquisition are charged directly to the result.

- *Investment portfolio*

Fixed-income investment securities are recorded at acquisition cost, less or plus the matured portion of the premium or discount.

The difference between the acquisition cost and the redemption value is reflected as an interest item in the profit and loss account on an accruals basis over the remaining term to maturity of the securities. It is included in the profit and loss account on a discounted basis, based on the internal rate of return at the time of purchase.

Perpetual debt is valued at the lower of acquisition cost and market value.

If redemption of a security is uncertain or doubtful, an impairment is recorded according to the principles that apply for the valuation of amounts receivable.

If securities are sold, their carrying value is determined on a case-by-case basis. Gains or losses are posted directly to the profit and loss account.

Listed shares and other variable-yield securities are valued each month at the lower of acquisition cost and market value at balance sheet date. Other securities are valued at least once a year, based on the annual accounts for the previous year. File administrators are responsible for ensuring that any significant negative developments during the course of the year are also dealt with.

No value impairments are posted for shares hedged against a decline in price by means of an option.

- *Trading portfolio*

Securities belonging to the trading portfolio are marked to market. The resulting valuation differences are recorded in the profit and loss account under heading VI: ‘Profit (Loss) on financial transactions’.

FINANCIAL FIXED ASSETS

Included in KBC Bank’s holdings or participating interests are the rights (shares) held in other companies with a view to creating specific, lasting ties with them.

If there are no lasting ties and the shares are acquired for resale, then this investment will not be considered a financial fixed asset, but rather as part of the investment portfolio, regardless of the size of the shareholding and the influence that could be exerted on the management of the company in question through this shareholding.

Participating interests and shares that are considered financial fixed assets are recognised at acquisition cost.

Write-downs are applied only in the event of a lasting impairment in or loss of value, established on the basis of the financial position, the profitability and the prospects of the company concerned.

Participating interests, shares and share certificates classified as financial fixed assets may be revalued if, in light of their usefulness to the company, they exhibit an incontestable and lasting increase in value.

Regardless of whether they are represented by securities, subordinated loans and advances to associated companies and companies linked by participating interests are valued according to the same principles as non-subordinated loans and advances.

FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

All formation expenses referred to in the Royal Decree on the annual accounts of credit institutions are charged directly to the profit and loss account for the financial year as administrative expenses.

Capitalised goodwill is depreciated according to the straight-line method over a period of five years, unless the Board of Directors decides otherwise.

The following rules apply to software that has been developed in-house: all charges relating to continuity projects, as well as

any research expenses for investments, are taken directly to the profit and loss account. However, development expenses (both internal and external) for investments are capitalised as an intangible fixed asset and written off over a period of five years. Investments are large-scale projects that introduce or replace an important business objective or model. Systems software is depreciated at the same rate as hardware, being written off according to the straight-line method over a period of three years. Software other than systems software is depreciated over five years. Core systems with a longer useful life are depreciated straight line over a minimum period of eight years. Core systems are types of standard software, including back-end data applications, for processing operations during the day and updates of the general ledger balances on the mainframe.

At KBC Bank, intangible fixed assets recorded are capitalised at acquisition cost including ancillary costs, and are written off on an accruals basis during the first year of investment.

TANGIBLE FIXED ASSETS

All tangible fixed assets are recognised at acquisition cost, less accumulated depreciation. They are recorded at acquisition cost, including ancillary, directly allocable costs (acquisition costs, non-deductible VAT, etc.).

The rates of depreciation are determined on the basis of the anticipated useful economic life of the item and are applied according

to the straight-line method. All tangible fixed assets are depreciated on an accruals basis from the time they are available for use.

The ancillary costs are written off over the life of the asset. A write-down is charged for ancillary costs on the acquisition of land.

When tangible fixed assets are sold, realised gains or losses are taken immediately to the profit and loss account. If these assets

are destroyed, the remaining amount to be written off is charged directly to the result.

Tangible fixed assets that exhibit an incontestable and lasting appreciation in value compared to their carrying value may be revalued. This surplus is written off over the average residual useful life of the assets in question.

CREDITORS

Amounts owed as a result of advances or cash deposits received are recorded in the balance sheet in the amount made available, plus or minus any difference between this amount and the redemption price of the portion that has already accrued. The difference between the amount made available and the nominal value is reflected as interest on an accruals basis in the profit and loss account.

PROVISIONS FOR LIABILITIES & CHARGES

Provisions for liabilities and charges are intended to cover losses or charges, the nature of which is clearly defined and which at balance sheet date are either likely or certain to be incurred, but the amount of which is uncertain.

- Pensions

Concerned here are commitments with regard to retirement and survivor's pensions, benefits paid out on early retirement and other similar pensions or allowances (related mainly to employees' leaving employment early and end-of-career schemes).

- Taxation

This provision covers the commitments that may arise from a change in the tax base or in the calculation of tax. It is set aside in anticipation of additional tax charges (not yet assessed) for past financial years, for the amount that is disputed.

- Other liabilities and charges

This is a residual heading in respect of the provisions referred to above and includes provisions for legal disputes, commitment credit and indirect taxes.

FUND FOR GENERAL BANK RISKS

A fund for general banking risks is created as a general buffer for the expected future credit losses calculated on a 1-year time horizon (one year expected credit loss) inherent in the normal loan portfolio and fixed-interest securities for which there are no payment difficulties (loans with a probability of default from 1 to 9).

FINANCIAL INSTRUMENTS

-Valuation rules for trading and non-trading activities

Where trading activities are concerned, the unrealised profit or loss on revaluation is recognised at least at the end of every month. This revaluation takes into account any interest flows that have already been recognised on an accruals basis. In the event of a sale, liquidation or expiration, the profit/loss on the position is recognised immediately. Where illiquid currencies or securities are concerned, no profit on revaluation is recognised.

The existing strategic positions the dealing room takes for its own account via derivatives with a view to generating a profit on the long term by way of capital gains or interest spreads are valued according to the same principles used for illiquid interest rate positions.

For non-trading activities, where interest rate instruments are concerned, the gains or losses realised are only recognised on an accruals basis over the corresponding term. The valuation of non-interest-rate instruments (e.g., share option premiums) matches the valuation of the hedged position. In addition, non-trading activities carried out for the purpose of general, long-term management of interest rate products denominated in a foreign currency (macro-hedging) are also valued according to the 'lower of cost and market' principle, along with the associated on-balance-sheet products. Profit or loss on similar transactions carried out for general EUR ALM interest rate management purposes is recognised solely on an accruals basis.

Option premiums that are paid in advance are only taken to the profit and loss account on the due date or on liquidation, with the exception of option premiums for caps, floors and collars that have been concluded for hedging purposes (accruals-basis recognition). In the meantime, they are posted under the 'Other assets' or 'Other liabilities' items. Option premiums relating to trading activities are revalued at least at the end of every month.

-Valuation of derivatives

All derivatives are always recorded under specific off-balance-sheet headings on the transaction date. Amounts are released from the off-balance-sheet headings once the outcome of the transaction is definitive, even if the underlying term only starts at that time for certain interest rate products (e.g., FRAs).

Trading transactions are marked to market, and the mark-to-market (dirty price) value is recognised in the trading results.

Non-trading transactions are included in interest income on an accruals basis, which is the case for interest payable and interest receivable relating to interest rate swaps and foreign currency interest rate swaps. The swap difference arising on FX swaps (and FX outrights) is also released to the results on an accruals basis. The results from interest rate futures and FRAs are included in the profit and loss account spread over the term of the underlying hedged item. Equity swaps are treated in the same way as interest rate swaps. In practice, equity swaps (just like options) are only recorded in the trading book and consequently marked to market. KBC Bank makes use of the derogation allowed by the NBB/BNB to Article 36*bis* of the Royal Decree on the annual accounts of credit institutions. This derogation makes it possible to take interest rate derivatives that do not meet the microhedging criteria to the profit and loss account on an accruals basis (interest rate derivatives classified as ALM or treasury management instruments).

-Hedging criteria for forward interest rate transactions:

The general criteria are set out in Article 36*bis* of the Royal Decree on the annual accounts of credit institutions of 23 September 1992:

- the hedged item, the hedged homogeneous whole, the homogeneous or not homogeneous and in time evolving whole of assets, liabilities, off-balance rights and/or obligations, as well as with regard to highly probable future cash flows, must expose the credit institution to a risk of interest rate fluctuation;
- the transaction must be recorded in the books as a hedge from its inception;
- there must be a close correlation between fluctuations in the value or highly probable future cash flows of the hedged item and the hedging instrument; in the case of hedging options, a correlation between fluctuations in the value of the hedged item and those of the underlying must be established.

In addition, specific company criteria apply. All these criteria must be met: if one criterion is no longer satisfied, the hedge will be considered a trading transaction and be subject to the appropriate accounting treatment.

Hedging combinations that involve derivatives and are terminated before maturity will be considered trading transactions once the underlying position to be hedged no longer exists. The result of hedging instruments on termination of hedging combinations is either recognized immediately in the income statement if the hedged items have disappeared, or spread in the income statement over the shorter of (i) the remaining originally determined term of the hedge and (ii) the effective remaining term of the hedged items if the hedged items remain in the institution's assets.

Future interest rate positions can be hedged if it is reasonably certain that the position will actually materialise. Moreover, the amount, term and interest rate conditions must be sufficiently certain.

-Calculation of unrealised profit/loss on revaluation

Derivatives are always valued on a contract basis; positive and negative valuation differences are not netted in the accounting records. Only for calculating capital adequacy requirements relative to market risks is the market risk calculated on a net basis per counterparty.

For forward interest rate and similar products (namely forward foreign exchange products), valuation occurs on the basis of the net present value of future, determinable cash flows using a single yield curve per currency, which is used throughout the bank. Any adjustments for operational and liquidity risks are deducted from the initial revaluation. Options are valued according to the usual valuation models. For interest rate products, calculations are always based on the assumption of a liquid market, provided the underlying currencies are liquid.

If a credit granted to a counterparty is classified as ‘doubtful’ or ‘irrecoverable’, the receivables and commitments stemming from off-balance-sheet products involving the same counterparty will be given the same classification. For loans and advances, write-downs may be recorded; for commitments, provisions will be set aside.

3. Change in the valuation rules

No changes.

KBC Bank NV
Company annual report for financial year 2024

Pursuant to Article 119 of the Companies Code, KBC Bank NV has combined the reports for its company and consolidated financial statements. You can find this ‘combined’ report in the ‘Report of the Board of Directors’ section of the KBC Bank Annual Report.

The accounting information provided in the ‘Report of the Board of Directors’ is based on the consolidated IFRS accounting policies. In order to provide the reader of the company financial statements, based on Belgian accounting policies (B-GAAP), with a true and fair view of the company, an additional brief explanation is given. In addition, other information to be published that is not included in the ‘Report of the Board of Directors’ has been included here too.

Table of Contents

- Notes to the company annual accounts
- Additional information
  - Information on branch offices
- Report of the Board of Directors

Notes to the company annual accounts

The annual accounts have been prepared according to Belgian accounting standards (B-GAAP).

Balance sheet

KBC Bank NV (x1000 EUR)	31-12-2024	31-12-2023	Difference
Assets	**232 260 495**	**213 896 136**	**18 364 359**
Cash and cash balances with central banks	40 638 874	25 468 268	15 170 606
Amounts receivable from credit institutions	12 415 986	25 570 336	-13 154 350
Amounts receivable from clients	103 938 930	98 174 112	5 764 818
Bonds and other fixed-income securities	51 247 770	40 007 213	11 240 557
Shares and other variable-yield securities	890 533	560 532	330 001
Financial fixed assets	13 038 013	13 745 731	-707 717
Formation expenses, tangible and intangible fixed assets	2 464 388	2 101 741	362 646
Other assets	848 791	856 114	-7 323
Deferred charges and accrued income	6 777 211	7 412 089	-634 878
Liabilities	**232 260 495**	**213 896 136**	**18 364 359**
Amounts payable to credit institutions	30 207 899	17 393 637	12 814 262
Amounts payable to clients	134 224 441	126 648 208	7 576 233
Debts represented by securities	21 826 640	20 929 996	896 644
Other amounts payable	1 610 072	1 935 277	-325 205
Accrued charges and deferred income	7 667 349	9 205 751	-1 538 402
Provisions for liabilities and charges and deferred taxes	66 112	78 140	-12 027
General fund for banking risk	132 158	116 158	16 000
Subordinated loans	20 611 169	21 941 586	-1 330 417
Equity	15 914 656	15 647 384	267 273

Total assets

Total assets increased by 18.4 billion compared to last year. This increase is explained further in this document from the sub-headings.

Foreign branches hold 5.47% of the bank's total assets (4.81% at the end of 2023).

Netting on the balance sheet

The criteria for offsetting are met if KBC currently has a legally enforceable right to set off the recognised financial assets and financial liabilities and intends either to settle the transactions on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

Netting disclosure (x1000 EUR)	Gross amounts		Netting	Netted amounts	
	Assets	Liabilities		Assets	Liabilities
repos - reverse repos	15 431 598	32 404 211	13 381 684	2 049 914	19 022 527

Cash, cash balances with central banks

The 15.2-billion-euro increase is primarily attributable to higher placements with the central banks (+13.5 billion euros) and to increased investments in Belgian treasury bills (+1.2 billion euros) due to an increase in the excess cash available.

Amounts receivable from credit institutions

The 13.2-billion-euro decrease is primarily due to a decline in reverse repo transactions (-12.3 billion euros), mostly with affiliated companies (-9.2 billion euros).

Loans and advances to customers

'Loans and advances to customers' rose by 5.8 billion euros to 103.9 billion euros, owing primarily to an increase in home loans of 1.7 billion euros, in term loans of 3.5 billion euros, in leasing of 0.2 billion euros and in other receivables of 0.2 billion euros.

Bonds and other fixed-income securities

The total portfolio of fixed-income securities rose by 11.2 billion euros to 51.2 billion euros on account of an accumulation of bonds issued by affiliated companies (8.9 billion euros) and an accumulation of investment securities (2.4 billion euros) to optimise interest income.

Securities issued by public authorities represented 49.74% of the portfolio.

Financial fixed assets

'Financial fixed assets' fell by 0.7 billion euros to 13.0 billion euros due to a capital reduction at KBC Bank Ireland (-1 billion euros), a reduction of a subordinated receivable from Loan Invest (-0.5 billion euros), offset by capital increases at affiliated companies (+0.8 billion euros).

Other asset items

'Deferred charges and accrued income' was mostly made up of accrued interest and the revaluation of derivatives (such as IRS). The item decreased by 0.6 billion euros due mainly to the effect of mark-to-market valuation of derivatives.

Amounts payable to credit institutions

'Amounts payable to credit institutions' went up by 12.8 billion euros to 30.2 billion euros, mainly due to a 15.8-billion-euro increase in repo positions, offset by a repayment of the amount borrowed under TLTRO (-2.6 billion euros).

Amounts payable to clients

Amounts payable to clients increase by EUR 7.6 billion and can be explained mainly by:

- An increase in regulated saving accounts by EUR 0.7 billion and current accounts by EUR 0.4 billion;
- An increase in term deposits by EUR 7.1 billion;
- A decrease in the short position in the dealing room by EUR 0.5 billion

Debts represented by securities

The increase in debts represented by securities (0.9 billion euros) is mainly attributable to:

- A 1.1-billion-euro increase in savings certificates;
- A 1.2-billion-euro increase in non-convertible bonds due to a specific issue relating to KBC IFIMA;
- A 1.4-billion-euro decrease in certificates of deposit.

Fund for general banking risks

The increase of EUR 0.02 billion relates to an increase in collective impairment on loans .

Accrued charges and deferred income

Accrued charges and deferred income was made up primarily of interest payable and the revaluation of derivatives. The decrease of 1.5 billion euros was mainly attributable to the effect of mark-to-market accounting. Developments in this section must be assessed together with those in 'Deferred charges and accrued income' on the Assets side.

Subordinated liabilities

Subordinated debt decreased by EUR 1.3 billion due to a combination of new issues of subordinated debt and maturity of existing issues, all with KBC Group as counterparty.

Equity

Equity increases by EUR 0.3 billion to a figure of EUR 15.9 billion.

Clearing of derivative positions

Derivative assets and derivative liabilities against central clearing houses are cleared day by day by cash settlement (assets against cash collateral received and liabilities against cash collateral paid). The table below shows the positions before and after 'cash collateral' settlement.

