Annual Report

KBC Group

2025

KBC group passport

Our area of operation

We are an integrated bank-insurance group, catering mainly for retail, private banking, SME and mid-cap clients. Our core markets are Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. We are present to a limited extent in several other countries.

Our goal and ambition

Through our activities, we want to help our clients to both realise and protect their dreams and projects.
It is our ambition to be the reference for bank-insurance in all our core markets.

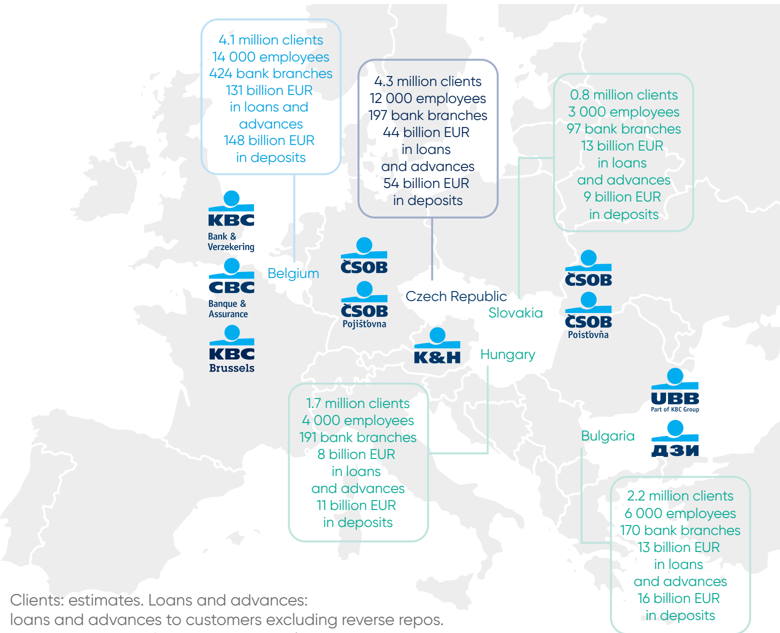
Our clients, staff and network as at 31-12-2025

Clients	approximately 13 million
Staff	approximately 40 000
Bank branches	1 090
Insurance network	270 agencies in Belgium, various distribution channels in Central and Eastern Europe

Our ratings as at 31-12-2025

Long-term debt ratings	Fitch	Moody's	S&P's
KBC Bank NV	A+	A1	A+
KBC Insurance NV	–	–	A
KBC Group NV	A	A3	A–

Sustainability ratings (selection)	CDP	Sustainalytics	S&P Global
KBC Group	A	10.2	73/100

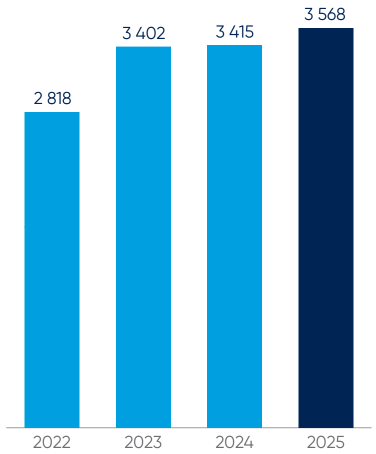


Clients: estimates. Loans and advances:
loans and advances to customers excluding reverse repos.
Deposits: deposits from customers excluding debt securities and repos.
Belgium: loans and deposits including the limited network of KBC Bank branches abroad.

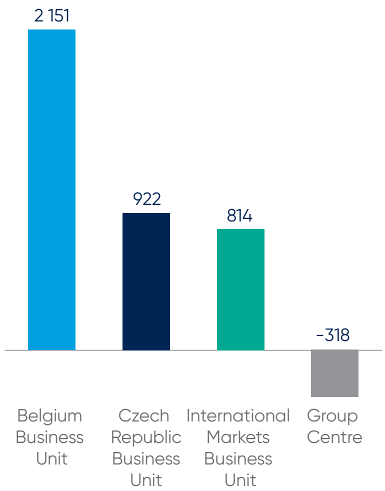
KBC group in 2025

- 6 million clients have already used Kate; the number of cases resolved autonomously by Kate continues to rise
- 3,6 billion EUR in net profit
- Solid capital and liquidity ratios
- Challenging geopolitical and economic conditions
- Update of dividend policy and capital allocation policy
- Increase in number of independent directors on the Board of Directors
- Recognition from several external entities for our digitalisation and sustainability strategy
- Acquisition of 365.bank in Slovakia and Business Lease in the Czech Republic and Slovakia
- Advancing our strategy with Save Time and Earn Money (S.T.E.M.): the Ecosphere

Net result
(in millions of EUR)



Breakdown of net result by business unit
(2025, in millions of EUR)



Key figures	2025	2024	2023
Consolidated balance sheet (in millions of EUR)			
Total assets	397 372	373 048	346 921
Loans and advances to customers	208 612	192 067	183 613
Securities	88 980	80 338	73 696
Deposits from customers	237 868	228 747	216 501
Insurance contract liabilities and liabilities under investment contracts, insurance	34 421	32 782	30 245
Total equity	27 985	24 311	24 260
Consolidated income statement (in millions of EUR)			
Total income	12 200	11 167	11 224
Total operating expenses (including bank and insurance tax)	-5 265	-5 097	-5 125
Impairment	-334	-248	-215
Net result, group share	3 568	3 415	3 402
Belgium	2 151	1 846	1 866
Czech Republic	922	858	763
International Markets	814	751	676
Group Centre	-318	-40	97
Sustainability and gender diversity			
Proportion of renewable energy in loans to the energy sector (%)	73%	67%	62%
Volume of responsible investment funds (in billions of EUR)	64	51	41
Gender diversity in the workforce (percentage of women)	57%	57%	57%
Gender diversity in the Board of Directors (percentage of women)	39%	31%	31%
KBC share			
Number of shares outstanding, end of period (in millions)	417.7	417.5	417.3
Average share price for the financial year (in EUR)	91.4	67.5	61.8
Share price at year-end (in EUR)	111.3	74.5	58.7
Gross dividend per share (in EUR)[1]	5.10	4.85	4.15
Basic earnings per share (in EUR)	8.70	8.33	8.04
Equity market capitalisation, end of period (in billions of EUR)	46.5	31.1	24.5
Financial ratios			
Return on equity (excl. exceptional and non-operational items)	15%	14%	15%
Cost/income ratio (excl. bank and insurance tax)	41%	43%	43%
Combined ratio, non-life insurance	87%	90%	87%
Credit cost ratio	0.13%	0.10%	0.00%
Common equity ratio (Danish compromise method, fully loaded[2])	14.9%	15.0%	15.2%

For definitions and comments, see the analyses and 'Glossary of financial ratios and terms' in this report.

1 The dividend for 2025 is subject to the approval of the General Meeting of Shareholders.

2 As from 2025, this involves the 'unfloored' fully loaded common equity ratio, which takes into account the total impact on risk-weighted assets of Basel IV, excluding the output floor impact. The figures before 2025 reflect the ratio under Basel III.

Our key performance indicators (KPIs) for the future

Client NPS score Target: top 2 at group level by year-end 2026	**Digital sales** Target: share of digital sales ≥ 65% for bank products and ≥ 35% for insurance products by 2026	**Straight-through processing** Target: share of straight-through processing (STP) ≥ 68% by 2026	**Bank-insurance clients** Target: 83% of active clients by year-end 2026	**Stable bank-insurance clients** Target: 29% of active clients by year-end 2026	Strategic
Responsible Investment funds (RI) Target: share of RI funds ≥ 45% of Assets under Distribution by 2025 and 55% by 2030	**Renewable energy loans** Target: share of renewable energy sources in the energy-sector loan portfolio ≥ 75% by 2030	**Greenhouse gas intensity** Target: decrease in the greenhouse gas intensity of various sectors in the loan portfolio by 2030 and 2050.	**Greenhouse gas intensity** Target: decrease in the greenhouse gas intensity of the shares and corporate bonds held in portfolio by KBC Insurance by 2025 and 2030.	**Own CO2e emissions** Target: -80% between 2015 and 2030 and achievement of net climate neutrality for our own footprint from year-end 2021 by offsetting the difference.	ESG
Total income Target: CAGR for 2025-2028: ≥ 7.7% (with a CAGR of net interest income of ≥ 8.6% and a CAGR of insurance revenues of ≥ 7.5%)	**Credit cost ratio** Target: well below the through-the-cycle cost of credit of 25-30 basis points	**Operating expenses excluding bank and insurance tax** Target: CAGR for 2025-2028: <4.3%, and a cost/income ratio for 2028 of <38%	**Combined ratio** Target: < 91%	**Dividend payout** See 'Stringent risk, capital and liquidity management framework' in the 'Our strategy' section.	Financial

KPI definitions and scores are provided in the 'Our strategy' section, as are the key capital and liquidity ratios. Only a selection of targets related to our ESG ambitions are presented here.

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Additional information

Statutory annual report: we have incorporated the content of the annual report required by law into the 'Report of the Board of Directors', which also contains non-compulsory information. We have combined the reports for the company and consolidated financial statements. Other reports and the websites we refer to do not form part of our annual report.

Company name: 'KBC', 'we', 'the group' or 'the KBC group' refer to the consolidated entity, i.e. KBC Group NV plus all the group companies included in the scope of consolidation. 'KBC Group NV' refers solely to the parent company.

Glossary: a list of the most important financial ratios and terms used (including the alternative performance measures) can be found at the end of this report.

Translation and versions: the Annual Report is available in Dutch and English ESEF (European Single Electronic Format) versions and in Dutch, English and French PDF versions. The Dutch ESEF version is the original version; the other language translations are unofficial versions. We have made every reasonable effort to avoid discrepancies between the different language and format versions. However, should such discrepancies exist, the Dutch ESEF version will take precedence.

We note that, when we use terminology such as 'green' and 'sustainable' in this annual report, these terms do not suggest in any way that what is described is already (fully) aligned with the EU Taxonomy.

Disclaimer: the expectations, forecasts and statements regarding future developments that are contained in the annual report are based on the assumptions and assessments we made when drawing up this report at the end of February 2026 (hence, not incorporating the effects of the conflict in the Middle East). By their nature, forward-looking statements involve uncertainty. Various factors could cause actual results and developments to differ (considerably) from the initial statements. These factors include – but are by no means limited to – macroeconomic developments, changes in the competitive landscape, changes in the regulatory, supervisory or political landscape, movements in financial markets, including interest rates, equity prices and exchange rates, and the impact of climate- or other ESG-related events.

An armed conflict between the United States, Israel and Iran began in late February 2026. This initially caused regional instability and is impacting a number of areas, including energy prices, trade routes and the financial markets. KBC is closely monitoring the macroeconomic impact and spillover effects for KBC and its customers, both financially and operationally, including cyber threats.