Clearing disclosure (x1000 EUR)	Gross amounts		Netting		Netted amounts	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives	21 423 930	20 877 148	15 681 711	14 219 235	5 742 219	6 657 912

Profit and loss account

KBC Bank NV (x1000 EUR)	**31-12-2024**	**31-12-2023**	**Difference**
Gross income from ordinary activities	4 617 859	4 371 862	245 997
Operating charges	-2 788 446	-2 758 585	-29 861
Write-downs and provisions	-292 133	-119 078	-173 055
Profit on ordinary activities	1 537 280	1 494 199	43 082
Extraordinary result	379 548	-55 254	434 802
Taxes	-156 557	-127 479	-29 077
Result for the period to be appropriated	**1 760 272**	**1 311 466**	**448 806**

(x1000 EUR)	**31-12-2024**	**31-12-2023**	**Difference**
Net interest income	1 879 171	2 348 309	-469 138
Income from variable-yield securities	1 057 622	904 195	153 427
Net fee and commission income	782 830	589 169	193 661
Results from financial transactions	203 106	-100 072	303 178
Other operating income	695 131	630 262	64 869
Gross income from ordinary activities	**4 617 859**	**4 371 862**	**245 997**

'Gross income from ordinary activities' came to 4.6 billion euros, up 0.2 billion euros on its 2023 level.

Details of this increase are given in the table above.

- 'Net interest income' was down 0.5 billion euros on the previous financial year due to several reasons, including a decrease in pro rata interest on banking book derivatives (-0.3 billion euros), lower margin on deposits from customers (-0.03 billion euros), the impact of the lower remuneration of minimum reserves held with the ECB (-0.03 billion euros), less interest accrued from the cash desk and repo activities (-0.04 billion euros) and, lastly, lower interest income in the dealing room (0.04 billion euros).
- 'Income from variable-yield securities' went up by 0.2 billion euros on account of a higher amount of dividends paid from subsidiaries.
- 'Net commissions' went up by 0.2 billion euros, owing to a combination of mainly higher commissions for the distribution of investment products and a higher commission fee for Home Loan Invest.
- 'Results from financial transactions' increased by 0.3 billion euros, primarily due to higher income from derivatives in the trade portfolio (+263 million euros).

(x1000 EUR)	31-12-2024	31-12-2023	Difference
General administrative charges	-2 323 384	-2 353 895	30 511
Depreciation of and amounts written off tangible and intangible fixed assets	-387 476	-329 964	-57 512
Other operating charges	-77 586	-74 726	-2 860
Operating charges	**-2 788 446**	**-2 758 585**	**-29 861**

Operating charges (including ‘Depreciation of tangible and intangible fixed assets’ and ‘Other operating charges’) rose slightly by 29.9 million euros, owing primarily to higher depreciation and amortisation (-58 million euros), offset by lower bank tax in the general administrative charges.

(x1000 EUR)	31-12-2024	31-12-2023	Difference
Write-downs on loans	-279 142	-107 633	-171 509
Write-downs on investment portfolio	511	91	420
Provisions (incl. General fund for banking risk)	-13 502	-11 536	-1 966
Write-downs and provisions	**-292 133**	**-119 078**	**-173 055**

In financial year 2024, the net provisioning of write-downs and provisions amounted to 292 million euros, a 173-million-euro increase year-on-year, mainly on account of higher individual write-downs (-172 million euros).

The movement in the **extraordinary result** of +435 million euros is mainly attributable to a positive movement of 170 million euros in the write-downs made on the participating interest in KBC Bank Ireland (provisioning of -150 million euros in 2023; reversal of +20 million euros in 2024) and to the reversal of write-downs made on the participating interest in UBB (+363 million euros)

Income tax was up on its level for financial year 2023, and remains limited as a result of outstanding tax losses carried forward and the specific tax system for dividends received from subsidiaries.

Events after the balance sheet date

No events.

Additional information

Information on branch offices

KBC Bank has 11 branches abroad, more specifically in New York, London, Paris, Rotterdam, Singapore, Hong Kong, Shanghai, Dublin, Düsseldorf, Milan and Luxemburg.

The branch in Mumbai no longer has any commercial activities.

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF KBC BANK NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of KBC Bank NV (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 27 April 2022, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the Company's annual accounts for nine consecutive years.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the Company's annual accounts, which comprise the balance sheet as at 31 December 2024, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR '000' 232.260.495 and a profit and loss account showing a profit for the year of EUR '000' 1.760.264.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2024, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory Auditor's responsibilities for the audit of the annual accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the annual accounts of the current period. This matter was addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Estimation uncertainty with respect to impairment allowances for receivables on clients

Description of the Key Audit Matter

The appropriateness of the impairment allowances for receivables on clients requires significant management judgement. Measuring impairment allowances for receivables on clients requires an assessment of the risk that a counterparty will not respect all of its contractual obligations. As disclosed in Note 8 to the annual accounts, for the measurements of the fund for general banking risks and of the impairment allowances, the Company applies a methodology which is partly aligned with the IFRS accounting policies.

Information regarding impairment allowances for receivables on clients and on the fund for general banking risks is included respectively in line 40900 and line 41300 of the profit and loss accounts, in application of the valuation rules as described in Note 8 to the annual accounts (chapters "Receivables" and "Fund for general banking risks"). At year-end 31 December 2024, the receivables on clients amount to EUR '000' 103.938.930.

The identification of impairment, the determination of the recoverable amount and the determination of the fund for general banking risks, are part of the estimation process at the Company and are, amongst others, based on macroeconomic scenarios and sector specific parameters, credit risk models, default triggers, the financial condition of the counterparty and the expected future cash flows or the value of collateral.

The use of different modelling techniques, scenarios and assumptions could lead to different estimates of impairment charges on receivables on clients or to a different fund for general banking risks. As the receivables on clients represent the majority of the Company's balance sheet and given the related estimation uncertainty on impairment charges, including the fund for general banking risks, we consider this as a key audit matter.

How our Audit addressed the Key Audit Matter

Our audit procedures included an assessment of the overall governance of the Company's credit and impairment process, including the geopolitical and macroeconomic uncertainties element of the provisions and impairment allowances. We have assessed and tested the design and operating effectiveness of the controls within the loan origination process, risk management process and the estimation process for determining impairment allowances. For loan impairment allowances determined on an individual basis we have performed, for a sample of corporate and SME credit files, a detailed review; we challenged the default triggers and the quantification of the forecasted future cash flows, valuation of underlying collateral and estimates of recovery on default.

For the determination of the fund for general banking risks, we challenged the macroeconomic scenarios and sector specific parameters and, together with our experts, we tested the underlying models including the Company's model approval and independent validation process.

In our view, the impairments and the fund for general banking risks estimated by management, are within a reasonable range of outcomes in view of the overall receivables on clients and the related uncertainties.

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Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

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- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report, of the documents required to be deposited by virtue of the legal and regulatory requirements as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code, and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 3:12, §1, 8° of the Companies' and Associations' Code, includes, both in terms of form and content, the information required under this Code, including, but not limited to, in relation to salaries and education, and does not present any material inconsistencies with the information we have at our disposition in our engagement.

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Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code that we have to report to you.
- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.
- We have evaluated the property effects resulting from the decisions of the board of directors dated 7 February 2024 and 14 March 2024 as described in section "Conflicts of interest that fell within the scope of Article 7:115, 7:116 or 7:117 of the CAC" of the directors' report and we have no remarks to make in this respect.
- By virtue of article 7:213 of the Companies' and Associations' Code, during the year two interim dividends have been distributed in relation to which we have prepared the attached reports, in accordance with the legal requirements.

Diegem, 28 March 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by

Damien Walgrave* Bedrijfsrevisor/Réviseur d'entreprises	Jeroen Bockaert** Bedrijfsrevisor/Réviseur d'entreprises
*Acting on behalf of Damien Walgrave BV	**Acting on behalf of Jeroen Bockaert BV

<u>Appendix 1</u>: Statutory auditor's review report on 14 May 2024 to the board of directors of KBC Bank NV on the statement of assets and liabilities in connection with the distribution of an interim dividend

<u>Appendix 2</u>: Statutory auditor's review report on 6 August 2024 to the board of directors of KBC Bank NV on the statement of assets and liabilities in connection with the distribution of an interim dividend

Appendix 1:

Statutory auditor's review report on 14 May 2024 to the board of directors of KBC Bank NV on the statement of assets and liabilities in connection with the distribution of an interim dividend

To the attention of the board of directors of KBC Bank NV

STATUTORY AUDITOR'S REVIEW REPORT OF KBC BANK NV ON THE STATEMENT OF ASSETS AND LIABILITIES IN CONNECTION WITH THE DISTRIBUTION OF AN INTERIM DIVIDEND (art. 7:213 CAC)

In our capacity of statutory auditor, we issue our review report on the statement of assets and liabilities as of 31 March 2024 to the board of directors of KBC Bank NV (hereafter the "Company"), in accordance with article 7:213 of the Companies' and Associations' Code (hereafter "CAC") and the Company's articles of Articles of Association.

We have performed the review of the accompanying statement of assets and liabilities of the Company as of 31 March 2024 prepared in accordance with the financial reporting framework applicable in Belgium.

Responsibility of the board of directors for the preparation of the statement of assets and liabilities

The board of directors is responsible for the preparation of this statement of assets and liabilities of the Company as of 31 March 2024 in accordance with the financial reporting framework applicable in Belgium and with the principles of article 3:1, §1, 1° CAC, and for the compliance with the requirements of article 7:213 of the Companies' and Associations' Code.

Responsibility of the statutory auditor

We are responsible for formulating a conclusion on the statement of assets and liabilities based on our review. We conducted our review in accordance with ISRE 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". Such review of the Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, a review does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of assets and liabilities of the Company as of 31 March 2023, showing a balance sheet total of 222.311.236.736, a negative result of the current period of 3 months of EUR 95.424.693,50 and retained earnings of EUR 2.836.156.619, has not been prepared, in all material respects, in accordance with the financial reporting framework applicable in Belgium.

Limitation of use of our report

This report is prepared solely to address the requirements of article 7:213 of the Companies' and Associations' Code and may not be used for any other purpose.

Diegem, 14 May 2024

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by

Damien Walgrave* Accredited auditor	Jeroen Bockaert** Accredited auditor
*Acting on behalf of Damien Walgrave BV	**Acting on behalf of Jeroen Bockaert BV

Appendix: Statement of assets and liabilities as of 31 March 2024

KBC BANK NV

Staat van activa en passiva per 31/03/2024

ACTIVA	31/03/2024
in eenheden EURO	
I. Kas, tegoeden bij centrale banken, postcheque- en girodiensten	**35,739,819,179**
II. Bij de centrale bank herfinancierbaar overheidspapier	**1,937,717,947**
III. Vorderingen op kredietinstellingen	**23,228,780,421**
A. Onmiddellijk opvraagbaar	434,768,271
B. Overige vorderingen (op termijn of met opzegging)	22,794,012,150
IV. Vorderingen op cliënten	**100,327,175,718**
V. Obligaties en andere vastrentende effecten	**38,124,889,489**
A. Van publiekrechtelijke emittenten	23,952,316,570
B. Van andere emittenten	14,172,572,919
VI. Aandelen en andere niet-vastrentende effecten	**495,176,708**
VII. Financiële vaste activa	**12,600,603,389**
A. Deelnemingen in verbonden ondernemingen	10,508,468,923
B. Deelnemingen in ondernemingen waarmee een deelnemingsverhouding bestaat	69,503,680
C. Andere aandelen die tot de financiële vaste activa behoren	38,928,986
D. Achtergestelde vorderingen op verbonden ondernemingen en ondernemingen waarmee een deelnemingsverhouding bestaat	1,983,701,800
VIII. Oprichtingskosten en immateriële vaste activa	**68,057,747**
IX. Materiële vaste activa	**2,138,114,577**
X. Eigen aandelen	**0**
XI. Overige activa	**920,422,273**
XII. Overlopende rekeningen	**6,730,479,287**
TOTAAL ACTIVA	**222,311,236,736**

PASSIVA	31/03/2024
in eenheden EURO	
I. Schulden aan kredietinstellingen	**20,543,387,497**
A. Onmiddellijk opvraagbaar	3,961,558,245
B. Mobiliseringsschulden wegens herdiscontering van handelspapier	0
C. Overige schulden op termijn of met opzegging	16,581,829,252
II. Schulden aan cliënten	**129,441,014,660**
A. Spaargelden / spaardeposito's	45,125,821,036
B. Andere schulden	84,315,193,624
1) onmiddellijk opvraagbaar	51,994,494,035
2) op termijn of met opzegging	32,307,640,046
3) wegens herdiscontering van handelspapier	13,059,542
III. In schuldbewijzen belichaamde schulden	**24,106,782,915**
A. Obligaties en andere vastrentende effecten in omloop	6,808,859,690
B. Overige schuldbewijzen	17,297,923,225
IV. Overige schulden	**2,156,723,655**
V. Overlopende rekeningen	**8,484,407,387**
VI. A. Voorzieningen voor risico's en kosten	**77,387,282**
1. Pensioen- en soortgelijke verplichtingen	17,197,196
2. Belastingen	0
3. Overige risico's en kosten	60,190,086
B. Uitgestelde belastingen	**0**
VII. Fonds voor algemene bankrisico's	**116,643,056**
VIII. Achtergestelde schulden	**21,832,931,108**
EIGEN VERMOGEN	**15,551,959,174**
IX. KAPITAAL	**9,732,238,065**
A. Geplaatst kapitaal	9,732,238,065
B. Niet opgevraagd kapitaal (-)	0
X. Uitgiftepremies	**2,066,338,687**
XI. Herwaarderingsmeerwaarden	**0**
XII. Reserves	**917,225,803**
A. Wettelijke reserve	904,252,555
B. Onbeschikbare reserves	0
1. voor eigen aandelen	0
2. andere	0
C. Belastingvrije reserves	12,973,248
D. Beschikbare reserves	0
XIII. Overgedragen winst (overgedragen verlies (-))	**2,836,156,619**
Resultaat van het huidige boekjaar	-95,424,693.50
TOTAAL PASSIVA	**222,311,236,736**

Waarderingsregels KBC Bank NV

1. Algemeen

De boekhoudprincipes en waarderingsregels zijn in overeenstemming met de Belgische boekhoudwetgeving en de bepalingen van het Koninklijk Besluit van 23 september 1992 op de jaarrekening van de kredietinstellingen.

De jaarrekening wordt afgesloten per 31 december. Ze wordt opgesteld na winstverdeling.

Conform artikel 3 van het Koninklijk Besluit op de jaarrekening van kredietinstellingen wordt de jaarrekening opgesteld volgens het beginsel van het getrouw beeld. Een transparante, duidelijke en consistente financiële verslaggeving is belangrijk voor KBC als financiële instelling. Daarom wordt het principe gehanteerd om de Bgaap waarderingsregels zoveel mogelijk te aligneren, daar waar wettelijk en systeemmatig mogelijk, met de internationale boekhoudstandaarden IFRS, die van toepassing zijn op de geconsolideerde jaarrekening.

2. Waarderingsregels

OMREKENING VAN DEVIEZEN

Alle monetaire bestanddelen uitgedrukt in vreemde valuta worden omgerekend in tegenwaarde Euro tegen de contantkoers op balansdatum. De negatieve en positieve waarderingsverschillen, met uitzondering van die welke betrekking hebben op de financiering van aandelen en deelnemingen in deviezen en op dotatiekapitaal tav buitenlandse kantoren, worden opgenomen in het resultaat.

De niet-monetaire bestanddelen worden gewaardeerd op basis van de wisselkoers op datum van hun aanschaffing, of in voorkomend geval, op basis van de wisselkoers waartegen de voor de betaling van de prijs gebruikte vreemde munt werd aangekocht.
Voor transacties waarvoor een funding (lending) werd aangegaan, wordt - bij afwezigheid van een wisselkoers – de dagkoers genomen.

In deviezen uitgedrukte opbrengsten en kosten worden in het resultaat verwerkt tegen de koers die gold op het tijdstip van hun erkenning. De bij voorbaat gedekte kosten en opbrengsten in deviezen worden geboekt in Euro op basis van de vaste koers.

Omrekening van financiële staten voor buitenlandse kantoren gelegen buiten de Euro zone:
De omrekening van balansposten gebeurt aan de slotkoers die van toepassing is op afsluitdatum. De omrekening van de resultatenrekening gebeurt op basis van gemiddelde koersen. Hierbij wordt elk maandelijks resultaat omgerekend in Euro tegen de omrekeningskoers die van toepassing is op elk betrokken maandeinde.

Het omrekenen van de resultatenrekening op basis van gemiddelde koersen, leidt tot een omrekeningsverschil op balansdatum. Dit omrekeningsverschil wordt als koersresultaat in de resultatenrekening verwerkt.

VORDERINGEN

Op voorhand geïnde rentes en soortgelijke opbrengsten (waaronder de bijkomende vergoedingen zoals de fees bij buitenlandse kredieten), voor de ganse periode van het krediet, kunnen niet onmiddellijk in het resultaat geboekt worden, en worden aldus geboekt op een overlopende rekening. Per maandeinde wordt het verworven gedeelte overgeboekt naar het resultaat.
Aangerekende dossierkosten worden onmiddellijk in het resultaat opgenomen bij aanvang van de desbetreffende kredieten, kredietverzekeringspremies worden jaarlijks bij betaling in het resultaat opgenomen.
Verschuldigde commissies op de verleende bankgaranties (vooraf betaalbaar) worden onmiddellijk in het resultaat opgenomen. De door KBC Bank toegekende commissies voor bemiddeling inzake kredieten worden in het resultaat genomen op het ogenblik van uitbetaling van het krediet.

Vorderingen uit voorschotten en gelddeposito’s worden in de balans opgenomen volgens het terbeschikking gestelde bedrag. Het verschil tussen de ter beschikking gestelde gelden en de nominale waarde (disconto) wordt lineair geprorateerd als renteopbrengst via de overlopende rekeningen.

Looptijdgebonden commerciële kredieten, afbetalingskredieten, woningkredieten en leasingvorderingen worden in de balans opgenomen voor het niet-afgeloste kapitaalsaldo verhoogd met de vervallen doch niet-betaalde renten en de nog te betalen diverse kosten door cliënten. Verworven niet vervallen renten (op voorhand geïnde renten) worden pro rata temporis in het resultaat geboekt via een overlopende rekening.

De overige vorderingen worden in de balans opgenomen voor hun nominale waarde.

De in het kader van effectiseringsoperaties overgedragen kredieten, waarbij de overdracht van de activa kan beschouwd worden als verkoop in overeenstemming met de richtlijnen van de CBFA, behoren niet langer tot de activa van de bank en mogen bijgevolg ook niet op de balans van KBC Bank voorkomen. In de orderekeningen dient dit bedrag wel geregistreerd te worden. Gedurende de looptijd van de effectiseringstransactie dient per einde maand de registratie in de orderekeningen aangepast te worden in functie van de terugbetalingen van de kredieten door de cliënten. De desgevallend gerealiseerde meerwaarde op de verkoop van de geëffectiseerde vorderingen wordt onmiddellijk in resultaat genomen op het moment van de verkoop.
Indien de verkoopprijs geheel of gedeeltelijk bestaat uit een variabel gedeelte, afhankelijk van de bedrijfswinst van de koper, zal dit gedeelte slechts in resultaat worden genomen wanneer deze bedrijfswinst bekend is en dit gedeelte bijgevolg vast komt te staan.

Bij een synthetische effectisering wordt enkel het (krediet)risico van de onderliggende (krediet)portefeuille verplaatst naar een derde partij door middel van bijvoorbeeld een credit default swap en niet door de effectieve overdracht/verkoop van de (krediet)vorderingen. De kredieten blijven met andere woorden op de balans staan. Verrichtingen ter indekking van eigen kredietvorderingen worden hierbij geboekt als ontvangen of gestelde borgtochten. Verrichtingen in kader van de tradingportefeuille worden geboekt als intrest rate swaps. Beide types verrichtingen worden naar de markt gewaardeerd met opname in het resultaat, behoudens verrichtingen op een illiquide markt: hier worden de positieve waarderingsverschillen op een overlopende rekening geboekt, de negatieve in resultaat.

Voor kleine kredieten met onzeker verloop worden globale waardeverminderingen geboekt. De berekening van de niet-geïndividualiseerde waardeverminderingen voor binnenlandse kredieten met onzeker verloop is gebaseerd op het onzeker kapitaal, het doorstroompercentage (het gedeelte van de portefeuille onzeker verloop dat ooit dubieus kan worden) en het verliespercentage.

Geïndividualiseerde waardeverminderingen worden geboekt op grote’ retailkredieten; corporate kredieten en op alle buitenlandse kredieten met onzeker verloop.

Alle renten en diverse tegoeden die gedurende drie maanden nadat ze eisbaar zijn geworden onbetaald blijven, worden niet als resultaat erkend.

Voor dubieuze en oninbare kredieten worden specifieke waardeverminderingen op individuele basis aangelegd en toegerekend aan de actiefpost van de jaarrekening waarin de risico’s voorkomen, teneinde de verliezen te dekken die als vaststaand of waarschijnlijk worden beschouwd met betrekking tot de uitstaande kredieten. De vervallen renten en kosten worden gereserveerd.
Worden als oninbaar en dubieus aangemerkt, die kredieten waarvan de saldi eisbaar zijn en waarvoor men overgaat tot minnelijke of gerechtelijke uitwinning.

Het bedrag van de eventuele waarborg is gelijk aan het bedrag van de inschrijving in hoofdsom. De persoonlijke borgstelling wordt voor het uitwinbare bedrag opgenomen in de boekhouding.

EFFECTEN

De effecten worden bij aankoop geboekt tegen de aanschaffingsprijs exclusief de kosten en onder aftrek van de intekencommissie. De aanschaffingskosten worden onmiddellijk in het resultaat opgenomen.

- Beleggingsportefeuille
Vastrentende beleggingseffecten worden geboekt tegen hun aanschaffingswaarde, verminderd of vermeerderd met het verlopen gedeelte van het agio of disagio. Het verschil tussen de aanschaffingswaarde en de terugbetalingswaarde wordt pro rata temporis over de resterende looptijd van de effecten als rentebestanddeel in resultaat genomen. De inresultaatneming geschiedt op geactualiseerde basis, uitgaande van het reële rendementspercentage bij aankoop.

Perpetuele leningen worden gewaardeerd tegen de aanschaffingsprijs of de beurswaarde indien deze lager is.

Wanneer de terugbetaling van een effect onzeker of dubieus is, wordt een waardevermindering geboekt overeenkomstig de principes die gelden voor de waardering van vorderingen.
In geval van verkoop wordt de boekwaarde van de verkochte effecten bepaald volgens een systeem van individualisatie der effecten. Winsten of verliezen worden onmiddellijk in het resultaat opgenomen.

Beursgenoteerde aandelen en andere niet-vastrentende effecten worden maandelijks gewaardeerd tegen hun aanschaffingswaarde of hun marktwaarde op balansdatum indien deze lager is. De andere effecten worden minstens jaarlijks gewaardeerd op basis van de jaarrekening van het afgelopen jaar. De dossierbeheerders zorgen er voor dat belangrijke negatieve evoluties in de loop van het jaar ook opgevangen worden.

Op aandelen die tegen een koersdaling zijn ingedekt door een optie, worden geen waardeverminderingen geboekt.

- Handelsportefeuille
De effecten die behoren tot de handelsportefeuille worden gewaardeerd tegen de marktwaarde. De waarderingsverschillen die hieruit voortvloeien worden in de resultatenrekening geboekt in rubriek VI. ‘Winst (Verlies) uit financiële transacties’.

FINANCIËLE VASTE ACTIVA

Onder de participaties of deelnemingen van KBC Bank worden opgenomen de maatschappelijke rechten (aandelen) die in andere vennootschappen worden aangehouden om met deze ondernemingen een duurzame en specifieke band te scheppen.
Indien geen sprake is van een duurzame band en de aandelen verworven worden met het oog op wederverkoop, dan wordt deze belegging niet als een onderdeel van de FVA beschouwd maar als een onderdeel van de beleggingsportefeuille gekwalificeerd, en dit onafhankelijk van de omvang van de participatie en de invloed die men eventueel via deze participatie op het beleid van de betreffende ondernemingen zou kunnen uitoefenen.

Deelnemingen en aandelen die tot de financiële vaste activa behoren, worden geboekt tegen hun aanschaffingsprijs.
Waardeverminderingen worden uitsluitend toegepast in geval van een duurzame minderwaarde of waardeverlies, vastgesteld op basis van de financiële positie, de rendabiliteit en de vooruitzichten van de desbetreffende vennootschap.
De deelnemingen, aandelen en deelbewijzen die behoren tot de financiële vaste activa kunnen worden geherwaardeerd indien zij, in functie van hun nut voor de onderneming, een vaststaande en duurzame meerwaarde vertonen.

De al dan niet in effecten belichaamde achtergestelde vorderingen op verbonden ondernemingen en ondernemingen waarmee een deelnemingsverhouding bestaat , worden gewaardeerd volgens dezelfde principes als de niet-achtergestelde vorderingen.

OPRICHTINGSKOSTEN EN IMMATERIËLE VASTE ACTIVA

Alle in het KB op de jaarrekening van de kredietinstellingen vermelde oprichtingskosten worden als beheerskosten onmiddellijk ten laste gelegd van het boekjaar.

Geactiveerde goodwill wordt lineair afgeschreven over een periode van 5 jaar, tenzij anders beslist door de Raad van Bestuur.

Voor intern ontwikkelde software gelden volgende regels: alle kosten van continuïteitsdossiers worden onmiddellijk in resultaat genomen, alsook onderzoekskosten van investeringsdossiers. Ontwikkelingskosten (zowel interne als externe) van investeringsdossiers worden echter geactiveerd als immaterieel vast actief en afgeschreven over een periode van 5 jaar. Investeringsdossiers zijn grootschalige projecten die een belangrijk businessdoel of –model introduceren of vervangen. Systeemsoftware volgt het afschrijvingsritme van de hardware en wordt op drie jaar lineair afgeschreven. Standaardsoftware en door een derde partij ontwikkelde gecustomiseerde software of maatsoftware en hun implementatie worden geactiveerd en lineair afgeschreven over een periode van 5 jaar met de uitzondering van kernsystemen die een langere looptijd hebben en afgeschreven worden over een periode van 8 jaar. Kernsystemen zijn standaardsoftware zoals back-end data toepassingen. Software ontwikkeld voor KBC Hoofdkantoor wordt sedert 2000 geactiveerd in hoofde van KBC Groep NV.

Binnen KBC Bank geboekte immateriële vaste activa worden tegen aanschaffingsprijs inclusief bijkomende kosten geactiveerd en pro rata temporis afgeschreven tijdens het eerste jaar van investering.

MATERIËLE VASTE ACTIVA

Alle materiële vaste activa worden opgenomen tegen aanschaffingswaarde, verminderd met de gecumuleerde afschrijvingen. Ze worden opgenomen tegen aanschaffingswaarde, inclusief de bijkomende, direct toewijsbare kosten (aanschaffingskosten, niet-aftrekbare BTW en dergelijke).

De afschrijvingspercentages zijn berekend op basis van de verwachte economische levensduur en worden lineair toegepast. Alle materiële vaste activa worden pro rata temporis afgeschreven vanaf het gebruiksklaar zijn van de activa. De bijkomende kosten worden mee afgeschreven over de levensduur van het actief. Voor de bijkomende kosten m.b.t. de aanschaffing van terreinen wordt een waardevermindering geboekt.

Bij verkoop van materiële vaste activa worden de gerealiseerde winsten of verliezen onmiddellijk in resultaat genomen. Bij een vernietiging wordt het resterende af te schrijven bedrag onmiddellijk ten laste genomen van de resultatenrekening.

Materiële vaste activa die een zekere en duurzame waardevermeerdering vertonen ten opzichte van de boekwaarde kunnen worden geherwaardeerd. Deze meerwaarde wordt afgeschreven over de gemiddelde residuele gebruiksduur van de betrokken activa.

SCHULDEN

Schulden uit bekomen voorschotten of gelddeposito’s worden in de balans opgenomen ten belope van de ter beschikking gestelde gelden, in voorkomend geval vermeerderd of verminderd met het verschil tussen deze waarde en de terugbetalingsprijs voor het reeds gelopen gedeelte. Het verschil tussen de ter beschikking gestelde gelden en de nominale waarde wordt als rente pro rata op actuariële basis in het resultaat opgenomen.

VOORZIENINGEN VOOR RISICO'S & KOSTEN

Voorzieningen voor risico's en kosten zijn bedoeld om naar hun aard duidelijk omschreven verliezen of kosten te dekken die op balansdatum waarschijnlijk of zeker zijn, maar waarvan het bedrag niet vaststaat.

- Pensioenen
Betreft de verplichtingen inzake rust- en overlevingspensioenen, brugpensioenen en andere gelijkaardige pensioenen of renten (die hoofdzakelijk verband houden met vervroegde uitdiensttredingen en eindeloopbaanregelingen).

- Belastingen
Deze voorziening dekt de verplichtingen die kunnen voortkomen uit een wijziging van de belastbare basis of van de berekening van de belasting. Ze wordt aangelegd voor verwachte belastingsupplementen (nog niet ingecohierde belastingen) m.b.t. reeds afgesloten boekjaren voor het betwist gedeelte van de belastingen.

- Overige risico's en kosten

Deze post is residuair ten opzichte van bovenstaande voorzieningen en bevat onder meer voorzieningen voor juridische betwistingen, verbinteniskredieten en indirecte belastingen.

FONDS VOOR ALGEMENE BANKRISICO'S

Een fonds voor algemene bankrisico's wordt aangelegd als algemene buffer voor de verwachte, toekomstige kredietverliezen berekend op een tijdshorizon van 1 jaar (one year expected credit loss) inherent aanwezig op de normale kredietportefeuille en vastrentende effecten waarvoor zich geen betalingsmoeilijkheden stellen (kredieten met een probability of default van 1 t.e.m 9).

FINANCIËLE INSTRUMENTEN

- Waardering van handels- en niet-handelsactiviteiten

Ingeval van handelsactiviteiten gebeurt minstens per einde maand een erkenning van het niet-gerealiseerde revaluatieresultaat. Deze revaluatie houdt rekening met de eventueel reeds erkende geprorateerde rentestromen. Bij verkoop, liquidatie of expiratie is er steeds een onmiddellijke erkenning van het positieresultaat. Ingeval van illiquide munten of effecten worden geen positieve revaluatieresultaten erkend.

De bestaande autonome directionele of strategische posities die de marktenzaal via derivaten inneemt met het oog op het realiseren van resultaten via meerwaarden of rentemarges op lange termijn, worden overeenkomstig de principes van illiquide renteposities gewaardeerd.

Ingeval van niet-handelsactiviteiten gebeurt voor de rente-instrumenten alleen een pro rata erkenning van de gerealiseerde resultaten over de overeenstemmende looptijd. Niet-rente-instrumenten (b.v. premies van aandelenopties) worden symmetrisch gewaardeerd met de ingedekte positie. Niet-handels-activiteiten in het kader van het globale valutarentebeheer op lange termijn (macro-hedging) worden bijkomend gewaardeerd volgens het 'lower of cost or market' principe, en dit gezamenlijk met de bijhorende balansproducten. Resultaten van gelijkaardige verrichtingen in het kader van het globale euroALM-rentebeheer worden uitsluitend op proratabasis erkend.

Vooraf betaalde optiepremies worden slechts op vervaldag of bij liquidatie in resultaat genomen, met uitzondering van de optiepremies in verband met caps, floors en collars afgesloten vanuit een hedgingoptiek (pro rata erkenning). In tussentijd worden zij geboekt onder de overige activa of passiva. Optiepremies van handelsactiviteiten worden minstens per einde maand gerevalueerd.

- Waardering van derivaten

Alle derivaten worden steeds in de daartoe bestemde posten buiten balans geregistreerd op de transactiedag. De buitenbalansposten worden afgeboekt zodra de resultaten op de transactie definitief gekend zijn, ook al vangt bij bepaalde renteproducten de onderliggende looptijd pas op dat moment aan (b.v. FRA).

Handelsverrichtingen worden naar de markt gewaardeerd en de mark-to-market (dirty price) wordt onder de handelsresultaten gerapporteerd. Niet-handelsverrichtingen worden op pro-ratabasis onder de renteresultaten opgenomen. Dit is het geval voor de te betalen en te ontvangen rente bij renteswaps en valutarenteswaps.