Report of the Board of Directors

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

This annual report provides a comprehensive review of the performance of the past financial year, which was characterised by robust financial results, strategic progress and an ongoing focus on sustainability. We highlight how we are preparing for the challenges and opportunities that lie ahead and the steps we are taking with the ultimate goal of further optimising the service we provide to our clients.

Kate – the heart of our digital strategy

Johan Thijs: "We are always at the forefront of digital innovation and combine this with human interaction. Our digital assistant Kate – who turned five in November 2025 – plays a vital role in this regard, and enables us to provide our clients with even faster, smarter and more personalised support – always ensuring optimum security and reliability. Kate is a huge success. To date, some 6 million clients have already used Kate, marking a 13% increase from the previous year. Kate now autonomously resolves more than seven out of ten client queries across our core markets. Kate saves the workload of at least 400 full-time employees, allowing our staff to devote more time to more complex and valuable interactions with clients.

Kate also plays an important role in our updated strategy: 'S.T.E.M., the Ecosphere'. S.T.E.M. stands for 'Save Time and Earn Money'. In this strategy, we combine Kate with other existing concepts such as Digital First and Kate Coins and integrate them into ecosystems through which we aim to transform the way we help our clients. We support them every step of the way in their search for solutions to issues such as housing and mobility, both through our own financial products and through services provided by external partners. This allows our clients to save time and earn money – both within and outside the traditional banking and insurance realm.

At the end of 2025, Kate was further upgraded to enable even more natural and intuitive conversations, which will further boost autonomy and client usage. Our Kate Coins also received an upgrade and are now even more flexible and offer even more value for our clients. Furthermore, we joined forces with several other European banks to develop a MiCAR-compliant euro stablecoin that brings stability to the rapidly evolving world of crypto and tokenisation."

Koenraad Debackere: Our focus on strong technological foundations, innovation and client convenience is clearly proving fruitful, as evidenced by the external recognition we receive. We are particularly proud that independent international consulting firm Sia named KBC Mobile the world's best banking app for the third time in 2025. What's more, Sia also awarded Bolero a top position in 2025 as one of the very best investment apps in Europe, and several of our group companies were named best digital bank in their respective countries by Euromoney and Global Finance, among others."

Sustainability embedded in our business model

Johan Thijs: "As a bank-insurer, we are strongly positioned to contribute to a sustainable future. The transition to a low-carbon economy forms an important part of this process. After all, the climate crisis poses a major challenge – for us and for our clients – and we therefore take our responsibility in this regard. We are committed to reducing our own ecological footprint, but our main aim is to support our clients in their transition to sustainability. We have defined clear climate targets for carbon-intensive sectors in our loan portfolio, which we monitor closely. We also participate in various international initiatives related to climate, the environment and sustainability. Good governance is another important focus area for us. In 2025, for instance, we reinforced our Board of Directors with two additional independent members.

Koenraad Debackere: We communicate openly and clearly with regard to our sustainability efforts. Since last year, we publish these efforts in a special sustainability statement in our annual report as well as in a voluntary sustainability report, both of which can be found at www.kbc.com. Our sustainability efforts also receive external recognition. For the fourth consecutive year, CDP has included KBC in the prestigious Climate Change A List – a recognition that attests to global leadership in climate action, transparency and strategic impact. The fact that we have now participated in the annual S&P Global Corporate Sustainability Assessment for the 25th time is further proof of our long-standing and consistent commitment to sustainability, backed by state-of-the-art insights. Moreover, several of our group companies were named best bank for sustainability in their respective countries by various leading financial publications including Euromoney, International Banker and Global Finance."

Strengthening our position in Central Europe

Koenraad Debackere: "Our primary activity is bank-insurance in five core countries: Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria. We are active in these countries on a long-term basis and aim to build strong, sustainable relationships with our clients. We also want to continue to grow there, both organically and through interesting acquisitions, always based on clear strategic and financial criteria.

In recent years, Bulgaria has been the main focus, for example with the acquisition of Raiffeisenbank Bulgaria. In 2025, the focus shifted to other countries, notably Slovakia, where we reached an agreement to acquire 365.bank in 2025. This investment will allow us to strengthen our position in Slovakia. The combination of our existing banking subsidiary ČSOB and 365.bank creates a strong financial group in Slovakia, whereby

Johan Thijs

Koenraad Debackere

365.bank's unique distribution model, supported by its long-standing partnership with Slovak Post, will allow us to significantly expand our client reach across Slovakia. The transaction – which was priced at 708 million euros – was finalised on 15 January 2026. Furthermore, we reached an agreement to acquire Business Lease in the Czech Republic and Slovakia, for a consideration of 72 million euros. This enables us to significantly expand our leasing activities in Central Europe and strengthen our market position in both countries. This deal was finalised on 10 February 2026."

Once again an excellent result

Johan Thijs: "In 2025, we posted a net result of nearly 3.6 billion euros, a 4% increase from the year-earlier figure, which is all the more impressive given that 2024 benefited from a number of material positive one-off items – one of which relating to the exit from Ireland – totalling 0.4 billion euros. Excluding these items, our net result increased by 18%. Our income increased by 9%, owing primarily to higher net interest income, insurance revenues and net fee and commission income. Lending to clients saw a significant increase of no less than 7%, and customer deposits – excluding the volatile deposits at KBC Bank's branches abroad – grew by 3%. Although we had to recognise slightly higher impairment charges, at 0.13% our credit cost ratio remained well below the long-term average. Excluding exchange rate effects, our costs rose by 2.5%, in line with our expectations.

Our liquidity position remained strong, with an NSFR of 138% and an LCR of 159%. Our capital position was also strengthened, with an unfloored fully loaded common equity ratio of 14.9% at year-end 2025, under the new Basel IV regulations.

We updated our dividend and capital policy in 2025. In principle, we make an annual dividend payment of between 50% and 65% of the consolidated result, 1 euro of which is paid out as an interim dividend in November. We want to remain among the better capitalised financial institutions in Europe. Every year, our Board of Directors decides on capital usage, with a focus on organic growth and acquisitions. We consider 13% as the minimum unfloored fully loaded common equity ratio. Furthermore, we have started using SRTs – Significant Risk Transfers – as part of a programme to optimise our risk-weighted assets, hence also our capital position. In November 2025, we already completed our first SRT transaction, which resulted in savings on risk-weighted assets of roughly 2 billion euros.

Our excellent results also translate into an extra profit bonus for all our employees. Moreover, for 2025 we propose to the General Meeting of Shareholders a gross total dividend of 5.1 euros per share, comprising an interim dividend of 1 euro, paid in November 2025, and a final dividend of 4.1 euros, payable in May 2026. This represents a payout of 60% of our consolidated result."

The economic environment in 2025 and beyond

Koenraad Debackere: "2025 was a turbulent year for the global economy, with the surge in uncertainty surrounding US trade policy being particularly striking. Nevertheless, US private consumption and investment remained resilient. Euro area growth remained subdued, due mainly to the weakness of the manufacturing sector. The announced large-scale investments, with Germany leading the way, will only become visible in growth from 2026. Meanwhile, China still suffered from the structural problem of overcapacity and deflationary trends.

The underlying core inflation remained above the central banks' policy objective in the US and the euro area in 2025. Unlike in the euro area, US import tariffs led to temporary inflationary pressures in the United States. While the Fed resumed its interest rate easing in September 2025, the ECB had already completed its easing cycle in June.

2026 commenced against a backdrop of ongoing geopolitical and geoeconomic tensions with new armed and trade conflicts. In that context, the new conflict in the Middle East is obviously worrying.

In these challenging economic and geopolitical conditions, our ambition remains the same: to be the reference bank-insurer in all our home markets. To pursue that goal, we not only rely on a strong, client-centric business model, but above all on the trust placed in us by our clients, employees, shareholders and other stakeholders. That trust means a lot to us and we want to thank you sincerely for it."

Johan Thijs
Chief Executive Officer

Koenraad Debackere
Chairman of the Board of Directors

Our value creation

As a bank, we help our clients make well-informed savings and investment decisions, including consideration of sustainable choices. In this way, everyone can grow their assets in a way that suits them, and call on our expertise to assist them. We use the money our clients deposit with us to provide loans to individuals, companies and public authorities – thus helping to keep the economy going. 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.

> We strive to make our clients' 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 and other issues.

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 apply the knowledge we have acquired in areas including prevention, for example in safety campaigns. We have been working with organisations involved in road safety, welfare and victim assistance for many years.

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 everything we do, we consider the human and environmental impacts, and we translate this into concrete targets. We have made a conscious choice to enhance our positive impact on society, where possible, especially in 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 operations, we also prioritise areas such as cybersecurity, anti-corruption measures, climate change and other environmental aspects.

As a bank-insurer, we have a direct impact on the climate through our energy consumption and – more importantly – an indirect impact through our loans, investments and insurance products. We, too, are affected by climate change, which is reflected, for example, in an increase in claims in connection with extreme weather conditions or risks faced by companies in which we invest. We therefore actively consider these factors: we aim to mitigate adverse effects and contribute to solutions, for example through sustainable products and services. We closely monitor our progress and set clear goals. Our Sustainable Finance Programme has now been expanded to include themes such as biodiversity, water and circular economy.

We are a major player in each of our core countries. We form part of society and, as an employer, we contribute directly to the employment and purchasing power of some 40 000 households. We 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.

How do we create value?

	Input
Financial capital	Total equity of 28 billion euros 289 billion euros in deposits and debt securities
Employees and brand	Approximately 40 000 employees; company values: loyalty, knowledge, motivation and responsible behaviour Strong brands in all core countries, trusted partner, digital assistant Kate, Kate Coins, capacity to innovate
Infrastructure	Various electronic distribution platforms, apps, AI and underlying ICT systems 1 090 bank branches, various distribution channels for insurance
Clients and other stakeholders	13 million clients in 5 core countries Suppliers, government, regulators, investors and shareholders, business partners and other stakeholders
Environment and society	Direct use of electricity, gas, water, paper, etc. More important indirect environmental and social impact through lending, investment portfolio, funds, insurance, etc.

Activities

Goal and ambition

To offer proactive and data-driven solutions to meet our clients' needs.
To be the reference for bank-insurance in all our core markets

Core activities

Lending
Deposits
Insurance
Investments
Asset management
Payments
Other financial and non-financial services

Most relevant SDGs for the group
(see our 'Sustainability statement' for more details)

Output (selection, 2025)	Goals and term (results: see 'Our strategy')
• Net profit of 3.6 billion euros, a 15% return on equity • Solid capital and liquidity ratios • Cost/income ratio of 41% and combined ratio of 87% • 7% growth in loans and advances to customers • 9% growth in assets under management • 3% growth in customer deposits	• Growth in net interest income, insurance revenues and total income (2028) • Growth in operating expenses excluding bank and insurance tax (2028) • Combined ratio (2028) • Credit cost ratio (through-the-cycle)
• 2.8 billion euros in remuneration paid to our staff • Firmly embedded PEARL+ business culture • Staff turnover: 12.8% • 27% women in top management (top 300)	• Annual employee engagement surveys
• Innovative digital, AI and data-driven approach • Success of digital assistant Kate: more than 7 in 10 questions are resolved E2E by Kate • Focus on simplification and straight-through processes	• Share of digital sales (2026) • Straight-through processing score (2026)
• 11.3 billion euros in interest paid to clients and counterparties • 5.1 euros dividend per share for 2025 • Stakeholder interaction process in each country • Aggregate 1.7 billion euros paid in income taxes and bank and insurance taxes	• Dividend payout ratio • Client NPS score (2026) • Share of bank-insurance clients (2026)
• Focus on environmental awareness initiatives, the issue of longevity and healthcare, financial literacy initiatives and promoting entrepreneurship • 64 billion euros in responsible investment funds • Various environmental and sustainability targets	• Responsible investment funds (2025 and 2030) • Reduction in own CO_2 emissions (2030) • Share of renewable energy loans (2030) • Greenhouse gas intensity targets, for various sectors (2030 and 2050)

Our model

We sum up our business culture in the acronym PEARL+, which stands for Performance, Empowerment, Accountability, Responsiveness and Local Embeddedness. The plus sign (+) represents collaboration and the smart reuse of good ideas within the entire group. This enables us to work more efficiently, respond more quickly to change and make better use of our skilled and talented people, regardless of their location.

We encourage all our employees to behave in a way that is responsive, respectful and results-driven. An explanation of what exactly this means is given in the diagram.

PEARL+ is more than a slogan – it is a way of working. To ensure that everyone truly applies these values, we have appointed a dedicated PEARL manager who reports directly to the CEO. We also have hundreds of PEARL ambassadors in the workplace, who make sure this culture is actively embraced and provide support to colleagues where needed – from the bottom up and from the top down.

pearl+

We focus on jointly developing solutions, initiatives and ideas within the group.

Performance
We strive for excellent results and do what we promise to do.

Results-driven
We do what we promise, we meet our objectives, we deliver quality, and we do so on time and in a cost-effective manner.

Local Embeddedness
We view the diversity of our teams and of our clients in the different core markets as a strength and we stay close to our clients.

Empowerment
We offer every employee the chance to develop their creativity and talent.

Responsive
We anticipate and respond to suggestions and questions spontaneously and positively.

Respectful
We treat people as our equals, we are transparent, we trust them and appreciate them for what they do and who they are.

Responsiveness
We anticipate and respond proactively to the questions, suggestions, contributions and efforts of our clients, colleagues and management.

Accountability
We meet our personal responsibility towards our clients, colleagues, shareholders and society.

What differentiates us from our peers?

1 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 cooperation 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.

2 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 were 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 successful digital approach also underlies the creation of ecosystems, through which we aim to offer our clients a seamless end-to-end client journey. By combining our own bank and insurance services with external services, we can offer our clients a single integrated solution, with Kate as their guide throughout their journey.

3 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 strengths and challenges

Strengths

Unique bank-insurance model and innovative, data-driven digital ecosphere strategy, which enables us to respond immediately to our clients' broader 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

4

Our approach to sustainability

As a financial institution, KBC has a significant impact on society. We aim to contribute to a more sustainable and climate-resilient future. Sustainability is therefore firmly embedded in our strategy and day-to-day operations. In our approach, we prioritise financial resilience, encourage responsible behaviour on the part of our employees, strive to enhance our positive contribution to society and, at the same time, keep our negative impact to a minimum.

5

Our shareholder structure

A special feature of our shareholder structure is the core shareholder syndicate consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held roughly 42% of our shares at the end of 2025. These shareholders act in concert, thereby ensuring shareholder stability in our group.

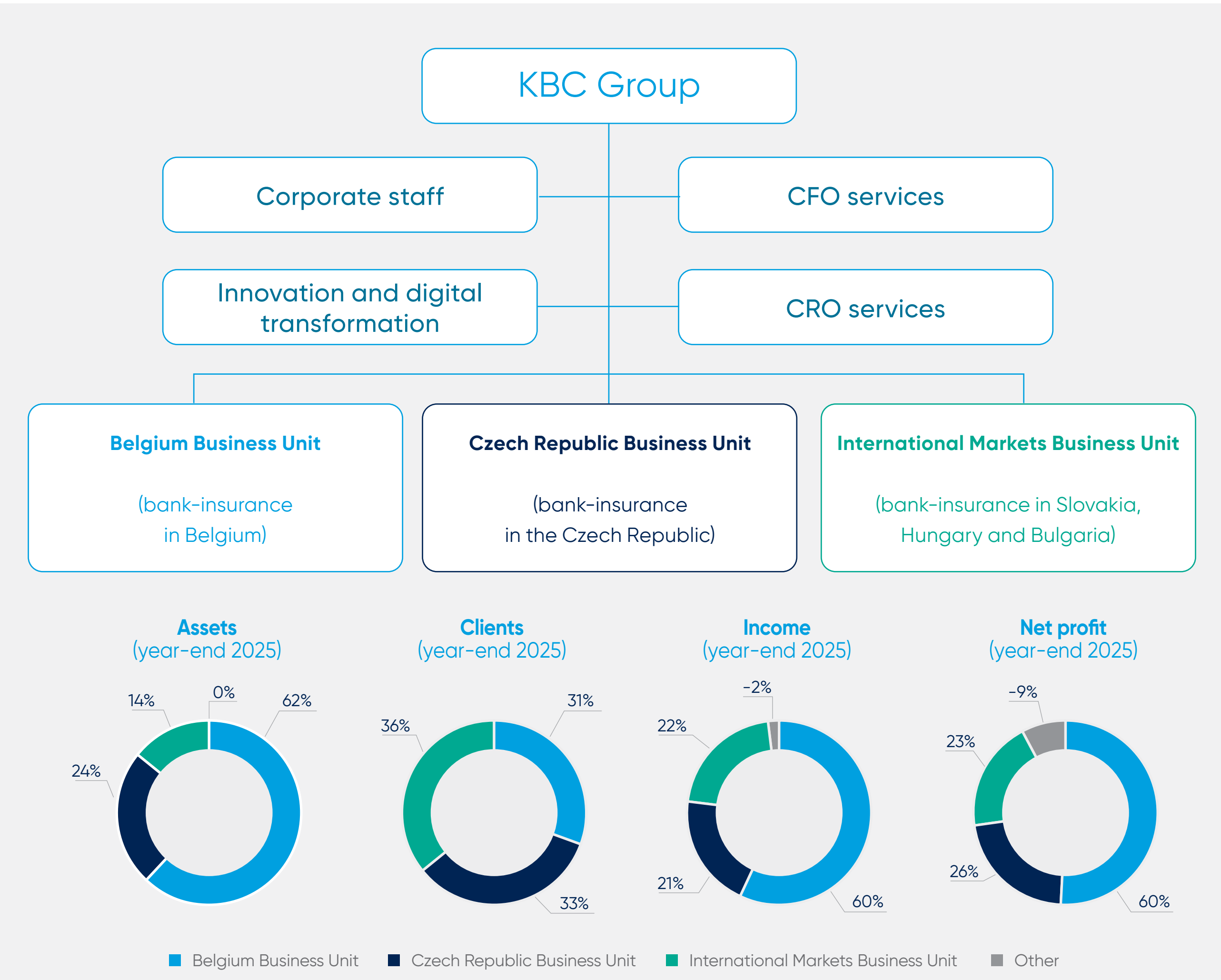
Challenges

- 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, AI, etc.
- Changing client behaviour, competition (including integrated financial solutions offered by non-financial players)
- New technologies and cybercrime

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. The latter includes our activities in Slovakia, Hungary and Bulgaria. 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'. The most important matters discussed by our Board of Directors in 2025 and our remuneration policy for senior management can also be found in that section.

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), the Chief Innovation Officer (CIO) of the group and the CEOs of the three business units.



'Other' in the charts: a proportion of our employees work in other countries or in group functions; we also allocate part of our capital and earnings to the Group Centre.

Our environment

Global economic growth was generally modest in 2025. Real growth stood at 2.3% in the US, 1.5% in the euro area and 4.9% in China. Uncertainty surrounding the economic policy of the new US administration weighed on the US labour market, particularly in the second half of the year, with unfavourable supply as well as demand factors playing a role. Nevertheless, US economic growth remained surprisingly resilient on balance, despite the temporary shutdown of a number of government services in the fourth quarter. This resilience was largely driven by private consumption and private investment in areas including technology and AI. Growth dynamics in the euro area remained moderate in 2025. Relatively strong growth was only seen in the first quarter, owing to the one-off contribution to growth from net exports, in anticipation of the announced US import tariffs. In the following quarters, growth remained at or even below its potential. The combination of a weak manufacturing sector due to the challenging international trade environment and weak domestic demand weighed on the euro area. The announcement of a more expansionary fiscal policy, in Germany in particular, will likely only become visible in growth in 2026. Furthermore, China continued to suffer from the structural problem of overcapacity and the associated deflationary trends in 2025. This was intensified by the trade conflict with the US, which put additional pressure on China's export-driven growth model.

Inflation trends in 2025 diverged somewhat between the US and the euro area. The overall annual average inflation rate stood at 2.7% and 2.1%, respectively, in 2025. The underlying core inflation (excluding food and energy prices) remained persistently high in both economies, mainly driven by services price inflation. In the United States in particular, US import tariffs provided additional inflationary pressures. The impact on US inflation is likely to be temporary, thus resulting in a one-off increase in the price level without any lasting effect on inflation. The lack of material countermeasures in the trade conflict with the US, on the other hand, created disinflationary pressure in the euro area. The strong appreciation of the euro in 2025 also dampened inflation through a slower rise in import prices.

The ECB continued its easing cycle in 2025, reaching its end point in June with a deposit rate of 2%. Since early 2025, the ECB has discontinued the reinvestment of both its APP and PEPP portfolios and plans to continue this policy until both portfolios have been fully phased out. The Fed resumed its easing cycle in September 2025, which it had paused in December 2024 amid fears of the inflationary impact of the new US trade policy. The Fed maintained its wait-and-see approach for much of 2025 given the conflict between its two policy objectives (price stability and maximum employment). While there were downside risks to the labour market, there were also upside risks to inflation. Ultimately, the Fed lowered its key rate three times since September 2025, in rate cuts of 25 basis points each.In December 2025, the Fed also ended its quantitative tightening policy and simultaneously launched a 'reserve management' programme. This programme is aimed at preventing liquidity shortages by enabling the Fed to buy short-term government bonds where necessary.

Overall, US and German ten-year yields moved in opposite directions during 2025. US ten-year yields fell, due in part to fears of the impact of the new US trade policy, whereas German ten-year yields surged following the German parliamentary elections and the new government's fiscal expansion plans. On balance, this resulted in the narrowing of the long-term interest rate differential between the US and Germany. This led to a considerable weakening of the dollar against the euro, particularly in the first half of 2025.