Ook het swapverschil bij FX-swaps (en FX-outrights) wordt op pro-ratabasis in de resultaten opgenomen. Bij rentefutures en FRA's worden de gerealiseerde resultaten gespreid in de resultaten opgenomen over de looptijd van het onderliggende, afgedekte bestanddeel. Equityswaps worden verwerkt als renteswaps. In praktijk worden de equityswaps (net als opties) alleen geboekt onder de handelsportefeuille en dus naar de markt gewaardeerd. KBC Bank maakt gebruik van de derogatie aan het artikel 36bis van het Koninklijk Besluit betreffende de jaarrekening van kredietinstellingen. Deze derogatie, verkregen van de NBB, maakt het mogelijk om rentederivaten die niet voldoen aan de microdekkingscriteria op pro-ratabasis in de resultatenrekening te verwerken (rentederivaten gedefinieerd als ALM of Thesaurie).

- Hedging criteria voor termijnrenteverrichtingen:

De algemene criteria zijn beschreven in artikel 36 bis van het KB op de jaarrekening van de kredietinstellingen van. 23 september 1992:

- het gedekte bestanddeel, het gedekte homogeen geheel of het al dan niet homogeen en in de tijd evoluerend geheel van activa, passiva, rechten en/of verplichtingen buiten balanstelling, alsook met betrekking tot zeer waarschijnlijk toekomstige kasstromen moet de instelling blootstellen aan een renteschommelingsrisico;
- de dekkingsverrichtingen moeten van bij het begin als zodanig in de boeken zijn gekwalificeerd;
- er moet een nauwe correlatie zijn vastgelegd tussen de waardeschommelingen of de zeer waarschijnlijke toekomstige kasstromen van het gedekte bestanddeel en van de als dekking bestemde verrichting; voor de als dekking bestemde opties moet de correlatie tussen devariaties van het gedekte en die van de onderliggende waarde vaststaan.

Daarbovenop zijn er nog specifieke eigen criteria. Al deze criteria zijn cumulatief: zodra één criterium niet langer is voldaan krijgt de hedgingverrichting het karakter van handelsverrichting en een dusdanige boekhoudkundige verwerking.

Vervroegd beëindigde hedgingcombinaties met afgeleide producten krijgen het karakter van handelsverrichting zodra de onderliggende af te dekken positie verdwijnt. Het resultaat van de indekkingsinstrumenten bij beëindiging van hedgingcombinaties wordt hetzij onmiddellijk in de resultatenrekening genomen indien de gedekte bestanddelen zijn verdwenen, hetzij gespreid in de resultatenrekening over de kortste looptijd van (i) de resterende oorspronkelijk vastgestelde looptijd van de dekking en (ii) de effectieve resterende looptijd van de gedekte bestanddelen indien de gedekte bestanddelen tot het vermogen van de instelling blijven behoren.

Toekomstige renteposities kunnen afgedekt worden indien er een redelijke zekerheid bestaat dat de toekomstige positie zich effectief zal voordoen. Bovendien dienen bedrag, looptijd en rentevoorwaarden al voldoende vast te staan.

- Berekening van niet-gerealiseerde herwaarderingsresultaten

De waardering van derivaten gebeurt steeds op contractniveau; positieve en negatieve waarderingsverschillen worden niet boekhoudkundig gecompenseerd. Enkel voor de berekening van het vereist eigen vermogen m.b.t. marktrisico's gebeurt een netting van het marktrisico per tegenpartij.

Voor rentetermijnproducten bestaat de waardering in een berekening van de netto actuele waarde van de toekomstige, gekende kasstromen op basis van één unieke rentecurve per munt; deze rentecurve wordt bankwijd gehanteerd. Eventuele correcties m.b.t. operationele en liquiditeitsrisico's worden in mindering gebracht op de initiële revaluatieberekening. Opties worden gewaardeerd conform de gangbare waarderingsmodellen. Voor rentetermijnproducten wordt steeds van een liquide markt uitgegaan, in zoverre de onderliggende munten liquide zijn.

De aanmerking van een tegenpartij als dubieus of oninbaar in het kader van de kredietverlening wordt doorgetrokken naar de vorderingen en verplichtingen uit buitenbalansproducten t.o.v. deze tegenpartijen. Voor de vorderingen worden eventueel waardeverminderingen toegepast; voor de verplichtingen worden voorzieningen aangelegd.

3. Wijziging in de waarderingsregels

Geen wijzigingen.

Appendix 2:

Statutory auditor’s review report on 6 August 2024 to the board of directors of KBC Bank NV on the statement of assets and liabilities in connection with the distribution of an interim dividend

To the attention of the board of directors of KBC Bank NV

STATUTORY AUDITOR'S REVIEW REPORT OF KBC BANK NV ON THE STATEMENT OF ASSETS AND LIABILITIES IN CONNECTION WITH THE DISTRIBUTION OF AN INTERIM DIVIDEND (art. 7:213 CAC)

In our capacity of statutory auditor, we issue our review report on the statement of assets and liabilities as of 30 June 2024 to the board of directors of KBC Bank NV (hereafter the "Company"), in accordance with article 7:213 of the Companies' and Associations' Code (hereafter "CAC") and the Company's Articles of Association.

We have performed the review of the accompanying statement of assets and liabilities of the Company as of 30 June 2024 prepared in accordance with the financial reporting framework applicable in Belgium.

Responsibility of the board of directors for the preparation of the statement of assets and liabilities

The board of directors is responsible for the preparation of this statement of assets and liabilities of the Company as of 30 June 2024 in accordance with the financial reporting framework applicable in Belgium and with the principles of article 3:1, §1, 1° CAC, and for the compliance with the requirements of article 7:213 of the Companies' and Associations' Code.

Responsibility of the statutory auditor

We are responsible for formulating a conclusion on the statement of assets and liabilities based on our review. We conducted our review in accordance with ISRE 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". Such review of the Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, a review does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of assets and liabilities of the Company as of 30 June 2024, showing a balance sheet total of EUR 225.151.077.071 and a result of the current period of six months of EUR 943.552.002 and accumulated profits of EUR 2.931.581.312, has not been prepared, in all material respects, in accordance with the financial reporting framework applicable in Belgium.

Limitation of use of our report

This report is prepared solely to address the requirements of article 7:213 of the Companies' and Associations' Code and may not be used for any other purpose.

Diegem, 6 August 2024

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by

Damien Walgrave*
Registered auditor

*Acting on behalf of Damien Walgrave BV

Jeroen Bockaert**
Registered auditor

**Acting on behalf of Jeroen Bockaert BV

Appendix: Statement of assets and liabilities as of 30 June 2024

KBC BANK NV

Staat van activa en passiva per 30/06/2024

ASSETS	30/06/2024
in EURO unit	
I. Cash in hand, balances at central banks and post office banks	**30,212,168,378**
II. Treasury bills eligible for refinancing at the central bank	**2,947,408,589**
III. Loans and advances to credit institutions	**26,288,165,224**
A. Repayable on demand	6,629,680,201
B. Other loans and advances (with agreed maturity dates or periods of notice)	19,658,485,024
IV. Loans and advances to customers	**102,303,419,637**
V. Bonds and other fixed-income securities	**39,903,626,568**
A. Issued by public bodies	23,568,393,554
B. Issued by other borrowers	16,335,233,013
VI. Shares and other variable-yield securities	**569,363,671**
VII. Financial fixed assets	**12,755,844,822**
A. Participating interests in affiliated enterprises	10,709,022,259
B. Participating interests in other enterprises linked	65,320,371
C. Other shares constituting financial fixed assets	41,838,392
D. Subordinated loans and advances to affiliated enterprises and other enterprises linked by participating interests	1,939,663,800
VIII. Formation expenses and intangible fixed assets	**72,885,037**
IX. Tangible fixed assets	**2,232,142,574**
X. Own shares	**0**
XI. Other assets	**1,134,186,025**
XII. Deferred charges and accrued income	**6,731,866,546**
TOTAL ASSETS	**225,151,077,071**

LIABILITIES	30/06/2024
in EURO unit	
I. Amounts owed to credit institutions	**17,144,320,384**
A. Repayable on demand	9,023,293,802
B. Amounts owed as a result of the rediscounting of trade bills	0
C. Other debts (with agreed maturity dates or periods of notice)	8,121,026,582
II. Amounts owed to customers	**132,996,646,989**
A. Saving deposits	45,778,158,309
B. Other debts	87,218,488,680
1) Repayable on demand	62,354,532,050
2) With agreed maturity dates or periods of notice	24,831,603,534
3) As a result of the rediscounting of trade bills	32,353,096
III. Debts represented by securities	**26,586,501,287**
A. Bonds and other fixed-income securities in circulation	6,812,739,124
B. Other debt instruments	19,773,762,163
IV. Other liabilities	**1,058,289,225**
V. Accrued charges and deferred income	**8,684,539,804**
VI. A. Provisions for liabilities and charges	**73,161,229**
1. Pensions and similar commitments	16,085,190
2. Taxation	0
3. Other liabilities and charges	57,076,038
B. Deferred taxes	**0**
VII. Fund for General Banking Risks	**145,604,805**
VIII. Subordinated liabilities	**21,871,077,480**
CAPITAL AND RESERVES	**16,590,935,869**
IX. Capital	**9,732,238,065**
A. Subscribed capital	9,732,238,065
B. Uncalled capital (-)	0
X. Share premium account	**2,066,338,687**
XI. Revaluation reserve	**0**
XII. Reserves	**917,225,803**
A. Legal reserve	904,252,555
B. Reserves not available for distribution	0
1. Own	0
2. Other	0
C. Untaxed reserves	12,973,248
D. Reserves available for distribution	0
XIII. Profit brought forward	**2,931,581,312**
Result of the current year	**943,552,002**
TOTAL LIABILITIES	**225,151,077,071**

Valuation rules KBC Bank

1. General

The accounting principles and valuation rules are conform to Belgian accounting legislation and the provisions of the Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The annual accounts are made up as at 31 December after profit appropriation.
In conformity with Article 3 of the above-mentioned Royal Decree, the annual accounts are drawn up according to the principle of a true and fair view. A transparent, clear and consistent financial reporting is important for KBC Bank as a financial institution. As such, KBC aims to align as much as possible, within the possibilities of the Belgian accounting law and the systems, with the international accounting standards IFRS, as applied for the consolidated annual accounts.

2. Valuation rules

CURRENCY TRANSLATION
All monetary items denominated in foreign currency are translated into their equivalent in euros at the spot rate at balance sheet date. Negative and positive valuation differences, except for those relating to the financing of shares and investments in foreign

currency and to dotation capital for foreign branches, are recorded in the profit and loss account.

Non-monetary items are valued on the basis of the historical rate at acquisition or, where appropriate, on the basis of the exchange rate at which the currency used to pay the price was purchased.

For transactions that entailed funding (lending), the rate of the day is used if there is no exchange rate.
Income and charges denominated in foreign currency are stated in the profit and loss account at the rate prevailing when they wererecognised. Foreign-currency income and expenditure which is hedged in advance is recorded in euros on the basis of the fixed rate.

Translation of the financial statements of foreign branches outside the euro zone:
balance sheet items are translated at the closing exchange rate prevailing at year-end, profit and loss account items are translated based on average rates. For this purpose, each month’s profit or loss is translated into euros at the rate prevailing at the end of that month.

The translation difference at balance sheet date, resulting from translating the profit and loss account on the basis of average rates, is taken to the profit and loss account as profit on financial transactions.

AMOUNTS RECEIVABLE
Interest collected in advance and similar income (including such additional compensation as fees for foreign loans) for the entire loan period cannot be taken to the profit and loss account immediately, and is therefore posted to an accruals and deferrals heading. At month-end, the amount earned is written to the profit and loss account.

Origination and processing fees charged are taken to profit and loss immediately on the inception of the loans and advancesconcerned, credit insurance premiums are taken to the profit and loss account annually when paid.

Commissions due (payable in advance) for bank guarantees given are recorded in the profit and loss account immediately. The commissions received by KBC Bank for credit broking are charged to the profit and loss account when the credit is disbursed.

Amounts receivable arising from advances and cash deposits are recorded in the balance sheet for the amount made available. The difference between the amount made available and the nominal value (discount) is recognised on an accruals basis according to the straight- line method as interest receivable via the accruals and deferrals accounts.

Dated commercial credit, consumer credit, home loans and receivables arising from leasing contracts are recorded in the balance sheet in the outstanding principal amount, plus the interest past due and sundry costs to be paid by customers. Interest received

but not yet due (interest collected in advance) is recorded in the profit and loss account on an accruals basis via the accruals and deferrals headings.

The other amounts receivable are recognised in the balance sheet at nominal value.
Loans and advances that are transferred through securitisation operations where the transfer qualifies as a sale under NBB/BNB guidelines no longer constitute bank assets and consequently may not appear on the balance sheet of KBC Bank, although the amount is required to be recorded in the contingent accounts. Until the securitisation operation comes to an end, the entry in the contingent accounts is required to be adjusted at the end of each month to reflect customers' loan repayments. Any gains realised on the sale of securitised assets are taken to the profit and loss account immediately at the time of the sale.

If the sales price is made up entirely or in part of a variable element dependent on the buyer's operating profit, this element will only be taken to the profit and loss account when the operating profit is known and this element is therefore fixed.

In synthetic securitisation operations, the (credit) risk in respect of the underlying (loan) portfolio is all that is transferred to a thirdparty, and this by means of a credit default swap, for example, and not through the effective transfer/sale of the (loan) receivables.

In other words, the loans remain on the balance sheet. Transactions used to hedge the company's own loan receivables arerecognised as guarantees given or received. Transactions relating to the trading portfolio are recorded as interest rate swaps.

Both types of transaction are marked to market and taken to profit and loss, unless carried out on an illiquid market (in this case, positive valuation differences are posted to an accruals and deferrals heading, and negative valuation differences to the profit and loss account).
For loans with an uncertain outcome, general provisions are set aside and specific write-downs are charged. All interest and various other receivables which have remained unpaid for three months after having become payable will not be recognised in the profit
and loss account.
Non-specific write-downs are calculated for domestic loans with an uncertain outcome on the basis of the principal amount whose repayment is uncertain, the percentage susceptible to reclassification (that portion of the 'uncertain outcome' portfolio that might become 'doubtful') and the loss percentage.
For loans classified as irrecoverable and doubtful, specific write-downs are posted on a case-by-case basis and charged to the assets heading in the annual accounts in which the risks appear, in order to cover the losses which are considered certain or likely
to ensue on the outstanding loans. Interest due and charges are written to reserves.
Loans are classified as irrecoverable and doubtful if the loan balance is payable and if debt-recovery procedures have been initiated in or out of court.
The amount of any security is equal to the principal amount registered. Personal security is recorded in the accounts in the amount that can be obtained if execution is levied.

SECURITIES

Securities are recognised at acquisition cost at the time of purchase, excluding costs and less subscription fees. The ancillary costs attendant on acquisition are charged directly to the result.

- *Investment portfolio*

Fixed-income investment securities are recorded at acquisition cost, less or plus the matured portion of the premium or discount.

The difference between the acquisition cost and the redemption value is reflected as an interest item in the profit and loss account on an accruals basis over the remaining term to maturity of the securities. It is included in the profit and loss account on a discounted basis, based on the internal rate of return at the time of purchase.

Perpetual debt is valued at the lower of acquisition cost and market value.

If redemption of a security is uncertain or doubtful, an impairment is recorded according to the principles that apply for the valuation of amounts receivable.

If securities are sold, their carrying value is determined on a case-by-case basis. Gains or losses are posted directly to the profit and loss account.

Listed shares and other variable-yield securities are valued each month at the lower of acquisition cost and market value at balance sheet date. Other securities are valued at least once a year, based on the annual accounts for the previous year. File administrators are responsible for ensuring that any significant negative developments during the course of the year are also dealt with.

No value impairments are posted for shares hedged against a decline in price by means of an option.

- *Trading portfolio*

Securities belonging to the trading portfolio are marked to market. The resulting valuation differences are recorded in the profit and loss account under heading VI: ‘Profit (Loss) on financial transactions’.

FINANCIAL FIXED ASSETS

Included in KBC Bank’s holdings or participating interests are the rights (shares) held in other companies with a view to creating specific, lasting ties with them.