The risks that had also dominated 2025 were still present at the start of 2026. Examples of persistently high geopolitical risks are the US incursion into Venezuela, the situation in Iran, the ongoing war in Ukraine and the debate about Greenland. The link of some of these issues with the threat of new US trade tariffs also implies that the likelihood of new trade conflicts in 2026 remains high. The ensuing uncertainty is weighing on economic confidence and investment sentiment, thus posing a significant external risk to the euro area. One of the causes for uncertainty within the euro area is the electoral calendar. The sustainability of public finances in a considerable number of euro area member states also remains a major point of concern for 2026, as it carries a risk of higher risk premiums on their public debt.

More information on the economic environment in each of our core countries is provided in the 'Our business units' section.

Also see the disclaimer at the beginning of this annual report.

What are our main challenges?

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 and particularly digital banks, fintechs, bigtechs, and so on) and shifting client behaviour. The intervention of AI agents, among other things, could also affect client behaviour. All this is influencing clients' expectations in terms of speed, digital interaction, proactivity and personalisation. Advances in AI, and generative AI in particular, are also raising client expectations as regards 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. That convenience and security, combined with a wide range of products and services and a secure environment, are key factors in client loyalty.
- 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.
- We are progressing towards an Ecosphere approach, in which we supplement our financial products with non-financial services of third parties in order to offer our clients maximum convenience in areas such as housing and mobility.
- 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: simplification of EU sustainability regulations (Omnibus I).
- Digitality: EU focus on harmonised framework promoting innovation and protecting consumers: Markets in Crypto Assets Regulation (MiCAR), AML Directive, Financial Data Access Regulation (FiDA), Digital Euro, European Digital Identity, AI Act.
- Security: strong emphasis on cybersecurity, robustness and operational resilience: Digital Operational Resilience Act (DORA), Cyber Resilience Act (CRA), Network and Information Security Directive (NIS2), Critical Entities Resilience Directive (CER).
- Prudential supervision: transposition of Basel IV into the Capital Requirements Regulation (CRR3) and Capital Requirements Directive (CRD6) and the related transposition of the CRD6 into Belgian law; revision of the Solvency II Directive and implementing regulations; further developments related to the reform of the Crisis Management & Deposit Insurance Framework; developments related to the Directive on recovery and resolution -planning for insurance undertakings.
- Payment transactions: implementation of the Instant Payments Regulation; revision of the legal framework for payment services (PSR) and a proposal for a Directive (PSD3) applicable to payment and electronic money institutions.
- Financial markets and products: EMIR 3 and introduction of the Active Account Requirement; proposal for a Directive on the distance marketing of financial services; developments related to the EU Listing Act; further expansion of the Capital Markets Union and Savings and Investment Union; changes with regard to the Central Securities Depository Regulation (CSDR).

How are we addressing them?

- We are making thorough preparations for the new regulations: 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 markets in 2025

	Belgium	Czech Republic	Slovakia	Hungary	Bulgaria
Market environment in 2025[1]					
Change in GDP (real)	1.0%	2.5%	0.8%	0.3%	3.2%
Inflation (average annual increase in consumer prices)	3.0%	2.3%	4.2%	4.4%	3.5%
Unemployment rate (% of the labour force at year-end; Eurostat definition)	6.4%	3.1%	5.8%	4.5%	3.3%
Government budget balance (% of GDP)	-5.3%	-1.7%	-5.1%	-5.0%	-3.0%
Public debt (% of GDP)	106.9%	43.9%	61.5%	74.5%	27.8%
Forecast growth in real GDP in years ahead[2]					
2026	1.1%	2.3%	0.9%	1.9%	2.7%
2027	1.3%	2.2%	1.8%	3.0%	2.8%
KBC's position in each core country[3]					
Main brands	KBC, CBC, KBC Brussels	ČSOB	ČSOB	K&H	UBB, DZI
Network	424 bank branches	197 bank branches	97 bank branches	191 bank branches	170 bank branches
	270 insurance agencies	Insurance sold through various channels	Insurance sold through various channels	Insurance sold through various channels	Insurance sold through various channels
	Online channels	Online channels	Online channels	Online channels	Online channels
Recent acquisitions or disposals[4] (≥ 2022)	–	2026: acquisition of Business Lease	2026: acquisition of 365.bank 2026: acquisition of Business Lease	–	2022: acquisition of Raiffeisenbank Bulgaria
Clients (millions, estimate)	4.1	4.3	0.8	1.7	2.2
Loans and advances to customers (in billions of EUR)	131	44	13	8	13
Deposits from customers (excl. debt securities) (in billions of EUR)	148	54	9	11	16
Market share (estimate)					
- banking products	21%	20%	12%	11%	19%
- investment funds	27%	23%	8%	11%	15%
- life insurance	13%	9%	5%	4%	25%
- non-life insurance	9%	10%	5%	7%	13%
Contribution to net profit in 2025 (in millions of EUR)	2 151	922	107	384	322
More information					
See 'Our business units'	Belgium	Czech Republic	International Markets	International Markets	International Markets

1 Data based on estimates from early March 2026 and hence different from year-end 2025 data in Note 3.9 in the 'Consolidated financial statements' section.
2 Also see the disclaimer at the beginning of this annual report.
3 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 11 KBC Bank branches established in the rest of Europe, the US and Southeast Asia. The market shares are based on the latest available data (usually from the end of September 2025).
4 See Note 6.6 of the 'Consolidated financial statements' section for more details.

Our employees

Since 2024, we have been reporting on our employees in line with the Corporate Sustainability Reporting Directive, or CSRD for short, which contains 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.

> We encourage our employees to work together, seize opportunities and grow. We also ensure there is a safe, respectful and creative working environment where everyone is welcome.

TEAM BLUE

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 all employees 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.

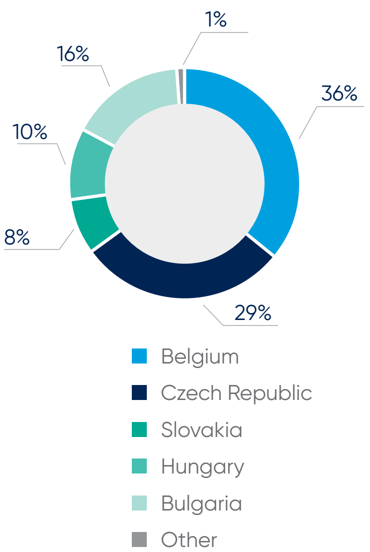
Through the group-wide 'Team Blue' initiatives, we actively promote our PEARL+ culture and unite employees from different countries, to make them proud of their team and their company and enable them to draw on each other's experience. These initiatives include the Team Blue Challenges, the Group Diversity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

Over the past year, more than 32 000 employees contributed to the Team Blue Challenge 'Team Blue loves your dreams', putting our goal of 'making clients' dreams come true and protecting them every day' into practice. Some 10 000 employees rolled up their sleeves and took on close to 1 000 requests for help from social non-profit organisations, while another 22 000 colleagues learned first aid or donated blood or plasma, 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, middle managers take part in the PEARL+ leadership academy and 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.

Employees
(at year-end 2025)



We keep close track of our employees’ opinions by means of group-wide employee surveys. We conducted two surveys in 2025, with a global response rate of 85% in the second half of the year. In Belgium, the survey response rate was 82% in March and 83% in October. In the survey conducted in the second half of the year, 80% of our employees group-wide reported feeling engaged with KBC (Belgium 86%, Czech Republic 76%, Slovakia 77%, Hungary 79%, Bulgaria 75%). Employee engagement is defined as pride in working for KBC, motivation to be in the current job, and the intention to continue working at KBC. In 2025, it was precisely this sense of engagement that rose to 86% in Belgium and to 80% 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 82% 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 various HR awards for the entire group. We are proud that, since the start of 2026, we can call ourselves a European Top Employer, as five countries in the group have now obtained Top Employer certification: KBC (for the sixth time in a row) and CBC (for the fifth time in a row) in Belgium, K&H in Hungary (for the fourth time in a row), our shared service centres in the Czech Republic and Bulgaria (both for the fourth time in a row), ČSOB in the Czech Republic and ČSOB in Slovakia (both for the first time on their first participation).

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

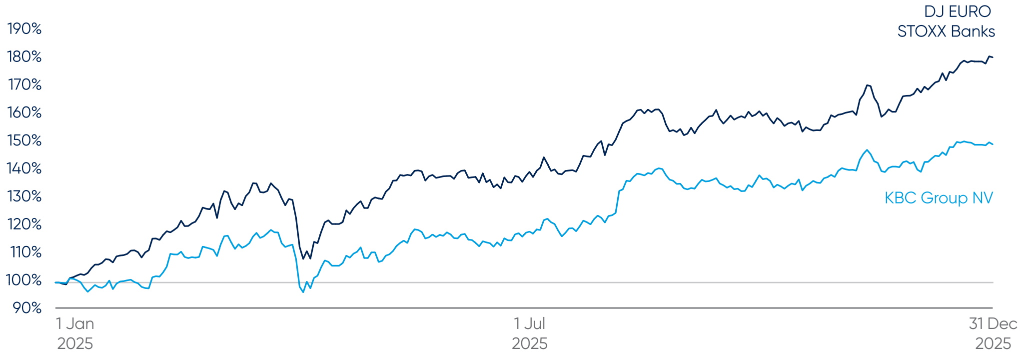
To be able to carry out our activities, we have a solid capital base. At year-end 2025, our total equity came to 28 billion euros and our capital was represented by 417 662 783 shares.

Our 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 our core shareholders, which together hold around 42% of the number of shares.

Dividend policy and capital allocation policy: see 'Stringent risk, capital and liquidity management framework'. Dividend for 2025: see 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section.

KBC share price over one year

(31 December 2024 = 100%)



KBC share	2025	2024
Number of shares outstanding at year-end (in millions)	417.7	417.5
Share price for the financial year*		
Highest price (in EUR)	112.1	74.5
Lowest price (in EUR)	72.0	56.6
Average price (in EUR)	91.4	67.5
Closing price (in EUR)	111.3	74.5
Difference between closing price at financial year-end and previous financial year-end	+49%	27%
Equity market capitalisation at year-end (in billions of EUR)	46.5	31.1
Average daily volume traded on Euronext Brussels (source: Eikon)		
In millions of shares	0.5	0.5
In millions of EUR	42	35
Equity per share (in EUR)	64.0	56.6
Number of sell-side analysts tracking KBC (the list is available at www.kbc.com)	19	22
Sell-side analysts' recommendation for the KBC share (at year-end)		
Buy/Outperform	37%	55%
Hold/Neutral	47%	36%
Sell/Underperform	16%	9%

* Based on closing prices and rounded to one decimal place.

Shareholder structure of KBC Group NV[1] (31 December 2025)	Number of shares at the time of disclosure	Percentage of the current number of shares
KBC Ancora	77 516 380	18.6%
Cera	16 555 143	4.0%
MRBB	51 905 219	12.4%
Other core shareholders	29 308 099	7.0%
Subtotal for core shareholders	175 284 841	42.0%
Shares repurchased under the share buyback programme (August 2023 - July 2024)[2]	20 980 823	5.0%
Free float[3]	221 397 119	53.0%
Institutional shareholders in Belgium	–	*2%*
Institutional shareholders in other continental European countries	–	*10%*
Institutional shareholders in the UK & Ireland	–	*9%*
Institutional shareholders in North America	–	*19%*
Institutional shareholders in the other countries	–	*2%*
Other (retail shareholders, unidentified, etc.)	–	*11%*
Total	417 662 783	100.0%

1 Based on the most recent notifications made under the transparency rules or (if they are more recent) on disclosures made under the Act on public takeover bids or other publicly available information.
2 The voting rights attached to these shares are suspended. For information on the 2023-2024 share buyback programme, see Note 5.10 in the 'Consolidated financial statements' section.
3 Rough breakdown by country/region, based on KBC's own estimates for 30 September 2025.

A major part of our operations involves transforming deposits and other funding into loans. Besides capital, deposits and debt securities are therefore important raw materials for our group. We have developed a strong deposit base among retail clients and medium-sized companies in our core markets. We also regularly issue debt securities, 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 in 2025'.

We maintain strong relationships with clients, shareholders, governments, regulators and other stakeholders. These ties enable us to remain socially relevant and 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.

Ratings on 31 December 2025

Financial ratings for KBC group, KBC Bank and KBC Insurance[1]	Long-term debt rating	Outlook	Short-term debt rating
Fitch			
KBC Bank NV	A+	Stable	F1
KBC Group NV	A	Stable	F1
Moody's			
KBC Bank NV[2]	A1	Stable	P-1
KBC Group NV	A3	Stable	P-2
Standard & Poor's			
KBC Bank NV	A+	Positive	A-1
KBC Insurance NV	A	Positive	–
KBC Group NV	A-	Positive	A-2

Sustainability ratings, KBC group (selection)	Score
CDP	A
Sustainalytics ESG Risk Rating	10.2
S&P Global ESG Score	73/100

1 Please refer to the respective credit rating agencies for definitions of the different ratings and the most recent ratings. As far as financial ratings go, KBC Insurance is concerned with the financial strength rating, which indicates the likelihood of policyholders' claims being met, whereas the ratings given for KBC Bank and KBC Group indicate the likelihood of their financial obligations being met. There were no rating changes in 2025.

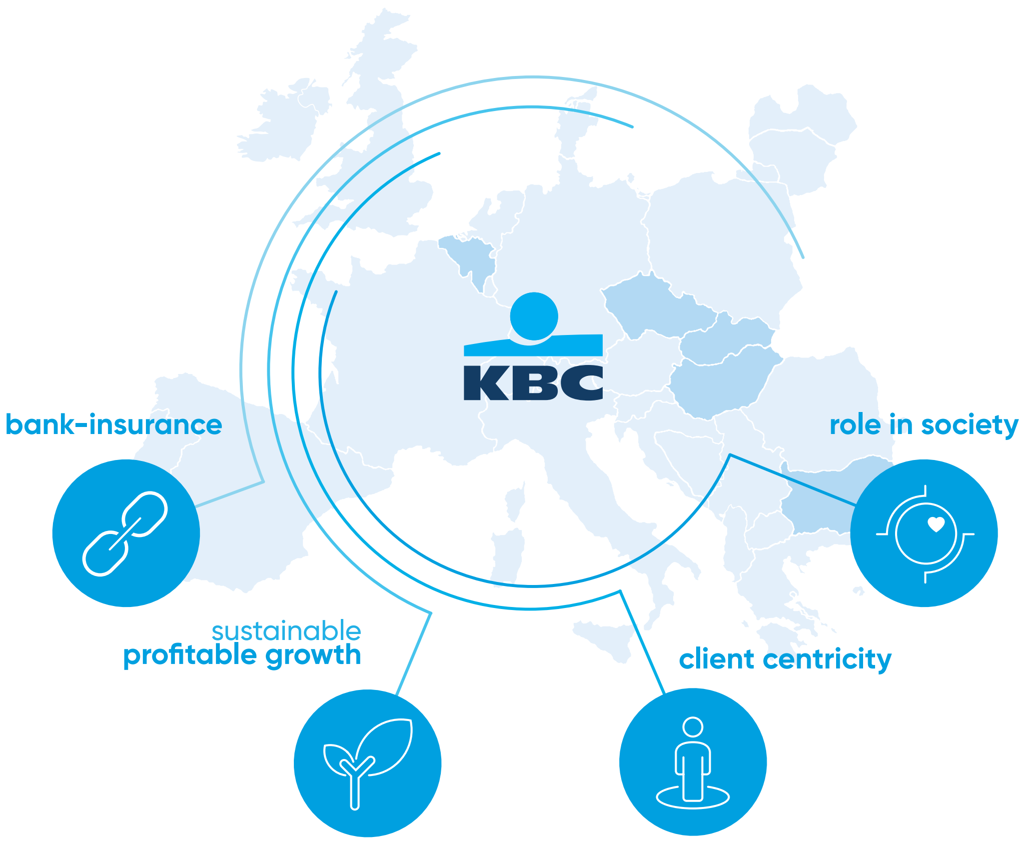
2 Long-term deposit rating of Aa3.

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 the 'How do we create value?' diagram in this section for a general overview of our value creation. Key intangible resources in our business model include loyalty, knowledge, motivation and responsible behaviour of our employees, our corporate culture, our capacity to innovate (including in relation to software, AI, etc.) and our relationships with various stakeholders (our clients in particular, but also our suppliers, investors, etc.).

That information has been incorporated into several sections of this annual report. The most relevant sections are:

- 'Our model' (PEARL+), 'What are our main challenges?' (changing client behaviour and competition) and 'Our capitals' in the 'Our business model' section
- 'Putting the client at the centre' and 'Our role in society' in the 'Our strategy' section
- '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 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.*

Putting the client at the centre

Putting the client at the centre
Bank-insurance
Sustainable and profitable growth
Our role in society
Stringent risk, capital and liquidity management framework

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 give permission, we will use the available data in an intelligent and appropriate manner.

We are pursuing a 'Digital First with a human touch' distribution model. The human factor remains important in this model and our staff and branches are at the disposal of our clients, but digital interaction with clients forms 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 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.

Main challenges

- Making client experience central and focusing on operational efficiency
- Offering proactive client-friendly solutions, powered by artificial intelligence and qualitative data
- Paying special attention to data protection and privacy and to transparent client communication
- Retaining client relationships while integrated financial services are emerging (with non-financial players offering financial products)

Sia once again named KBC Mobile the best mobile app in the world. KBC has now won this prestigious title three times (2021, 2024, 2025). KBC Mobile also continues to excel nationally: for the fifth year in a row, the app was awarded as the best mobile banking app in Belgium.

Sia also awarded Bolero as the best Belgian investment app for the second year in a row. We owe this recognition to our app's user-friendly interface, positive experience and attractive look & feel.

Euromoney named KBC Europe's Best Bank for Customer Experience. This is a powerful recognition of how we bring our strategy to life: by combining digital innovation with a human touch. It is a testament to every employee who puts the client at the centre of everything they do, every single day.

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. In 2025, Kate was also upgraded to enable even more natural and intuitive conversations, which will further boost autonomy and client usage.

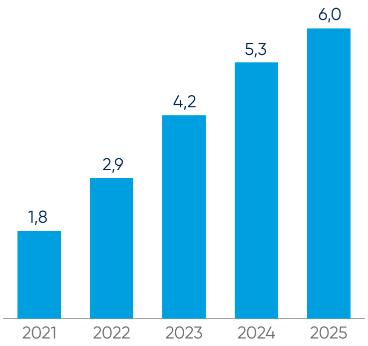
A few years ago, KBC launched its own banktech company, Discai, which globally markets innovative AI solutions. Discai develops advanced AI models that help financial institutions detect suspicious transactions faster and more accurately. These models significantly reduce the number of false reports and increase the efficiency of compliance processes, enabling banks to better protect themselves against financial crime while complying with strict regulations. The first application, Anti-Money Laundering Know Your Transactions (AML KYT), focuses on combating money laundering. Discai again made it onto the Chartis Research 'Financial Crime and Compliance 50' (FCC50) list in 2025 – a global recognition for the most innovative tech companies fighting financial crime.

Digitality in practice	**2025**	**2024**
Share of banking products sold through digital channels (see the targets for more information)	57%	55%
Share of insurance products sold through digital channels (see the targets for more information)	30%	29%
Growth in mobile app users	+8%	+9%
Number of clients who have already used Kate	6.0 million	5.3 million
The proportion of cases resolved fully autonomously by Kate (E2E) (Belgium/Czech Republic)	82% / 69%	69% / 71%

Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from us or from certain commercial partners. They can use those Kate Coins to save money by exchanging them for additional benefits. In 2025, our Kate Coins underwent an important upgrade. While Kate Coins used to be tied to one brand or service, they are now flexible. Clients can earn Kate Coins at one partner and use them at another. When using Kate Coins, they are often worth more than 1 euro, providing extra value. If you cannot find anything to your liking in the extensive range available, the Kate Coins will be automatically paid out at the end of the year at a rate of 1 Kate Coin to 1 euro. What's more, you can count on Kate's help with your Kate Coins – from spotting relevant transactions to tips for spending your Kate Coins.

> Our commitment to innovation enables us to remain flexible and respond quickly to changes in society and in client behaviour. Instead of considering these changes as a threat, we see them as a challenge and an opportunity.

Number of clients who have already used Kate, in millions
(unique clients, entire group)



We have now taken the next step with 'S.T.E.M., the Ecosphere', where S.T.E.M. stands 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 issues including housing and mobility, using our own products and services as well as those of our partners and suppliers. This enables our clients to save time and money and earn money in and beyond the traditional banking and insurance environment.

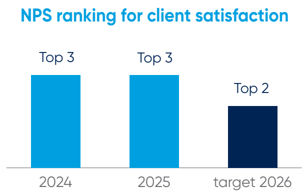
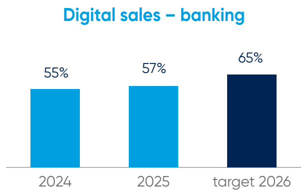
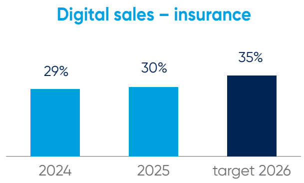
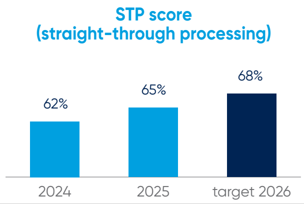
We maintain a continuous focus on innovation: we joined forces with several other European banks to launch a MiCAR-compliant euro stablecoin. This digital means of payment, which utilises blockchain technology, is intended to become a reliable European payment standard in the digital ecosystem. The stablecoin will offer near-instant, low-cost payments and settlements. It will provide 24/7 access to efficient cross-border payments, and enable programmable payments and improvements in supply chain management and digital asset settlement, ranging from securities to cryptocurrencies.