If there are no lasting ties and the shares are acquired for resale, then this investment will not be considered a financial fixed asset, but rather as part of the investment portfolio, regardless of the size of the shareholding and the influence that could be exerted on the management of the company in question through this shareholding.

Participating interests and shares that are considered financial fixed assets are recognised at acquisition cost.

Write-downs are applied only in the event of a lasting impairment in or loss of value, established on the basis of the financial position, the profitability and the prospects of the company concerned.

Participating interests, shares and share certificates classified as financial fixed assets may be revalued if, in light of their usefulness to the company, they exhibit an incontestable and lasting increase in value.

Regardless of whether they are represented by securities, subordinated loans and advances to associated companies and companies linked by participating interests are valued according to the same principles as non-subordinated loans and advances.

FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

All formation expenses referred to in the Royal Decree on the annual accounts of credit institutions are charged directly to the profit and loss account for the financial year as administrative expenses.

Capitalised goodwill is depreciated according to the straight-line method over a period of five years, unless the Board of Directors decides otherwise.

The following rules apply to software that has been developed in-house: all charges relating to continuity projects, as well as any research expenses for investments, are taken directly to the profit and loss account. However, development expenses (both internal and external) for investments are capitalised as an intangible fixed asset and written off over a period of five years. Investments are large-scale projects that introduce or replace an important business objective or model. Systems software is depreciated at the same rate as hardware, being written off according to the straight-line method over a period of three years.. Software other than systems software is depreciated over five years. Core systems with a longer useful life are depreciated straight line over an eight-year period. Core systems are types of standard software, including back-end data applications, for processing operations during the day and updates of the general ledger balances on the mainframe.

At KBC Bank, intangible fixed assets recorded are capitalised at acquisition cost including ancillary costs, and are written off on an accruals basis during the first year of investment.

TANGIBLE FIXED ASSETS

All tangible fixed assets are recognised at acquisition cost, less accumulated depreciation. They are recorded at acquisition cost, including ancillary, directly allocable costs (acquisition costs, non-deductible VAT, etc.).

The rates of depreciation are determined on the basis of the anticipated useful economic life of the item and are applied according to the straight-line method. All tangible fixed assets are depreciated on an accruals basis from the time they are available for use.

The ancillary costs are written off over the life of the asset. A write-down is charged for ancillary costs on the acquisition of land.

When tangible fixed assets are sold, realised gains or losses are taken immediately to the profit and loss account. If these assets are destroyed, the remaining amount to be written off is charged directly to the result.

Tangible fixed assets that exhibit an incontestable and lasting appreciation in value compared to their carrying value may be revalued. This surplus is written off over the average residual useful life of the assets in question.

CREDITORS

Amounts owed as a result of advances or cash deposits received are recorded in the balance sheet in the amount made available, plus or minus any difference between this amount and the redemption price of the portion that has already accrued. The difference between the amount made available and the nominal value is reflected as interest on an accruals basis in the profit and loss account.

PROVISIONS FOR LIABILITIES & CHARGES

Provisions for liabilities and charges are intended to cover losses or charges, the nature of which is clearly defined and which at balance sheet date are either likely or certain to be incurred, but the amount of which is uncertain.

- Pensions

Concerned here are commitments with regard to retirement and survivor's pensions, benefits paid out on early retirement and other similar pensions or allowances (related mainly to employees' leaving employment early and end-of-career schemes).

- *Taxation*

This provision covers the commitments that may arise from a change in the tax base or in the calculation of tax. It is set aside in anticipation of additional tax charges (not yet assessed) for past financial years, for the amount that is disputed.

- Other liabilities and charges

This is a residual heading in respect of the provisions referred to above and includes provisions for legal disputes, commitment credit and indirect taxes.

FUND FOR GENERAL BANK RISKS

A fund for general banking risks is created as a general buffer for the expected future credit losses calculated on a 1-year time horizon (one year expected credit loss) inherent in the normal loan portfolio and fixed-interest securities for which there are no payment difficulties (loans with a probability of default from 1 to 9).

FINANCIAL INSTRUMENTS

-Valuation rules for trading and non-trading activities

Where trading activities are concerned, the unrealised profit or loss on revaluation is recognised at least at the end of every month. This revaluation takes into account any interest flows that have already been recognised on an accruals basis. In the event of a sale, liquidation or expiration, the profit/loss on the position is recognised immediately. Where illiquid currencies or securities are concerned, no profit on revaluation is recognised.

The existing strategic positions the dealing room takes for its own account via derivatives with a view to generating a profit on the long term by way of capital gains or interest spreads are valued according to the same principles used for illiquid interest rate positions.

For non-trading activities, where interest rate instruments are concerned, the gains or losses realised are only recognised on an accruals basis over the corresponding term. The valuation of non-interest-rate instruments (e.g., share option premiums) matches the valuation of the hedged position. In addition, non-trading activities carried out for the purpose of general, long-term management of interest rate products denominated in a foreign currency (macro-hedging) are also valued according to the 'lower of cost and market' principle, along with the associated on-balance-sheet products. Profit or loss on similar transactions carried out for general EUR ALM interest rate management purposes is recognised solely on an accruals basis.

Option premiums that are paid in advance are only taken to the profit and loss account on the due date or on liquidation, with the exception of option premiums for caps, floors and collars that have been concluded for hedging purposes (accruals-basis recognition). In the meantime, they are posted under the 'Other assets' or 'Other liabilities' items. Option premiums relating to trading activities are revalued at least at the end of every month.

-Valuation of derivatives

All derivatives are always recorded under specific off-balance-sheet headings on the transaction date. Amounts are released from the off-balance-sheet headings once the outcome of the transaction is definitive, even if the underlying term only starts at that time for certain interest rate products (e.g., FRAs).

Trading transactions are marked to market, and the mark-to-market (dirty price) value is recognised in the trading results.

Non-trading transactions are included in interest income on an accruals basis, which is the case for interest payable and interest receivable relating to interest rate swaps and foreign currency interest rate swaps. The swap difference arising on FX swaps (and FX outrights) is also released to the results on an accruals basis. The results from interest rate futures and FRAs are included in the profit and loss account spread over the term of the underlying hedged item. Equity swaps are treated in the same way as interest rate swaps. In practice, equity swaps (just like options) are only recorded in the trading book and consequently marked to market. KBC Bank makes use of the derogation allowed by the NBB/BNB to Article 36*bis* of the Royal Decree on the annual accounts of credit institutions. This derogation makes it possible to take interest rate derivatives that do not meet the microhedging criteria to the profit and loss account on an accruals basis (interest rate derivatives classified as ALM or treasury management instruments).

-Hedging criteria for forward interest rate transactions:

The general criteria are set out in Article 36*bis* of the Royal Decree on the annual accounts of credit institutions of 23 September 1992:

- the hedged item, the hedged homogeneous whole, the homogeneous or not homogeneous and in time evolving whole of assets, liabilities, off-balance rights and/or obligations, as well as with regard to highly probable future cash flows, must expose the credit institution to a risk of interest rate fluctuation;
- the transaction must be recorded in the books as a hedge from its inception;
- there must be a close correlation between fluctuations in the value or highly probable future cash flows of the hedged item and the hedging instrument; in the case of hedging options, a correlation between fluctuations in the value of the hedged item and those of the underlying must be established.

In addition, specific company criteria apply. All these criteria must be met: if one criterion is no longer satisfied, the hedge will be considered a trading transaction and be subject to the appropriate accounting treatment.

Hedging combinations that involve derivatives and are terminated before maturity will be considered trading transactions once the underlying position to be hedged no longer exists. The result of hedging instruments on termination of hedging combinations is either recognized immediately in the income statement if the hedged items have disappeared, or spread in the income statement over the shorter of (i) the remaining originally determined term of the hedge and (ii) the effective remaining term of the hedged items if the hedged items remain in the institution's assets.

Future interest rate positions can be hedged if it is reasonably certain that the position will actually materialise. Moreover, the amount, term and interest rate conditions must be sufficiently certain.

-Calculation of unrealised profit/loss on revaluation

Derivatives are always valued on a contract basis; positive and negative valuation differences are not netted in the accounting records. Only for calculating capital adequacy requirements relative to market risks is the market risk calculated on a net basis per counterparty.

For forward interest rate and similar products (namely forward foreign exchange products), valuation occurs on the basis of the net present value of future, determinable cash flows using a single yield curve per currency, which is used throughout the bank. Any adjustments for operational and liquidity risks are deducted from the initial revaluation. Options are valued according to the usual valuation models. For interest rate products, calculations are always based on the assumption of a liquid market, provided the underlying currencies are liquid.

If a credit granted to a counterparty is classified as ‘doubtful’ or ‘irrecoverable’, the receivables and commitments stemming from off-balance-sheet products involving the same counterparty will be given the same classification. For loans and advances, write-downs may be recorded; for commitments, provisions will be set aside.

3. Change in the valuation rules

No changes.

Additional information

Ratios used

Common equity ratio

A detailed description/calculation can be found in the ‘How do we manage our capital? section.

Coverage ratio

Indicates the proportion of impaired loans (see ‘Impaired loans ratio’ for definition) that are covered by impairment charges. The numerator and denominator in the formula relate to all impaired loans, but may be limited to impaired loans that are more than 90 days past due (the figures for that particular calculation are given in the ‘Loan and investment portfolio’ table in the ‘How do we manage our risks?’ section).

Calculation (in millions of EUR or %)	Reference	2024	2023
Stage 3 impairment on loans (A)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	1 979	1 888
/			
Outstanding impaired loans (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	4 171	4 221
= (A) / (B)		47.4%	44.7%

Impaired loans ratio

The proportion of impaired loans in the loan portfolio (see ‘Loan portfolio’ for definition), thus reflecting the creditworthiness of the portfolio. Impaired loans are loans where it is unlikely that the full contractual principal and interest will be repaid/paid (KBC default status of PD 10, PD 11 or PD 12). The numerator in the formula may be limited to impaired loans that are more than 90 days past due (PD 11 + PD 12).

Calculation (in millions of EUR or %)	Reference	2024	2023
Amount outstanding of impaired loans (A)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	4 171	4 221
/			
Total outstanding loan portfolio (B)	'Credit risk: loan portfolio overview in the 'Credit risk' section	210 903	202 953
= (A) / (B)		2.0%	2.1%

Cost/income ratio

The relative cost efficiency (costs relative to income excluding bank and insurance tax) of the group. We also use the same methodology to calculate these ratios for each business unit.

Calculation (in millions of EUR or %)	Reference	2024	2023
Cost/income ratio			
Total Opex without bank tax (A)	'Consolidated income statement': component of 'Operating expenses'	3 951	3 966
/			
Total income (B)	'Consolidated income statement': component of 'Total income'	7 940	8 246
=(A) / (B)		49.8%	48.1%

Credit cost ratio

Loan impairment charges for a specific period, relative to the total loan portfolio (see 'Loan portfolio' for definition). In the longer term, this ratio can provide an indication of the credit quality of the portfolio. We also use the same methodology to calculate these ratios for each business unit.

Calculation (in millions of EUR or %)	Reference	2024	2023
Net changes in impairment for credit risks (A)	'Consolidated income statement': component of 'Impairment'	207	- 9
/			
Average outstanding loan portfolio (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	206 928	200 270
= (A) (annualised) / (B)		0.10%	0.00%

We also calculated a ratio excluding the (changes in the) reserve for geopolitical and macroeconomic uncertainties, which came to 0.16% in 2024 and 0.07% in 2023.

Loan portfolio

Gives an idea of the magnitude of (what are mainly traditional) lending activities.

Calculation (in millions of EUR or %)	Reference	2024	2023
Loans and advances to customers (A)	Note 4.1, component of 'Loans and advances to customers'	190 250	181 702
+			
Reverse repos (not with Central Banks) (B)	Note 4.1, component of 'Reverse repos with credit institutions and investment firms'	606	968
+			
Debt instruments issued by corporates and by credit institutions and investment firms (banking) (C)	Note 4.1, component of 'Debt instruments issued by corporates and by credit institutions and investment firms'	7 260	6 681
+			
Other exposures to credit institutions (D)		3 207	3 301
+			
Financial guarantees granted to clients and other commitments (E)	Note 6.1, component of 'Financial guarantees given'	10 613	10 019
+			
Impairment on loans (F)	Note 4.2, component of 'Impairment'	2 455	2 483
+			
Non-loan-related receivables (H)		- 518	- 541
+			
Other (I)	Component of Note 4.1	- 2 970	- 1 659
Gross Carrying amount = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)		210 903	202 954

Liquidity coverage ratio (LCR)

The bank's liquidity position in the short term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-month period. It is the average of 12 end-of-month LCR figures.

Calculation (in millions of EUR or %)	Reference	2024	2023
Stock of high-quality liquid assets (A)	Based on the European Commission's Delegated Act on LCR and the European Banking Authority's guidelines for LCR disclosure	100 631	101 555
/			
Total net cash outflows over the next 30 calendar days (B)		63 588	63 805
= (A) / (B)		158%	159%

Net stable funding ratio (NSFR)

The bank's structural liquidity position in the long term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-year period.

Calculation (in millions of EUR or %)	Reference	2024	2023
Available amount of stable funding (A)	Regulation (EU) 2019/876 dd. 20-05-2019	223 014	208 412
/			
Required amount of stable funding (B)		159 424	153 372
= (A) / (B)		139%	136%

Net interest margin

Gives an idea of the relative net interest income (one of the most important sources of revenue for the group) relative to the average total interest-bearing assets of the banking activities. The net interest income of the banking activities excludes dealing rooms and the net interest impact of ALM FX swaps and repos. We also use the same methodology to calculate this ratio for each business unit.

Calculation (in millions of EUR or %)	Reference	2024	2023
Net interest income of the banking activities (A)	'Consolidated income statement': component of 'Net interest income'	5 063	4 812
/			
Average interest-bearing assets of the banking activities (B)	'Consolidated balance sheet': component of 'Total assets'	238 600	231 869
= (A) (annualised x360/number of calendar days) / (B)		2.087%	2.047%

Total assets under management

These consist of direct client money (Assets under Distribution for retail, private banking and institutional clients), group assets (including pension funds), funds-of-funds assets and assets under advisory management. They comprise assets managed by the group's various asset management companies and assets under advisory management at KBC Bank. The size and development of total assets under management are major factors behind net fee and commission income (generating entry and management fees). Amounts are stated in billions of EUR.

Calculation (in billions of EUR or quantity)	Reference	2024	2023
Belgium Business Unit (A)	Company presentation on www.kbc.com	245	218
+			
Czech Republic Business Unit (B)		19	17
+			
International Markets Business Unit (C)		11	9
A)+(B)+(C)		276	244

EU-taxonomy – Detailed tables

KBC as a credit institution – summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

31-12-2024 (in millions of EUR or %)		Total environmentally sustainable assets	KPI (Turnover based)	KPI (Capex based)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)****	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	1 028	0.5%	0.4%	61.8%	35.3%	38.2%
Additional KPIs	GAR (flow)*	390	0.9%	0.6%	75.0%	49.9%	25.0%
	Trading book**	N/A	N/A	N/A	N/A	N/A	N/A
	Financial guarantees	159	1.4%	2.2%	N/A	N/A	N/A
	Assets under management***	N/A	N/A	N/A	N/A	N/A	N/A
	Fees and Commission income**	N/A	N/A	N/A	N/A	N/A	N/A

* * The EU Taxonomy flow figures for our Belgian portfolio were estimated on a pro rata basis, starting from the KPI stock templates. This approximation leads to an overestimation of the figures in the range of 10% - 20% for certain asset classes.