Since mid-February 2026, private investors can buy and sell crypto assets on Bolero, KBC's online investment platform in Belgium, making KBC the first bank in Belgium – and among the first banks in Europe – to provide private investors with access to crypto assets within a regulated European framework, combining innovation with a strong focus on trust, security and investor protection.

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 is 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 main targets and results for client satisfaction and digital sales are set out below.

KPI	Description	Target and result	
Client NPS score	A ranking is determined for each core country based on the Net Promoter Score. The group score is the weighted average of these country rankings, where the weighting is determined by the number of retail clients per country.	Target: top 2 ranking in 2026 2025 result: top 3	
Digital sales	Digital sales as a percentage of total sales, based on weighted average of a selection of core products.	Target: ≥ 65% for banking and ≥ 35% for insurance in 2026 2025 result: 57% for banking 30% for insurance	 
Straight-through processing (STP)	The STP ratio indicates the share of our retail services that are processed entirely automatically, without human intervention, from the moment the client submits an application to the final approval by KBC.	Target: STP ratio ≥ 68% in 2026 2025 result: 65%	

Bank-insurance

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, which includes our banking and insurance products as well as non-financial products and services of third parties. Our integrated bank-insurance 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 cooperation between the bank and insurance distribution channels, significant cost-savings, synergies and heightened interaction opportunities with and a more complete understanding of our clients.

Main challenges

- Ensuring seamless collaboration between data, communication and sales channels
- Operating as a single business and pursuing a digital-first, lead-driven and AI-led approach as a bank-insurer
- Expanding the offering to include financial and non-financial one-stop-shop solutions
- Driving up commercial synergies and the number of bank-insurance 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.

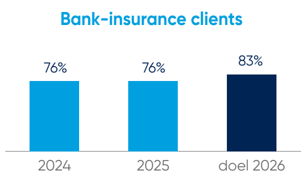
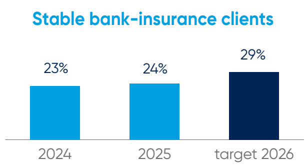
In addition to operating as a single business, we pursue a digital-first, lead-driven and AI-led organisation. This means fully integrated front and back-end applications designed according to the 'digital first' principle. We are firmly committed to becoming data and AI-led in all our core countries, 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. 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), 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, over eight out of ten clients who agreed home loans with KBC Bank in 2025 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, seven out of ten clients who took out home loans in 2025 also purchased home insurance from the group.

To give another example, across the group at year-end 2025, about 76% of active clients held at least one of the group's banking products and one of its insurance products, while roughly 24% 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 4% (one banking and one insurance product) and 8% (two banking and two insurance products, and three banking and three insurance products in Belgium) in 2025 respectively.

We use a number of Key Performance Indicators (KPIs) to track the success of our bank-insurance performance, the most important of which are listed in the following table.

KPI	Description	Target and result	
Share of bank-insurance clients	Share of bank-insurance clients (with at least 1 bank + 1 insurance product from the group) within total number of active bank clients*	Target: ≥ 83% bank-insurance clients in 2026 2025 result: 76%	
Share of stable bank-insurance clients	Share of stable bank-insurance clients (with at least 2 bank and 2 insurance products from the group [3-3 in Belgium]) within total number of active bank clients*	Target: ≥ 29% stable bank-insurance clients insurance clients in 2026 2025 result: 24%	

* An active bank client is defined as one holding at least a current account into which income is regularly paid (salary, pension, money transfers, etc.).

Sustainable and profitable growth

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 and presented to the Board of Directors, obviously taking into account very strict strategic, financial, operational and risk criteria.

In May 2025, we reached an agreement to acquire 98.45% of 365.bank in Slovakia. This investment will allow us to further strengthen our position in the Slovak market. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC's existing Slovak subsidiary ČSOB, leading to significant cost, revenue (cross-selling) and funding synergies. KBC will particularly strengthen its reach in retail banking as well as benefit from access to the unique client base and distribution network of 365.bank and its exclusive partnership with Slovak Post. The transaction was finalised in early 2026 for a consideration of 708 million euros. More details are provided in the 'Our business units' section and in Note 6.6 of the 'Consolidated financial statements'.

Main challenges

- Developing long-term relationships with our clients
- Further optimising presence in core countries and integrating businesses acquired
- Diversifying income base
- Establishing relevant partnerships and collaborations, including with a view to expanding ecosystems

Furthermore, we reached an agreement to acquire Business Lease in the Czech Republic and Slovakia, for a total consideration of 72 million euros. This strategic transaction will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. The deal was finalised in February 2026.

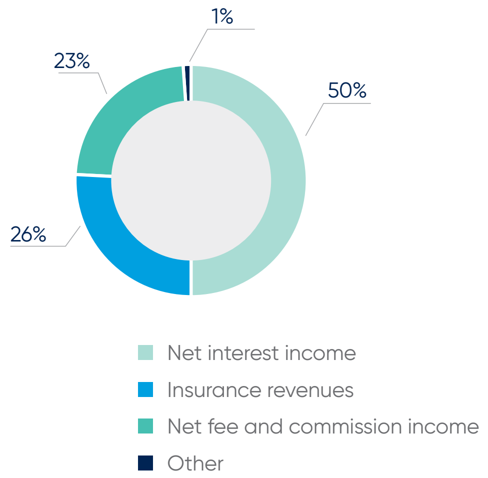
At the start of 2026, KBC Securities and Van Lanschot Kempen Investment Banking announced their intention to combine their specialist equities activities into a 50/50 joint venture. The new entity will be a leading Benelux broker also specialising in pan-European real estate and life sciences. With this strong platform, clients will benefit from an expansion of stocks under research coverage and enhanced liquidity. The joint venture will also support the investment banking activities of both KBC Securities and Van Lanschot Kempen Investment Banking, for corporate clients and institutional investors.

Growth in 2025, by business unit*	Loans and advances to customers	Deposits from customers	Sales of life insurance	Sales of non-life insurance
Belgium	+5%	+2%	+24%	+6%
Czech Republic	+10%	+1%	+16%	+14%
International Markets	+12%	+8%	+17%	+10%
Total	+7%	+3%	+23%	+8%

* 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 full or partial 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 it does help us to advance the level of client satisfaction by ensuring maximum convenience for our clients and 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.

Breakdown of total income
(2025)

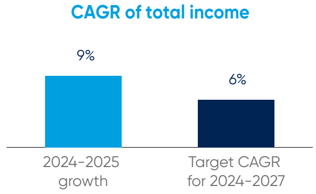


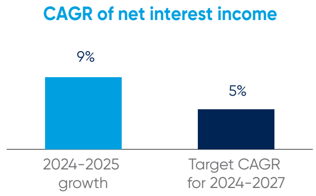
As a diversified income base fosters sustainable and profitable growth, we want to generate more revenue from the fee business (commissions) and insurance activities, alongside our interest income.

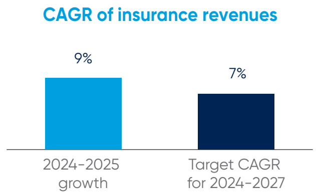
Stringent risk management in everything we do is an absolute precondition in terms of guaranteeing sustainability. For more information on this, see 'Stringent risk, capital and liquidity management framework'.

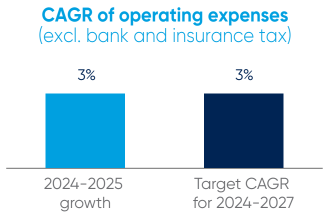
We monitor our long-term performance and our focus on the real economy and sustainability via a number of Key Performance Indicators (KPIs). The most important KPIs are listed in the following table.

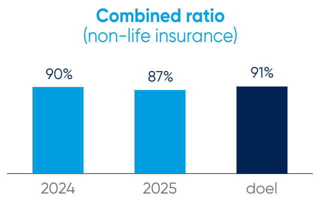
KPI	Description	Target and result
CAGR of total income	Compound annual growth rate (CAGR) of total income	Target: CAGR for 2024-2027 ≥ 6% 2024-2025 result: +9%
CAGR of net interest income	Compound annual growth rate (CAGR) of net interest income	Target: CAGR for 2024-2027 ≥ 5% 2024-2025 result: +9%
CAGR of insurance revenues	Compound annual growth rate (CAGR) of insurance revenues before reinsurance	Target: CAGR for 2024-2027 ≥ 7% 2024-2025 result: +9%
CAGR of operating expenses	Compound annual growth rate (CAGR) of operating expenses, excluding bank and insurance tax	Target: CAGR for 2024-2027 < 3% 2024-2025 result: +3%
Combined ratio	See the 'Glossary of financial ratios and terms' at the back of this report	Target: < 91% 2025 result: 87%
Credit cost ratio	See the 'Glossary of financial ratios and terms' at the back of this report	Target: well below the 'through-the-cycle' cost of credit of 25-30 basis points (excluding changes in the reserve for geopolitical and macroeconomic uncertainties) 2025 result: 0.13% (also 0.13% excluding the reserve for geopolitical and macroeconomic uncertainties)

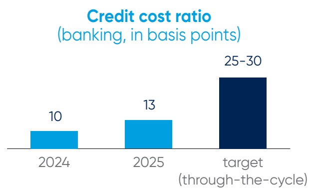












Updated KPIs applicable from 2026 (including the impact of exchange rates and the acquisition of 365.bank and Business Lease):
- Total income: CAGR for 2025-2028 ≥ 7.7% (with a CAGR of net interest income of ≥ 8.6% and a CAGR of insurance revenues of ≥ 7.5%)
- Operating expenses excluding bank and insurance tax: CAGR for 2025-2028 < 4.3% and cost/income ratio for 2028 < 38%
- Combined ratio: < 91%
- Credit cost ratio: well below the through-the-cycle cost of credit of 25-30 basis points

Our role in society

Since 2024, we have been providing 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.

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.

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 vision on sustainability can be summarised simply: we aim to maximise the positive impact of our products and services on society and the environment, minimise or prevent potential negative impacts through strict choices and policies, and promote responsible behaviour among all our employees.

Main challenges

- Integrating sustainability in key processes and business activities
- Setting targets to reduce the impact of our activities and implementing actions to reach those targets
- Managing the risks that climate change poses to us and the companies we finance or insure or in which we invest
- Taking into account other environmental considerations when determining our strategy (biodiversity, circularity, water)
- Complying with new and amended sustainability legislation and collecting necessary and sufficiently detailed climate-related data on our portfolios
- Focus on responsible behaviour at all levels of our business

Sustainability information

'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
• Leadership statement
• 2025 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
• Facts and figures
• Methodological background
• Principles for Responsible Banking
• Principles for Sustainable Insurance

Since 2019, we have also mapped our material topics with the Sustainability Accounting Standards Board (SASB) standards. The SASB disclosures are published at www.kbc.com.

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. To raise awareness of responsible behaviour, we introduced a mandatory online training course in 2020, which has been integrated in the onboarding programme for new staff. In 2023, we launched a webinar on business ethics and responsible behaviour, which is mandatory for all employees. The development programme includes dilemma training for senior managers. At the start of 2025, an internal website was launched which provides information on responsible behaviour and business ethics. This information is provided in the languages of the countries in which we operate and is regularly updated with shared and country-specific content. These initiatives ensure that responsible behaviour forms an integral part of our sustainability strategy.

We communicate transparently on our rules and policy guidelines, which can be found at www.kbc.com and in our 'Sustainability statement' elsewhere in this report.

K&H in Hungary, UBB in Bulgaria and KBC Bank in Belgium all received the Euromoney Award for Best Bank for ESG in their respective countries in 2025 and Global Finance awarded the Czech company ČSOB the title of Best Bank for Sustainable Finance in the Czech Republic.

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: environmental awareness, financial literacy, entrepreneurship and longevity and/or health. Specific examples of initiatives in every area are provided in the 'Our business units' section.

Environmental awareness	Financial literacy
We reduce our own 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.	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.
Entrepreneurship	**Longevity and health**
We contribute to economic growth by supporting innovative ideas and projects.	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.

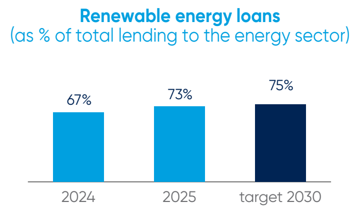
The 'Sustainability statement' section provides more in-depth information about several sustainability policies, including on the following topics:

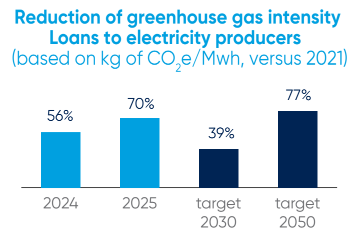
- Environment
- Energy
- Investments
- Water
- Biodiversity
- Code of conduct for employees
- Whistleblowers
- Remuneration
- Diversity and inclusion
- Human rights
- Integrity
- Ethics and fraud
- Tax
- Anti-corruption and anti-bribery
- Anti-money laundering
- Dealing Code
- Codes of conduct for suppliers

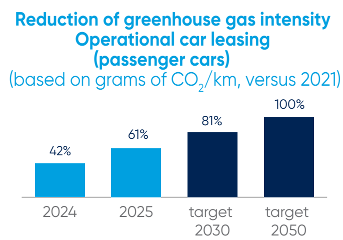
Selection of objectives related to sustainability

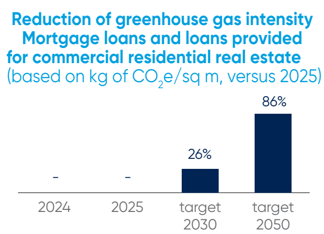
Below, we provide a purely illustrative selection of sustainability objectives. A complete list, including the methodological background, can be found in the 'Sustainability statement' section (including information on reviews by the assurance providers) and in our Sustainability Report.

KPI	Description	Target and result
Credit portfolio (target selection)		
Renewable energy loans	[Amount of loans to businesses in the renewable energy sectors] / [total energy-sector loan portfolio (excluding transmission and distribution)]	Target: 75% in 2030 2025 result: 73%
Greenhouse gas intensity **Loans to certain sectors (some examples)**	Electricity Percentage difference [kg of CO_2e / MWh] in the relevant period	Target: -39% by 2030 and -77% by 2050 from 2021 2025 result: -70% from 2021
	Operational car leasing: passenger cars Percentage difference [grams of CO_2 / km] in the relevant period	Target: -81% by 2030 and -100% by 2050 from 2021 2025 result: -61% from 2021
	Mortgage loans and commercial residential real estate Percentage difference [kg of CO_2e / sq m] in the relevant period	Target: -26% by 2030 and -86% by 2050 from 2025 (Target changed in 2025 – see the Sustainability statement. Graph does not contain values for 2024–2025 as the new target only takes effect from 2025 onwards).

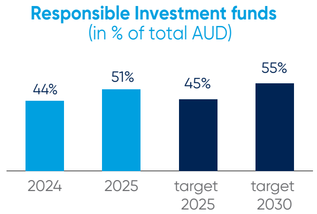


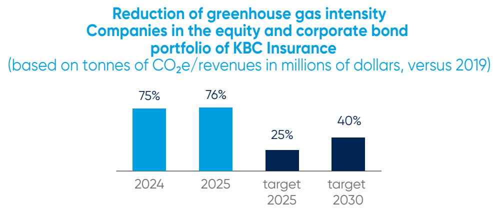




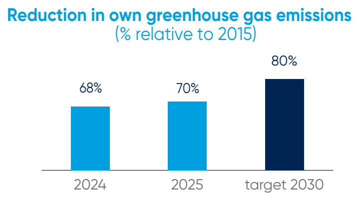


KPI	Description	Target and result
Assets under management and the insurer's own investments (target selection)		
Responsible Investment funds (RI)	[Volume of RI funds] / [Assets under Distribution (AUD, or 'direct client money')]	Target: 45% of AUD by 2025 and 55% by 2030 2025 result: 51% of AUD
Greenhouse gas intensity of KBC Insurance's own investments in shares and corporate bonds	Percentage difference [tonnes of CO_2e / turnover in millions of USD] in the relevant period	Target: decrease in greenhouse gas intensity of companies in the relevant portfolio by 25% by 2025 and 40% by 2030 from 2019 2025 result: -76% from 2019





KPI	Description	Target and result
Own emissions		
Own CO_2e emissions	Reduction in own greenhouse-gas emissions; compared to 2015	Target: 80% reduction between 2015 and 2030 and achievement of net climate neutrality for our own footprint from year-end 2021 by offsetting the difference 2015-2025 result: -70% (and net climate neutrality by offsetting our remaining own emissions through the purchase of carbon credits of high-quality climate projects)



Stringent risk, capital and liquidity management framework

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 'Our environment' 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 'Risk management' section.

In addition to the comprehensive monitoring of risk indicators (see the 'Risk management' section), we monitor our solvency and liquidity performance using a number of ratios, the most important of which are listed in the table.

Specific risks	The building blocks of risk management
Credit risk	• Capturing risk signals, conducting deep dives, following up on legislation, identifying emerging risks that could lead to impairment • Measurement, in which determining the risk class is central • Defining the risk appetite through risk limits and early warning signals • Analysing the loan portfolio • Reporting • Stress testing
Market risk in non-trading activities (ALM)	• Proactively identifying risks, conducting deep dives, following up on legislation • Measurement based on Basis Point Value 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 • Defining the risk appetite through risk limits and early warning signals • Reporting • Stress testing
Market risk in trading activities	• Proactively identifying risks, conducting deep dives, following up on legislation • Measurement based on nominal positions, concentrations, Basis Point Value, scenario analysis and the Historical Value-at-Risk method • Defining the risk appetite through risk limits and early warning signals • Reporting • Stress testing

Specific risks	The building blocks of risk management
Liquidity risk	• Proactively identifying risks, conducting deep dives, following up on legislation • Measurement based on the Liquidity Coverage Ratio, the Net Stable Funding Ratio, the funding mix and concentration and the composition of the liquid asset buffer • Defining the risk appetite through risk limits and early warning signals • Continuously following up on the funding liquidity and funding needs • Reporting • Stress testing
Technical insurance risks	• Proactively identifying risks, conducting deep dives, following up on legislation, determining a reliable classification of all insurance risks • Measurement based on solvency capital requirement, Best Estimate valuation of insurance liabilities and economic profitability of the insurance portfolios • Defining the risk appetite through risk limits and early warning signals • Reporting • Stress testing
Operational risk	• Proactively identifying risks, following up on legislation, using the New and Active Products Process, performing risk scans, analysing key risk indicators, performing independent control monitoring activities and root cause analysis of operational incidents, near misses and losses • Measurement and structurally assessing the maturity of the internal control environment • Defining the risk appetite through risk limits and early warning signals • Reporting • Stress testing
Compliance risk	• Prevention of money laundering and terrorist financing • Tax fraud prevention • Protecting investors and insurance policyholders • Data protection and AI • Business ethics • Consumer protection • Monitoring governance aspects of CRD IV, V and VI, Solvency II and local legislation • Overseeing sustainable finance and sustainability
Reputational risk	• Striving towards sustainable and profitable growth, fulfilling our role in society and the local economy to the benefit of all stakeholders • Promoting a strong corporate culture that encourages responsible behaviour • Putting the client at the centre

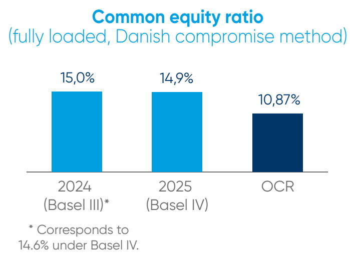
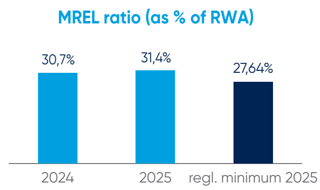
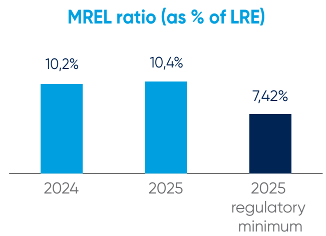
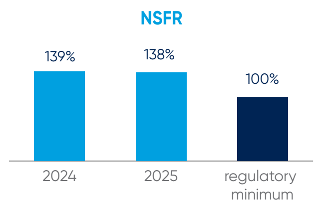
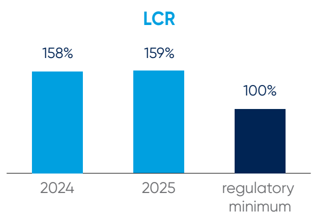
Dividend policy and capital allocation policy as from 2025

Dividend policy:

- A payout ratio (dividend including AT1 coupon) of between 50% and 65% of consolidated profit for the financial year
- An interim dividend of 1 euro per share in November of every financial year as an advance on the total dividend

Capital allocation policy:

- We strive to remain amongst the better capitalised financial institutions in Europe
- Every year, when announcing the annual results, the Board of Directors will decide at its own discretion on the capital deployment, with a primary focus on further organic growth and mergers and acquisitions
- We consider a 13% unfloored fully loaded common equity ratio as the minimum
- We will fill up the AT1 and tier 2 buckets within the P2R and start using SRTs (Significant Risk Transfers) as part of a programme to optimise our risk-weighted assets. In November 2025, we already completed our first SRT transaction on a corporate loan portfolio of 4.2 billion euros, which resulted in savings on risk-weighted assets of roughly 2 billion euros

Regulatory and own ratios	Description	Target and result	
Common equity ratio	[common equity tier-1 capital] / [total weighted risks]. The calculation is fully loaded, but as from 2025 it focuses on the 'unfloored' fully loaded common equity ratio, which takes into account the total impact on risk-weighted assets of Basel IV, excluding the output floor impact	Overall capital requirement: 10.87% 2025 result: 14.9%	
MREL ratio	[own funds and eligible liabilities] / [total risk-weighted assets (RWA)] and [own funds and eligible liabilities] / [leverage ratio exposure amount (LRE)]	Regulatory minimum: 27.64% of RWA (2025) and 7.42% of LRE (2025) 2025 result: 31.4% of RWA and 10.4% of LRE	 
Net stable funding ratio (NSFR)	[available amount of stable funding] / [required amount of stable funding]	Regulatory minimum: 100% 2025 result: 138%	
Liquidity coverage ratio (LCR)	[stock of high-quality liquid assets] / [total net cash outflows over the next 30 calendar days]	Regulatory minimum: 100% 2025 result: 159%	

Detailed information can be found in the 'Risk management' and 'Capital management' sections.