** Additional KPIs related to Trading book and Fees and Commission income only apply starting 2026

*** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

**** The numerator does not take into account assets excluded from taxonomy calculation (updated interpretation vs the annual report of 2023)

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 1

	31-12-2024 (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of proceeds	Of which transitional	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation	89 797	85 721	1 008	41	548	200	34	21	0	17	0	N/A	N/A	N/A	2	N/A	N/A	N/A
2	Financial undertakings	1 078	451	36	0	10	1	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	Credit institutions	1 065	442	36	0	10	1	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	Loans and advances	167	87	7	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	Debt securities, including UoP	897	354	29	0	10	1	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	Other financial corporations	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	Of which investment firms	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	Loans and advances	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	Of which insurance companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	Non-financial undertakings	5 558	2 109	972	41	538	199	34	21	0	17	0	N/A	N/A	N/A	2	N/A	N/A	N/A
21	Loans and advances	5 021	1 900	947	41	537	187	21	10	0	9	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	Debt securities, including UoP	502	205	25	0	1	12	13	11	0	8	0	N/A	N/A	N/A	2	N/A	N/A	N/A
23	Equity instruments	35	5	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	Households	82 285	82 285	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	77 994	77 994	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
26	Of which building renovation loans	4 473	4 473	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
27	Of which motor vehicle loans	888	888	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	876	876	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	Housing financing	862	862	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	Other local government financing	14	14	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	20	20	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	119 251	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	95 987	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	88 896	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	86 768	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	23 084	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	1 870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	1 931	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	197	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	7 091	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	4 935	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	2 125	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	31	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	-1 666	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	1 419	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	23 008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	209 068	85 741	1 008	41	548	200	34	21	0	17	0	N/A	N/A	N/A	2	N/A	N/A	N/A
49	Assets not covered for GAR calculation	129 017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	51 324	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	67 170	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	10 523	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	338 085	85 741	1 008	41	548	200	34	21	0	17	0	N/A	N/A	N/A	2	N/A	N/A	N/A
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	1 135	313	159	0	2	33	0	0	0	0	2	N/A	N/A	N/A	0	N/A	N/A	N/A
55	Assets under management*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
56	Of which debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
57	Of which equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 2

	31-12-2024 (in millions of EUR)	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 758	1 028	41	548	217
2	Financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	451	36	0	10	1
3	Credit institutions	0	N/A	N/A	N/A	0	N/A	N/A	N/A	442	36	0	10	1
4	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	87	7	0	0	0
5	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	354	29	0	10	1
6	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
7	Other financial corporations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
8	Of which investment firms	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
9	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
10	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
11	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
12	Of which management companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
13	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
14	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
15	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
16	Of which insurance companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
17	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
18	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
19	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
20	Non-financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 146	993	41	538	216
21	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 921	956	41	537	196
22	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	220	36	0	1	20
23	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	5	0	N/A	0	0
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82 285	0	0	0	0
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77 994	0	0	0	0
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4 473	0	0	0	0
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	888	0	0	0	0
28	Local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	876	0	0	0	0
29	Housing financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	862	0	0	0	0
30	Other local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	14	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	N/A	N/A	N/A	0	N/A	N/A	N/A	20	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 778	1 028	41	548	217
49	Assets not covered for GAR calculation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 778	1 028	41	548	217
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	1	N/A	N/A	N/A	0	N/A	N/A	N/A	317	159	0	2	33
55	Assets under management*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
56	Of which debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
57	Of which equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 3

	31-12-2023 (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of proceeds	Of which transitional	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation*	86 045	81 860	396	1	45	168	11	10	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
2	Financial undertakings	602	141	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	Credit institutions	590	135	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	Loans and advances	199	57	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	Debt securities, including UoP	391	79	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	Other financial corporations	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	Of which investment firms	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	Loans and advances	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	Of which insurance companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	Non-financial undertakings	4 364	871	395	0	45	168	11	10	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
21	Loans and advances	3 977	785	391	0	45	165	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	Debt securities, including UoP	357	86	3	0	1	3	11	10	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
23	Equity instruments	30	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	Households	79 825	79 825	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	75 607	75 607	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
26	Of which building renovation loans	4 627	4 627	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
27	Of which motor vehicle loans	609	609	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	1 254	1 023	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	Housing financing	1 004	1 004	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	Other local government financing	250	19	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	33	33	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	114 697	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	93 921	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	86 875	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	84 073	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	22 559	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	1 925	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	2 626	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	176	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	7 047	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	4 539	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	2 458	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	-2 115	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	717	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	1 418	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	20 756	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	200 776	81 893	396	1	45	168	11	10	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
49	Assets not covered for GAR calculation	114 042	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	47 916	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	57 783	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	8 343	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	314 818	81 893	396	1	45	168	11	10	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	601	110	40	0	2	10	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
55	Assets under management	30 431	1 520	660	0	10	376	48	39	0	2	0	N/A	N/A	N/A	0	N/A	N/A	N/A
56	Of which debt securities	20 685	636	290	0	2	99	31	22	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
57	Of which equity instruments	9 746	884	369	0	8	277	18	17	0	2	0	N/A	N/A	N/A	0	N/A	N/A	N/A

* Summation does not longer include line 31 as in the annual report of 2023

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 4

	31-12-2023 (in millions of EUR)	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation*	0	N/A	N/A	N/A	0	N/A	N/A	N/A	81 871	406	1	45	178
2	Financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	141	0	0	0	0
3	Credit institutions	0	N/A	N/A	N/A	0	N/A	N/A	N/A	135	0	0	0	0
4	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	57	0	0	0	0
5	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	79	0	0	0	0
6	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
7	Other financial corporations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
8	Of which investment firms	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
9	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
10	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
11	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
12	Of which management companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
13	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
14	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
15	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
16	Of which insurance companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
17	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
18	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
19	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
20	Non-financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	882	405	0	45	178
21	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	785	391	0	45	165
22	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	97	13	0	1	13
23	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79 825	1	1	0	0
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75 607	1	1	0	0
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4 627	0	0	0	0
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	609	0	0	0	0
28	Local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 023	0	0	0	0
29	Housing financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 004	0	0	0	0
30	Other local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	19	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	N/A	N/A	N/A	0	N/A	N/A	N/A	33	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	81 904	406	1	45	178
49	Assets not covered for GAR calculation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	81 904	406	1	45	178
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	0	N/A	N/A	N/A	0	N/A	N/A	N/A	110	40	0	2	10
55	Assets under management	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 569	698	0	10	378
56	Of which debt securities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	667	313	0	2	100
57	Of which equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	902	386	0	8	278

* Summation does not longer include line 31 as in the annual report of 2023

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 1

	31-12-2024 (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of proceeds	Of which transitional	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation	89 797	85 902	859	41	238	310	65	31	0	20	0	N/A	N/A	N/A	2	N/A	N/A	N/A
2	Financial undertakings	1 078	469	36	0	10	2	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	Credit institutions	1 065	460	36	0	10	2	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	Loans and advances	167	88	6	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	Debt securities, including UoP	897	371	30	0	10	1	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	Other financial corporations	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	Of which investment firms	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	Loans and advances	13	9	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	Of which insurance companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	Non-financial undertakings	5 558	2 273	823	41	228	309	65	31	0	20	0	N/A	N/A	N/A	2	N/A	N/A	N/A
21	Loans and advances	5 021	2 046	773	41	226	290	45	19	0	10	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	Debt securities, including UoP	502	226	50	0	2	19	20	12	0	9	0	N/A	N/A	N/A	2	N/A	N/A	N/A
23	Equity instruments	35	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	Households	82 285	82 285	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	77 994	77 994	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
26	Of which building renovation loans	4 473	4 473	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
27	Of which motor vehicle loans	888	888	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	876	876	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	Housing financing	862	862	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	Other local government financing	14	14	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	20	20	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	119 251	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	95 987	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	88 896	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	86 768	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	23 084	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	1 870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	1 931	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	197	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	7 091	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	4 935	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	2 125	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	31	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	-1 666	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

45	On demand interbank loans	504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	1 419	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	Other categories of assets (e.g. goodwill, commodities etc.)	23 008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	209 068	85 922	859	41	238	310	65	31	0	20	0	N/A	N/A	N/A	2	N/A	N/A	N/A
49	Assets not covered for GAR calculation	129 017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	51 324	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	67 170	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	10 523	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	338 085	85 922	859	41	238	310	65	31	0	20	0	N/A	N/A	N/A	2	N/A	N/A	N/A
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	1 135	475	251	0	9	42	0	0	0	0	2	N/A	N/A	N/A	0	N/A	N/A	N/A
55	Assets under management*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
56	Of which debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
57	Of which equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 2

		s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	31-12-2024		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	(in millions of EUR)			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 970	890	41	238	330
2	Financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	469	36	0	10	2
3	Credit institutions	0	N/A	N/A	N/A	0	N/A	N/A	N/A	460	37	0	10	2
4	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	88	6	0	0	0
5	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	371	30	0	10	1
6	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
7	Other financial corporations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
8	Of which investment firms	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
9	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	9	0	0	0	0
10	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
11	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
12	Of which management companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
13	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
14	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
15	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
16	Of which insurance companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
17	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
18	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
19	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
20	Non-financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 340	854	41	228	329
21	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 092	792	41	226	301
22	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	248	62	0	2	28
23	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82 285	0	0	0	0
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77 994	0	0	0	0
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4 473	0	0	0	0
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	888	0	0	0	0
28	Local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	876	0	0	0	0
29	Housing financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	862	0	0	0	0
30	Other local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	14	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	N/A	N/A	N/A	0	N/A	N/A	N/A	20	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 990	890	41	238	330
49	Assets not covered for GAR calculation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	85 990	890	41	238	330
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	1	N/A	N/A	N/A	0	N/A	N/A	N/A	478	251	0	9	42
55	Assets under management*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
56	Of which debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
57	Of which equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 3

	31-12-2023 (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of proceeds	Of which transitional	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation*	86 045	81 990	536	1	112	137	17	10	0	5	0	N/A	N/A	N/A	0	N/A	N/A	N/A
2	Financial undertakings	602	68	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	Credit institutions	590	62	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	Loans and advances	199	20	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	Debt securities, including UoP	391	42	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	Other financial corporations	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	Of which investment firms	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	Loans and advances	12	6	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	Of which insurance companies	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	Non-financial undertakings	4 364	1 073	535	0	112	137	17	10	0	5	0	N/A	N/A	N/A	0	N/A	N/A	N/A
21	Loans and advances	3 977	1 060	526	0	111	133	4	4	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	Debt securities, including UoP	357	13	9	0	1	4	13	5	0	5	0	N/A	N/A	N/A	0	N/A	N/A	N/A
23	Equity instruments	30	0	0	N/A	0	0	0	0	N/A	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	Households	79 825	79 825	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	75 607	75 607	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
26	Of which building renovation loans	4 627	4 627	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
27	Of which motor vehicle loans	609	609	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	1 254	1 023	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	Housing financing	1 004	1 004	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	Other local government financing	250	19	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	33	33	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	114 697	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	93 921	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	86 875	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	84 073	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	22 559	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	1 925	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	2 626	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	176	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	7 047	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	4 539	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	2 458	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	-2 115	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

45	On demand interbank loans	717	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	1 418	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	Other categories of assets (e.g. goodwill, commodities etc.)	20 756	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	200 776	82 023	536	1	112	137	17	10	0	5	0	N/A	N/A	N/A	0	N/A	N/A	N/A
49	Assets not covered for GAR calculation	114 042	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	47 916	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	57 783	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	8 343	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	314 818	82 023	536	1	112	137	17	10	0	5	0	N/A	N/A	N/A	0	N/A	N/A	N/A
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	601	190	119	0	2	24	0	0	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
55	Assets under management	30 431	2 440	981	0	48	457	88	44	0	1	0	N/A	N/A	N/A	0	N/A	N/A	N/A
56	Of which debt securities	20 685	837	366	0	12	119	44	13	0	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A
57	Of which equity instruments	9 746	1 602	615	0	36	338	45	31	0	1	0	N/A	N/A	N/A	0	N/A	N/A	N/A

* Summation does not longer include line 31 as in the annual report of 2023

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 4

		s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
	31-12-2023	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	(in millions of EUR)			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation*	0	N/A	N/A	N/A	0	N/A	N/A	N/A	82 007	546	1	112	143
2	Financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	68	0	0	0	0
3	Credit institutions	0	N/A	N/A	N/A	0	N/A	N/A	N/A	62	0	0	0	0
4	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	20	0	0	0	0
5	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	42	0	0	0	0
6	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
7	Other financial corporations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
8	Of which investment firms	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
9	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	6	0	0	0	0
10	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
11	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
12	Of which management companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
13	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
14	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
15	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
16	Of which insurance companies	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
17	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
18	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	0	0	0
19	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
20	Non-financial undertakings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 090	545	0	112	143
21	Loans and advances	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 064	530	0	111	133
22	Debt securities, including UoP	0	N/A	N/A	N/A	0	N/A	N/A	N/A	25	14	0	1	10
23	Equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	0	0
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79 825	1	1	0	0
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75 607	1	1	0	0
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4 627	0	0	0	0
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	609	0	0	0	0
28	Local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 023	0	0	0	0
29	Housing financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 004	0	0	0	0
30	Other local government financing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	19	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	N/A	N/A	N/A	0	N/A	N/A	N/A	33	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Financial and non-financial undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Of which loans collateralised by commercial immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Non-EU country counterparties not subject to CSRD disclosure obligations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Loans and advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Debt securities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	Equity instruments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Derivatives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	On demand interbank loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Cash and cash-related assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

47	Other categories of assets (e.g. goodwill, commodities etc.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Total GAR assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	82 040	546	1	112	143
49	Assets not covered for GAR calculation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Central governments and Supranational issuers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	Central banks exposure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Trading book	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
53	Total assets	0	N/A	N/A	N/A	0	N/A	N/A	N/A	82 040	546	1	112	143
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	0	N/A	N/A	N/A	0	N/A	N/A	N/A	190	119	0	2	24
55	Assets under management	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 528	1 025	0	48	458
56	Of which debt securities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	881	379	0	12	119
57	Of which equity instruments	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1 647	646	0	36	339

* Summation does not longer include line 31 as in the annual report of 2023

KBC as a credit institution – GAR sector information (Turnover based) – PART 1

	31-12-2024; Breakdown by sector – NACE 4 digits level (code and label) (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	L	m	n	o	P
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD	
		(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable
1	A – Agriculture, forestry and fishing	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
2	B – Mining and quarrying	4	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	B.05 – Mining of coal and lignite	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	B.06 – Extraction of crude petroleum and natural gas	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	B.08 – Other mining and quarrying	4	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	C- Manufacturing	228	78	N/A	N/A	11	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	C.10 – Manufacture of food products	2	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	C.13 – Manufacture of textiles	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	C.15 – Manufacture of leather and related products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	C.17 – Manufacture of paper and paper products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	C.18 – Printing and reproduction of recorded media	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	2	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	46	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	54	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
21	C.22 – Manufacture of rubber products	13	5	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	3	2	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
23	C.24 – Manufacture of basic metals	68	37	N/A	N/A	11	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	10	8	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	2	N/A	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
26	C.27 – Manufacture of electrical equipment	27	25	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
27	C.28 – Manufacture of machinery and equipment n.e.c..	4	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	C.33 – Repair and installation of machinery and equipment	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	563	513	N/A	N/A	1	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	212	165	N/A	N/A	1	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
35	D.35.11 – Production of electricity	62	16	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	348	348	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	3	3	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
39	F – Construction	69	52	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
40	F.41 – Construction of buildings	42	36	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
41	F.42 – Civil engineering	3	1	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
42	F.43 – Specialised construction activities	24	16	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	58	56	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
44	H – Transportation and storage	533	75	N/A	N/A	9	9	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
45	H.49 – Land transport and transport via pipelines	497	54	N/A	N/A	9	9	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
46	H.50 – Water transport	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	26	20	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
49	H.35 – Postal and courier activities	8	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
50	I – Accommodation and food service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
51	K- Financial and insurance services	292	39	N/A	N/A	5	3	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
52	L – Real estate activities	181	17	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	179	139	N/A	N/A	8	8	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
54	TOTAL	2 109	972	N/A	N/A	34	21	N/A	N/A	0	N/A	N/A	N/A	2	N/A	N/A	N/A

* Includes the taxonomy eligible amounts (updated interpretation vs the annual report of 2023)

KBC as a credit institution – GAR sector information (Turnover based) – PART 2

	31-12-2024; Breakdown by sector – NACE 4 digits level (code and label) (in millions of EUR)	q	r	s	t	u	v	w	x	y	z	aa	ab
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)			
		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD	
		(Gross) Carrying amount*	Of which environ-mentally sustainable	(Gross) Carrying amount*	Of which environ-mentally sustainable	(Gross) Carrying amount*	Of which environ-mentally sustainable	(Gross) Carrying amount*	Of which environ-mentally sustainable	(Gross) Carrying amount*	Of which environ-mentally sustainable	(Gross) Carrying amount*	Of which environ-mentally sustainable
1	A – Agriculture, forestry and fishing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
2	B – Mining and quarrying	0	N/A	N/A	N/A	0	N/A	N/A	N/A	4	0	N/A	N/A
3	B.05 – Mining of coal and lignite	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
4	B.06 – Extraction of crude petroleum and natural gas	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
5	B.07 – Mining of metal ores	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	N/A	N/A	N/A	0	N/A	N/A	N/A	4	0	N/A	N/A
7	B.09 – Mining support service activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	239	78	N/A	N/A
9	C.10 – Manufacture of food products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
14	C.15 – Manufacture of leather and related products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
15	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
16	C.17 – Manufacture of paper and paper products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
17	C.18 – Printing and reproduction of recorded media	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2	0	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	46	0	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	54	0	N/A	N/A
21	C.22 – Manufacture of rubber products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	13	5	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	2	N/A	N/A
23	C.24 – Manufacture of basic metals	0	N/A	N/A	N/A	0	N/A	N/A	N/A	79	37	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	12	8	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	27	25	N/A	N/A
27	C.28 – Manufacture of machinery and equipment n.e.c..	0	N/A	N/A	N/A	0	N/A	N/A	N/A	4	0	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
30	C.31 – Manufacture of furniture	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
32	C.33 – Repair and installation of machinery and equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	0	N/A	N/A	N/A	0	N/A	N/A	N/A	563	514	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	0	N/A	N/A	N/A	0	N/A	N/A	N/A	212	166	N/A	N/A
35	D.35.11 – Production of electricity	0	N/A	N/A	N/A	0	N/A	N/A	N/A	63	16	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	0	N/A	N/A	N/A	0	N/A	N/A	N/A	348	348	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	3	N/A	N/A
39	F – Construction	0	N/A	N/A	N/A	0	N/A	N/A	N/A	69	52	N/A	N/A
40	F.41 – Construction of buildings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	42	36	N/A	N/A
41	F.42 – Civil engineering	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	1	N/A	N/A
42	F.43 – Specialised construction activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	24	16	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	0	N/A	N/A	N/A	0	N/A	N/A	N/A	58	56	N/A	N/A
44	H – Transportation and storage	0	N/A	N/A	N/A	0	N/A	N/A	N/A	542	84	N/A	N/A
45	H.49 – Land transport and transport via pipelines	0	N/A	N/A	N/A	0	N/A	N/A	N/A	506	64	N/A	N/A
46	H.50 – Water transport	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
47	H. 51 – Air transport	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	0	N/A	N/A	N/A	0	N/A	N/A	N/A	26	20	N/A	N/A
49	H.35 – Postal and courier activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	8	0	N/A	N/A
50	I – Accommodation and food service activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
51	K- Financial and insurance services	0	N/A	N/A	N/A	0	N/A	N/A	N/A	297	42	N/A	N/A
52	L – Real estate activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	181	17	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	0	N/A	N/A	N/A	0	N/A	N/A	N/A	188	147	N/A	N/A
54	TOTAL	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 146	993	N/A	N/A

* Includes the taxonomy eligible amounts (updated interpretation vs the annual report of 2023)

KBC as a credit institution – GAR sector information (Capex based) – PART 1

	31-12-2024; Breakdown by sector – NACE 4 digits level (code and label) (in millions of EUR)	a	b	c	d	e	f	g	h	i	j	k	L	m	n	o	P
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD	
		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*		(Gross) Carrying amount*	
			Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable		Of which environ-mentally sustainable
1	A – Agriculture, forestry and fishing	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
2	B – Mining and quarrying	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
3	B.05 – Mining of coal and lignite	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
4	B.06 – Extraction of crude petroleum and natural gas	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
6	B.08 – Other mining and quarrying	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
8	C- Manufacturing	317	98	N/A	N/A	11	4	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
9	C.10 – Manufacture of food products	40	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
12	C.13 – Manufacture of textiles	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
14	C.15 – Manufacture of leather and related products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
15	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
16	C.17 – Manufacture of paper and paper products	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
17	C.18 – Printing and reproduction of recorded media	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	3	2	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	68	0	N/A	N/A	4	4	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	47	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
21	C.22 – Manufacture of rubber products	17	6	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
23	C.24 – Manufacture of basic metals	103	68	N/A	N/A	6	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	8	5	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	2	N/A	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	1	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
26	C.27 – Manufacture of electrical equipment	23	16	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
27	C.28 – Manufacture of machinery and equipment n.e.c..	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	4	1	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
32	C.33 – Repair and installation of machinery and equipment	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	450	235	N/A	N/A	2	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	222	136	N/A	N/A	2	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
35	D.35.11 – Production of electricity	99	52	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	224	97	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	4	2	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	2	4	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
39	F – Construction	67	43	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
40	F.41 – Construction of buildings	43	36	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
41	F.42 – Civil engineering	3	1	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
42	F.43 – Specialised construction activities	22	7	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	199	80	N/A	N/A	1	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
44	H – Transportation and storage	515	126	N/A	N/A	16	10	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
45	H.49 – Land transport and transport via pipelines	484	104	N/A	N/A	16	10	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
46	H.50 – Water transport	5	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	24	22	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
49	H.35 – Postal and courier activities	1	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
50	I – Accommodation and food service activities	3	0	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
51	K- Financial and insurance services	367	40	N/A	N/A	5	3	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
52	L – Real estate activities	117	24	N/A	N/A	0	0	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	231	172	N/A	N/A	30	13	N/A	N/A	0	N/A	N/A	N/A	0	N/A	N/A	N/A
54	TOTAL	2 273	823	N/A	N/A	65	31	N/A	N/A	0	N/A	N/A	N/A	2	N/A	N/A	N/A

* Includes the taxonomy eligible amounts (updated interpretation vs the annual report of 2023)

KBC as a credit institution – GAR sector information (Capex based) – PART 2

	31-12-2024; Breakdown by sector – NACE 4 digits level (code and label) (in millions of EUR)	q	r	s	t	u	v	w	x	y	z	aa	ab
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)			
		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-financial corporates (subject to CSRD)		SMEs and other NFC not subject to CSRD	
		(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable	(Gross) Carrying amount*	Of which environmentally sustainable
1	A – Agriculture, forestry and fishing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
2	B – Mining and quarrying	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
3	B.05 – Mining of coal and lignite	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
4	B.06 – Extraction of crude petroleum and natural gas	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
5	B.07 – Mining of metal ores	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
7	B.09 – Mining support service activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	328	103	N/A	N/A
9	C.10 – Manufacture of food products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	40	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
14	C.15 – Manufacture of leather and related products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
15	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
16	C.17 – Manufacture of paper and paper products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
17	C.18 – Printing and reproduction of recorded media	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	2	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	72	5	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	0	N/A	N/A	N/A	0	N/A	N/A	N/A	47	0	N/A	N/A
21	C.22 – Manufacture of rubber products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	17	6	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
23	C.24 – Manufacture of basic metals	0	N/A	N/A	N/A	0	N/A	N/A	N/A	110	68	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	10	5	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	23	16	N/A	N/A
27	C.28 – Manufacture of machinery and equipment n.e.c..	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	0	N/A	N/A	N/A	0	N/A	N/A	N/A	4	1	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
30	C.31 – Manufacture of furniture	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
32	C.33 – Repair and installation of machinery and equipment	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	0	N/A	N/A	N/A	0	N/A	N/A	N/A	452	236	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	0	N/A	N/A	N/A	0	N/A	N/A	N/A	224	137	N/A	N/A
35	D.35.11 – Production of electricity	0	N/A	N/A	N/A	0	N/A	N/A	N/A	99	53	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	0	N/A	N/A	N/A	0	N/A	N/A	N/A	224	97	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	0	N/A	N/A	N/A	0	N/A	N/A	N/A	4	2	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2	4	N/A	N/A
39	F – Construction	0	N/A	N/A	N/A	0	N/A	N/A	N/A	67	43	N/A	N/A
40	F.41 – Construction of buildings	0	N/A	N/A	N/A	0	N/A	N/A	N/A	43	36	N/A	N/A
41	F.42 – Civil engineering	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	1	N/A	N/A
42	F.43 – Specialised construction activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	22	7	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	0	N/A	N/A	N/A	0	N/A	N/A	N/A	200	80	N/A	N/A
44	H – Transportation and storage	0	N/A	N/A	N/A	0	N/A	N/A	N/A	531	136	N/A	N/A
45	H.49 – Land transport and transport via pipelines	0	N/A	N/A	N/A	0	N/A	N/A	N/A	501	114	N/A	N/A
46	H.50 – Water transport	0	N/A	N/A	N/A	0	N/A	N/A	N/A	5	0	N/A	N/A
47	H. 51 – Air transport	0	N/A	N/A	N/A	0	N/A	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	0	N/A	N/A	N/A	0	N/A	N/A	N/A	24	22	N/A	N/A
49	H.35 – Postal and courier activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	1	0	N/A	N/A
50	I – Accommodation and food service activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	3	0	N/A	N/A
51	K- Financial and insurance services	0	N/A	N/A	N/A	0	N/A	N/A	N/A	372	43	N/A	N/A
52	L – Real estate activities	0	N/A	N/A	N/A	0	N/A	N/A	N/A	117	24	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	0	N/A	N/A	N/A	0	N/A	N/A	N/A	262	186	N/A	N/A
54	TOTAL	0	N/A	N/A	N/A	0	N/A	N/A	N/A	2 340	854	N/A	N/A

* Includes the taxonomy eligible amounts (updated interpretation vs the annual report of 2023)

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 1

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	31-12-2024 % (compared to total covered assets in the denominator)*	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	95.5%	1.1%	0.0%	0.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Financial undertakings	41.8%	3.3%	0.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3	Credit institutions	41.5%	3.4%	0.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4	Loans and advances	52.2%	4.1%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5	Debt securities, including UoP	39.5%	3.2%	0.0%	1.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7	Other financial corporations	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8	Of which investment firms	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9	Loans and advances	71.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12	Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16	Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20	Non-Financial undertakings	38.0%	17.5%	0.7%	9.7%	3.6%	0.6%	0.4%	0.0%	0.3%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21	Loans and advances	37.8%	18.9%	0.8%	10.7%	3.7%	0.4%	0.2%	0.0%	0.2%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22	Debt securities, including UoP	40.9%	5.0%	0.0%	0.1%	2.3%	2.6%	2.2%	0.0%	1.6%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
23	Equity instruments	13.2%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24	Households	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26	Of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27	Of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
28	Local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29	Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30	Other local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32	Total GAR assets	41.0%	0.5%	0.0%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Denominator per line item except for proportion of assets covered (vs total assets)

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 2

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
31-12-2024 % (compared to total covered assets in the denominator)*		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	95.5%	1.1%	0.0%	0.6%	0.2%	26.6%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.8%	3.3%	0.0%	1.0%	0.1%	0.3%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.5%	3.4%	0.0%	1.0%	0.1%	0.3%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	52.2%	4.1%	0.0%	0.1%	0.1%	0.0%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	39.5%	3.2%	0.0%	1.1%	0.1%	0.3%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	71.9%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	38.6%	17.9%	0.7%	9.7%	3.9%	1.6%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	38.3%	19.1%	0.8%	10.7%	3.9%	1.5%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	43.9%	7.2%	0.0%	0.1%	4.0%	0.1%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	13.2%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	24.3%
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	23.1%
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	1.3%
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.0%	0.5%	0.0%	0.3%	0.1%	61.8%

* Denominator per line item except for proportion of assets covered (vs total assets)

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 3

	31-12-2023 % (compared to total covered assets in the denominator)*	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40.8%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Financial undertakings	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3	Credit institutions	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8	Of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12	Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16	Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20	Non-Financial undertakings	0.4%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21	Loans and advances	0.4%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
23	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24	Households	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	37.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26	Of which building renovation loans	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27	Of which motor vehicle loans	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
28	Local government financing	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29	Housing financing	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32	Total GAR assets	40.8%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Former interpretation in the annual report of 2023 having only one denominator for all reported percentages

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 4

	31-12-2023 % (compared to total covered assets in the denominator)*	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	40.8%	0.2%	0,0%	0.0%	0.1%	42.9%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.1%	0.0%	0,0%	0.0%	0.0%	0.3%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.1%	0.0%	0,0%	0.0%	0.0%	0.3%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.1%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.2%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.4%	0.2%	0,0%	0.0%	0.1%	2.2%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.4%	0.2%	0,0%	0.0%	0.1%	2.0%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.2%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	39.8%	0.0%	0,0%	0.0%	0.0%	39.8%
25	Of which loans collateralised by residential immovable property	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	37.7%	0.0%	0.0%	0.0%	0.0%	37.7%
26	Of which building renovation loans	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	2.3%	0.0%	0,0%	0.0%	0.0%	2.3%
27	Of which motor vehicle loans	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.3%	0.0%	0,0%	0.0%	0.0%	0.3%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.0%	0,0%	0.0%	0.0%	0.6%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.0%	0,0%	0.0%	0.0%	0.5%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0,0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	40.8%	0.2%	0,0%	0.0%	0.1%	42,9%

* Former interpretation in the annual report of 2023 having only one denominator for all reported percentages

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 1

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	31-12-2024 % (compared to total covered assets in the denominator)*	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitional	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	95.7%	1.0%	0.0%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Financial undertakings	43.5%	3.3%	0.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3	Credit institutions	43.2%	3.4%	0.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4	Loans and advances	52.9%	3.6%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5	Debt securities, including UoP	41.4%	3.3%	0.0%	1.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7	Other financial corporations	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8	Of which investment firms	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9	Loans and advances	71.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12	Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16	Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20	Non-Financial undertakings	40.9%	14.8%	0.7%	4.1%	5.6%	1.2%	0.6%	0.0%	0.4%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21	Loans and advances	40.8%	15.4%	0.8%	4.5%	5.8%	0.9%	0.4%	0.0%	0.2%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22	Debt securities, including UoP	45.1%	10.0%	0.0%	0.4%	3.7%	3.9%	2.4%	0.0%	1.9%	0.0%	N/A	N/A	N/A	0.4%	N/A	N/A	N/A
23	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24	Households	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26	Of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27	Of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29	Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30	Other local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32	Total GAR assets	41.1%	0.4%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Denominator per line item except for proportion of assets covered (vs total assets)

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 2

31-12-2024 % (compared to total covered assets in the denominator)*		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC))				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	95.7%	1.0%	0.0%	0.3%	0.4%	26.6%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	43.5%	3.3%	0.0%	1.0%	0.1%	0.3%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	43.2%	3.4%	0.0%	1.0%	0.1%	0.3%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	52.9%	3.6%	0.0%	0.1%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.4%	3.3%	0.0%	1.1%	0.2%	0.3%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	69.2%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	71.9%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	42.1%	15.4%	0.7%	4.1%	5.9%	1.6%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.7%	15.8%	0.8%	4.5%	6.0%	1.5%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	49.4%	12.4%	0.0%	0.4%	5.6%	0.1%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	24.3%
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	23.1%
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	1.3%
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	41.1%	0.4%	0.0%	0.1%	0.2%	61.8%

* Denominator per line item except for proportion of assets covered (vs total assets)

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 3

	31-12-2023 % (compared to total covered assets in the denominator)*	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40.9%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8	Of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12	Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16	Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20	Non-Financial undertakings	0.5%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21	Loans and advances	0.5%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
23	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24	Households	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	37.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26	Of which building renovation loans	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27	Of which motor vehicle loans	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
28	Local government financing	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29	Housing financing	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32	Total GAR assets	40.9%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Former interpretation in the annual report of 2023 having only one denominator for all reported percentages

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 4

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC))				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
31-12-2023 % (compared to total covered assets in the denominator)*		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	40.9%	0.3%	0.0%	0.1%	0.1%	42.9%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.3%	0.0%	0.1%	0.1%	2.2%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.3%	0.0%	0.1%	0.1%	2.0%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	39.8%	0.0%	0.0%	0.0%	0.0%	39.8%
25	Of which loans collateralised by residential immovable property	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	37.7%	0.0%	0.0%	0.0%	0.0%	37.7%
26	Of which building renovation loans	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	2.3%	0.0%	0.0%	0.0%	0.0%	2.3%
27	Of which motor vehicle loans	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.3%	0.0%	0.0%	0.0%	0.0%	0.3%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.0%	0.0%	0.0%	0.0%	0.6%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.5%	0.0%	0.0%	0.0%	0.0%	0.5%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	40.9%	0.3%	0.0%	0.1%	0.1%	42,9%

* Former interpretation in the annual report of 2023 having only one denominator for all reported percentages

KBC as a credit institution – GAR KPI flow (Turnover based) – PART 1

31-12-2024 % (compared to flow of total eligible assets)*	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator																	
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	89.7%	3.0%	0.0%	1.9%	0.7%	0.2%	0.1%	0.0%	0.1%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2 Financial undertakings	44.3%	3.9%	0.0%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3 Credit institutions	44.3%	3.9%	0.0%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4 Loans and advances	46.2%	4.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5 Debt securities, including UoP	42.2%	3.9%	0.0%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6 Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7 Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8 Of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11 Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12 Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15 Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16 Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19 Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20 Non-Financial undertakings	35.7%	20.7%	0.0%	13.1%	4.6%	1.1%	0.5%	0.0%	0.5%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21 Loans and advances	35.3%	21.5%	0.0%	13.7%	4.9%	1.2%	0.5%	0.0%	0.5%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22 Debt securities, including UoP	45.3%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
23 Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24 Households	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25 Of which loans collateralised by residential immovable property	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26 Of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27 Of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
28 Local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29 Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30 Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31 Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32 Total GAR assets	25.0%	0.8%	0.0%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Denominator per line item except for proportion of assets covered (vs total flow assets)

The EU Taxonomy flow figures for our Belgian portfolio were estimated on a pro rata basis, starting from the KPI stock templates. This approximation leads to an overestimation of the figures in the range of 10% - 20% for certain asset classes.

KBC as a credit institution – GAR KPI flow (Turnover based) – PART 2

31-12-2024 % (compared to flow of total eligible assets)*		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC))				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	89.9%	3.1%	0.0%	1.9%	0.7%	20.9%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	44.3%	3.9%	0.0%	0.8%	0.1%	0.4%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	44.3%	3.9%	0.0%	0.8%	0.1%	0.4%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	46.2%	4.0%	0.0%	0.1%	0.1%	0.2%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	42.2%	3.9%	0.0%	1.5%	0.1%	0.2%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	36.9%	21.2%	0.0%	13.1%	5.2%	3.0%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	36.5%	22.0%	0.0%	13.7%	5.4%	2.9%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	45.3%	4.4%	0.0%	0.0%	0.0%	0.1%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	17.5%
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	15.1%
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	5.3%
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.8%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	25.1%	0.9%	0.0%	0.5%	0.2%	75.0%

* Denominator per line item except for proportion of assets covered (vs total flow assets)

The EU Taxonomy flow figures for our Belgian portfolio were estimated on a pro rata basis, starting from the KPI stock templates. This approximation leads to an overestimation of the figures in the range of 10% - 20% for certain asset classes.

KBC as a credit institution – GAR-KPI flow (Capex based) – PART 1

	31-12-2024 % (compared to flow of total eligible assets)*	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	90.4%	1.9%	0.0%	0.7%	0.8%	0.3%	0.1%	0.0%	0.1%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Financial undertakings	44.8%	4.0%	0.0%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
3	Credit institutions	44.8%	4.0%	0.0%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
4	Loans and advances	47.1%	4.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
5	Debt securities, including UoP	42.4%	4.0%	0.0%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
6	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
8	Of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
11	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
12	Of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
15	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
16	Of which insurance companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
19	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
20	Non-Financial undertakings	40.3%	12.9%	0.0%	4.5%	5.6%	2.0%	0.9%	0.0%	0.6%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
21	Loans and advances	40.1%	13.3%	0.0%	4.7%	5.9%	2.1%	1.0%	0.0%	0.6%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
22	Debt securities, including UoP	45.5%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
23	Equity instruments	0.0%	0.0%	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
24	Households	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
25	Of which loans collateralised by residential immovable property	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
26	Of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
27	Of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Local government financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
29	Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
32	Total GAR assets	25.2%	0.5%	0.0%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A

* Denominator per line item except for proportion of assets covered (vs total flow assets)

The EU Taxonomy flow figures for our Belgian portfolio were estimated on a pro rata basis, starting from the KPI stock templates. This approximation leads to an overestimation of the figures in the range of 10% - 20% for certain asset classes.

KBC as a credit institution – GAR-KPI flow (Capex based) – PART 2

	31-12-2024 % (compared to flow of total eligible assets)*	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC))				Biodiversityand Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total new assets covered
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	90.7%	2.1%	0.0%	0.7%	0.9%	20.9%
2	Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	44.8%	4.0%	0.0%	0.8%	0.1%	0.4%
3	Credit institutions	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	44.8%	4.0%	0.0%	0.8%	0.1%	0.4%
4	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	47.1%	4.0%	0.0%	0.1%	0.0%	0.2%
5	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	42.4%	4.0%	0.0%	1.5%	0.1%	0.2%
6	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Of which investment firms	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
12	Of which management companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
16	Of which insurance companies	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
20	Non-Financial undertakings	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	42.4%	13.8%	0.0%	4.5%	6.2%	3.0%
21	Loans and advances	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	42.3%	14.3%	0.0%	4.7%	6.5%	2.9%
22	Debt securities, including UoP	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	45.5%	4.5%	0.0%	0.0%	0.0%	0.1%
23	Equity instruments	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
24	Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	17.5%
25	Of which loans collateralised by residential immovable property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	15.1%
26	Of which building renovation loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	5.3%
27	Of which motor vehicle loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.8%
28	Local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	25.3%	0.6%	0.0%	0.2%	0.2%	75.0%

* Denominator per line item except for proportion of assets covered (vs total flow assets)

The EU Taxonomy flow figures for our Belgian portfolio were estimated on a pro rata basis, starting from the KPI stock templates. This approximation leads to an overestimation of the figures in the range of 10% - 20% for certain asset classes.

KBC as a credit institution – KPI off-balance sheet exposures (stock - Turnover based) – PART 1

	31-12-2024 % (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible))				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned))		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)*	2.7%	1.4%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Turnover based) – PART 2

	31-12-2024 % (compared to total eligible off-balance sheet assets)	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling
1	Financial guarantees (FinGuar KPI)*	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	2.8%	1.4%	0.0%	0.0%	0.3%
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - Turnover based) – PART 1

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
31-12-2024 % (compared to flow of total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which transitio-nal	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible))	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)*	2.6%	1.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total flow of Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - Turnover based) – PART 2

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
31-12-2024 % (compared to flow of total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which transitio-nal	Of which enabling
1	Financial guarantees (FinGuar KPI)*	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	2.6%	1.3%	0.0%	0.0%	0.3%
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total flow of Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Capex based) – PART 1

31-12-2024 % (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of proceeds	Of which transitio-nal	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)*	4.1%	2.2%	0.0%	0.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Capex based) – PART 2

31-12-2024 % (compared to total eligible off-balance sheet assets)		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which enabling			Of which Use of proceeds	Of which transitio-nal	Of which enabling
1	Financial guarantees (FinGuar KPI)*	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	4.2%	2.2%	0.0%	0.1%	0.4%
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - Capex based) – PART 1

31-12-2024 % (compared to flow of total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which transitio-nal	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)*	3.2%	2.0%	0.0%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total flow of Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - Capex based) – PART 2

31-12-2024 % (compared to flow of total eligible off-balance sheet assets)		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of proceeds	Of which transitio-nal	Of which enabling
1	Financial guarantees (FinGuar KPI)*	0.0%	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	3.2%	2.0%	0.0%	0.1%	0.3%
2	Assets under management (AuM KPI)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Denominator used is total flow of Financial guarantees
** Assets under management are as from 2025 reported in the specific templates foreseen for asset managers

KBC as a credit institution – nuclear and fossil gas related activities **(further referred to as 'template 1')**

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (denominator) - Turnover based

	31-12-2024 Economic activities	GAR stock						GAR flow						Financial guarantees KPI					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	36	0.0%	36	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	992	0.5%	971	0.5%	21	0.0%	390	0.9%	381	0.8%	9	0.0%	159	1.4%	158	1.4%	0	0.0%
8	Total applicable KPI	1 028	0.5%					390	0.9%					159	1.4%				

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (denominator) – Capex based

	31-12-2024 Economic activities	GAR stock						GAR flow						Financial guarantees KPI					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55	0.0%	55	0.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	835	0.4%	804	0.4%	31	0.0%	258	0.6%	241	0.5%	17	0.0%	251	2.2%	251	2.2%	0	0.0%
8	Total applicable KPI	890	0.4%					258	0.6%					251	2.2%				

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator) - Turnover based

Row	31-12-2024 Economic activities (amounts in millions of EUR)	GAR stock						GAR flow						Financial guarantees KPI					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	36	3.5%	36	3.6%	0	0.0%	0	0.1%	0	0.1%	0	0.0%	1	0.5%	1	0.5%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	992	96.5%	971	96.4%	21	100.0%	390	99.9%	381	99.9%	9	100.0%	159	99.5%	158	99.5%	0	100.0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1 028	100.0%	1 008	100.0%	21	100.0%	390	100.0%	381	100.0%	9	100.0%	159	100.0%	159	100.0%	0	100.0%

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator) – Capex based

Row	31-12-2024 Economic activities (amounts in millions of EUR)	GAR stock						GAR flow						Financial guarantees KPI					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	55	6.2%	55	6.4%	0	0.0%	1	0.3%	1	0.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	835	93.8%	804	93.6%	31	100.0%	258	99.7%	241	99.7%	17	100.0%	251	100.0%	251	100.0%	0	100.0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	890	100.0%	859	100.0%	31	100.0%	258	100.0%	242	100.0%	17	100.0%	251	100.0%	251	100.0%	0	100.0%

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned economic activities - Turnover based

		GAR stock						GAR flow						Financial guarantees KPI					
	31-12-2024 Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.0%	3	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	76	0.0%	76	0.0%	0	0.0%	11	0.0%	11	0.0%	0	0.0%	2	0.0%	2	0.0%	0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	84 668	40.5%	84 654	40.5%	14	0.0%	10 892	24.2%	10 881	24.2%	11	0.0%	152	1.3%	152	1.3%	0	0.0%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	84 747	40.5%	84 733	40.5%	14	0.0%	10 903	24.2%	10 892	24.2%	11	0.0%	154	1.3%	154	1.3%	0	0.0%

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned economic activities – Capex based

		GAR stock						GAR flow						Financial guarantees KPI					
	31-12-2024 Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.0%	3	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	76	0.0%	76	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3	0.0%	3	0.0%	0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	85 017	40.7%	84 983	40.6%	34	0.0%	11 127	24.7%	11 115	24.7%	11	0.0%	220	1.9%	220	1.9%	0	0.0%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	85 097	40.7%	85 063	40.7%	34	0.0%	11 127	24.7%	11 116	24.7%	11	0.0%	224	1.9%	224	1.9%	0	0.0%

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy non-eligible activities - Turnover based

Row	31-12-2024 Economic activities (amounts in millions of EUR)	GAR stock		GAR flow		Financial guarantees KPI	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	1	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	0	0.0%	3	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	123 290	59.0%	33 732	74.9%	11 161	97.2%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	123 290	59.0%	33 732	74.9%	11 166	97.2%

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy non-eligible activities - Capex based

Row	31-12-2024 Economic activities (amounts in millions of EUR)	GAR stock		GAR flow		Financial guarantees KPI	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	1	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	0	0.0%	3	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	123 078	58.9%	33 631	74.7%	11 000	95.8%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	123 078	58.9%	33 631	74.7%	11 005	95.8%

KBC as an asset manager – asset management KPI

(in millions of EUR, unless otherwise mentioned) 2024

The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: 1.8% Capital expenditures-based: 2.6%	The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: 1 604 Capital expenditures-based: 2 270
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities. Coverage ratio: 100%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: 87 651
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI. 0.9%	The value in monetary amounts of derivatives. 798
The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 7.2% For financial undertakings: 1.2%	Value of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 6 274 For financial undertakings: 1 037
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 46.5% For financial undertakings: 13.3%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 40 757 For financial undertakings: 11 660
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 15.0% For financial undertakings: 10.6%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: 13 128 For financial undertakings: 9 330
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: 5.3%	Value of exposures to other counterparties and assets: 4 667
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: 91.3%	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: 79 982
The value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: 6.9%	Value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy- aligned: 6 065
Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 1.6% Capital expenditures-based:2.3% For financial undertakings: Turnover-based: 0.2% Capital expenditures-based: 0.2%	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: 1 403 Capital expenditures-based: 2 057 For financial undertakings: Turnover-based: 201 Capital expenditures-based: 213
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: 0.0% Capital expenditures-based: 0.0%	Value of Taxonomy-aligned exposures to other counterparties and assets: Turnover-based: 0 Capital expenditures-based:0

Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities::		
(1) Climate change mitigation	Turnover: 96.4% CapEx: 95.0%	Transitional activities: Turnover: 4.9% Capex: 7.0% Enabling activities: Turnover: 56.6% Capex: 50.5%
(2) Climate change adaptation	Turnover: 3.6% CapEx: 5.0%	Enabling activities: Turnover: 0.4% Capex: 0.5%
(3) The sustainable use and protection of water of marine resources	Turnover: N/A CapEx: N/A	Enabling activities: Turnover: N/A Capex: N/A
(4) The transition to a circular economy	Turnover: N/A CapEx: N/A	Enabling activities: Turnover: N/A Capex: N/A
(5) Pollution prevention and control	Turnover: N/A CapEx: N/A	Enabling activities: Turnover: N/A Capex: N/A
(6) The protection and restoration of biodiversity and ecosystems	Turnover: N/A CapEx: N/A	Enabling activities: Turnover: N/A Capex: N/A

KBC as an asset manager – nuclear and fossil gas related activities (further referred to as 'template 1')

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy aligned economic activities (denominator)

Row	31-12-2024 Economic activities (amounts in millions of EUR)	Asset Management KPI (Turnover based)						Asset Management KPI (Capex based)					
		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	**1 604**	**1.8%**	**1 546**	**1.8%**	**58**	**0.1%**	**2 270**	**2.6%**	**2 156**	**2.5%**	**114**	**0.1%**
8	Total applicable KPI	**1 604**	**1.8%**	**1 546**	**1.8%**	**58**	**0.1%**	**2 270**	**2.6%**	**2 156**	**2.5%**	**114**	**0.1%**

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator)

Row	31-12-2024 Economic activities (amounts in millions of EUR)	Asset Management KPI (Turnover based)						Asset Management KPI (Capex based)					
		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	**1 604**	**100.0%**	**1 546**	**100.0%**	**58**	**100.0%**	**2 270**	**100.0%**	**2 156**	**100.0%**	**114**	**5.0%**
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	**1 604**	**100.0%**	**1 546**	**100.0%**	**58**	**100.0%**	**2 270**	**100.0%**	**2 156**	**100.0%**	**114**	**5.0%**

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned activities

Row	31-12-2024 Economic activities (amounts in millions of EUR)	Asset Management KPI (turnover based)		Asset Management KPI (Capex based)	
		Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	N/A	N/A	N/A	N/A
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0,0%	0	0,0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0,0%	0	0,0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	33	0,0%	0	0,0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	48	0,1%	0	0,0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0,0%	0	0,0%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5.982	6,8%	6.139	7,0%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	6.065	6,9%	6.139	7,0%

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy non-eligible economic activities

Row	31-12-2024 Economic activities (amounts in millions of EUR)	Asset Management KPI (turnover based)		Asset Management KPI (Capex based)	
		Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	N/A	N/A	N/A	N/A
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	0	0.0%	0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	0	0.0%	0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	0	0.0%	0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPII	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPII	**79 982**	**91.3%**	**79 242**	**90.4%**
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**79 982**	**91.3%**	**79 242**	**90.4%**

Management certification

"I, Bartel Puelinckx, Chief Financial Officer of the KBC Bank, certify on behalf of the Executive Committee of KBC Bank NV that, to the best of my knowledge, the financial statements, which are based on the relevant standards for annual accounts, true and fairly present in all material respects the assets and liabilities, the financial condition and results of KBC Bank NV and the undertakings included in the consolidation, and that the annual report provides a fair overview of the development, the results and the position of KBC Bank NV and the undertakings included in the consolidation, as well as an overview of the main risks and uncertainties to which they are exposed and that it is prepared in accordance with sustainability reporting standards referred to in Article 29 ter of Directive 2013/34/EU and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council."