Our financial report (consolidated)

2025

3.6
billion euros
net result

41%
cost/income ratio
(excl. bank and insurance tax)

87%
combined ratio
non-life insurance

0.13%
credit cost ratio

15%
return
on equity
(excl. exceptional and non-operational items)

14.9%
common equity ratio
(fully loaded, unfloored)

159% LCR
138% NSFR

7%
growth in loans and advances to customers

3%
growth in deposits from customers
(excl. deposits at KBC Bank branches abroad)

Bartel Puelinckx, the group's Chief Financial Officer, summarises the results as follows:

"With a consolidated net profit of almost 3.6 billion euros, we have again posted a remarkably solid result, owing to growth in all income items, with particularly strong performances in our net interest income, insurance revenues and net fee and commission income. Our lending and our deposit acquisition showed good growth, and the sale of both non-life and life insurance also improved significantly. Our assets under management reached a record high. The cost increase was in line with our expectations and our credit cost ratio remained well below the through-the-cycle average. Finally, our solvency and liquidity remained particularly solid, with the common equity ratio, NSFR ratio and LCR ratio all remaining significantly above the legal minimum levels."

Consolidated income statement, KBC group (simplified, in millions of EUR)	2025	2024
Net interest income	6 065	5 574
Insurance revenues before reinsurance	3 201	2 945
Non-life	*2 709*	*2 482*
Life	*492*	*463*
Dividend income	77	57
Net result from financial instruments at fair value through profit or loss[1] and Insurance finance income and expense	-163	-168
Net fee and commission income	2 789	2 578
Net other income	230	181
Total income	12 200	11 167
Operating expenses (excl. directly attributable to insurance contracts)	-4 706	-4 565
Total operating expenses excluding bank and insurance tax	*-4 599*	*-4 474*
Bank and insurance tax	*-666*	*-623*
Less: operating expenses attributed to insurance service expenses	*559*	*532*
Insurance service expenses before reinsurance	-2 512	-2 475
Non-life	*-2 235*	*-2 179*
Life	*-276*	*-296*
Net result from reinsurance contracts held	-75	-17
Impairment	-334	-248
on financial assets at amortised cost and at fair value through other comprehensive income[2]	*-273*	*-199*
Share in the result of associates and joint ventures	6	80
Result before tax	4 580	3 941
Income tax expense	-1 010	-527
Result after tax	3 570	3 414
Result after tax, attributable to minority interests	1	-1
Result after tax, group share	3 568	3 415
Return on equity[3]	15%	14%
Result after tax on average total assets	0.9%	0.9%
Cost/income ratio, group (excl. bank and insurance tax)	41%	43%
Combined ratio, non-life insurance	87%	90%
Credit cost ratio, banking	0.13%	0.10%

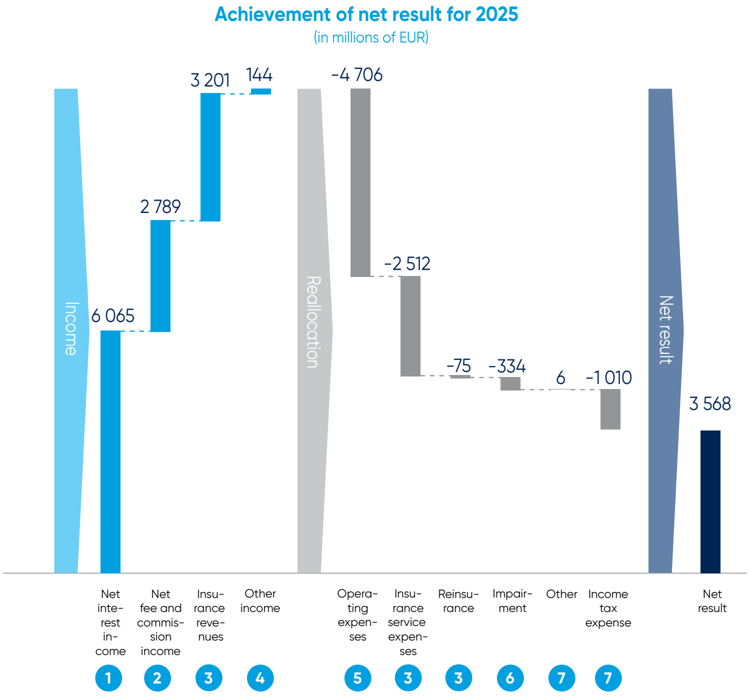
1 Also referred to as 'Trading and fair value income'.
2 Also referred to as 'Loan loss impairment'.
3 Excluding one-off and non-operational items. If the formula is based on tangible equity (instead of on total equity – see the 'Glossary of financial ratios and terms' at the end of this report), the ratio is 16% in 2025 and 15% in 2024.

Key consolidated balance sheet, solvency and liquidity figures, KBC group (in millions of EUR)	2025	2024
Total assets	397 372	373 048
Loans and advances to customers	208 612	192 067
Securities (equity and debt instruments)	88 980	80 338
Deposits from customers	237 868	228 747
Insurance contract liabilities and liabilities under investment contracts, insurance	34 421	32 782
Total equity	27 985	24 311
Common equity ratio (Danish compromise method, fully loaded)*	14.9%	15.0%
Liquidity coverage ratio (LCR)	159%	158%
Net stable funding ratio (NSFR)	138%	139%

* As from 2025, this takes into account the total impact on risk-weighted assets of Basel IV, but excluding the output floor impact. The 2024 figure reflects the ratio under Basel III.

- Where relevant for the information on results, we state the growth figure as well as a growth figure adjusted for foreign-exchange effects. Growth figures on assets and liabilities (loans, deposits, etc.) and sales (non-life insurance and life insurance) have been systematically adjusted for foreign-exchange effects. Information on exchange rates is provided under 'Main exchange rates used' in Note 1.2 of the 'Consolidated financial statements' section.

Our financial result



Net interest income (1)

Our net interest income amounted to 6 065 million euros in 2025, up 9% on the year-earlier figure (8% excluding the foreign-exchange effect). This was mainly attributable to a combination of a higher commercial transformation result, increased interest income from lending activities (with the positive impact of strong volume growth being partly offset by the negative impact of margin pressure in several core markets), higher interest income from dealing room activities, lower costs related to the minimum required reserves held with central banks, lower subordinated funding costs and slightly higher interest income related to inflation-linked bonds. This was only slightly offset by lower interest income related to time deposits of clients, ALM and short-term cash management activities, and higher wholesale funding costs.

Our loans and advances to customers amounted to 209 billion euros and rose by 7%, increasing by 5% at the Belgium Business Unit, 10% at the Czech Republic Business Unit and 12% 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 238 billion euros and rose by 3% (excluding deposits in KBC Bank branches abroad, which are driven by short-term cash management opportunities). Deposit growth amounted to 2% at the Belgium Business Unit, 1% at the Czech Republic Business Unit and 8% at the International Markets Business Unit (with growth in each of the three countries).

The net interest margin for our banking activities came to 2.07% compared to 2.09% in 2024. It amounted to 1.91% at the Belgium Business Unit, 2.41% at the Czech Republic Business Unit and 3.00% at the International Markets Business Unit.

Net fee and commission income (2)

Our net fee and commission income came to 2 789 million euros in 2025, a growth of 8% on the year-earlier figure (also when excluding the foreign-exchange effect). 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 slightly 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 2025, our total assets under management came to approximately 300 billion euros, 9% more than a year earlier, due to higher asset prices (+4 percentage points), combined with net inflow (+5 percentage points). Most of these assets at year-end 2025 were managed at the Belgium Business Unit (265 billion euros) and the Czech Republic Business Unit (22 billion euros).

Insurance service result (3)

The insurance service result (insurance revenues before reinsurance – insurance service expenses before reinsurance + net result from reinsurance contracts held; the latter two items are not part of total income) amounted to 615 million euros, of which 402 million euros for non-life insurance and 213 million euros for life insurance.

The non-life insurance result rose by 39% (38% excluding the foreign-exchange effect), mainly due to a combination of higher insurance revenues, only slightly higher insurance service expenses (which were negatively impacted by, among other things, storm Boris in Central Europe in 2024), and a more negative reinsurance result (positively impacted by recoveries related to storm Boris, among others, in 2024). The life insurance result was up 31% (30% excluding the foreign-exchange effect), owing to higher insurance revenues and lower insurance service expenses.

Sales of non-life insurance (gross written premiums) stood at 2 769 million euros and rose by 9% (8% excluding the foreign-exchange effect), with growth in all countries and main classes of insurance, due to a combination of volume and rate increases. The combined ratio for non-life insurance came to an excellent 87%, a further improvement compared to 90% in 2024. Sales of life insurance products amounted to 3 576 million euros, a 23% increase compared to 2024 as a result of higher sales of non-unit-linked, unit-linked and hybrid products. The share of non-unit-linked and unit-linked products in our total sales of life insurance in 2025 stood at 42% and 50%, respectively, with the rest consisting of hybrid products, mainly in the Czech Republic and Belgium.

Other income 4

Other income came to an aggregate 144 million euros, as opposed to 69 million euros a year earlier. In 2025, this included:

- -163 million euros in 'trading and fair value income and insurance finance income and expense', up on the year-earlier figure by 5 million euros, with the higher result from derivatives used for asset/liability management purposes and the less negative other market value adjustments (xVA) more than offsetting the lower contribution from dealing room activities
- Dividend income of 77 million euros, compared to 57 million euros a year earlier
- Net other income of 230 million euros, a 49-million-euro increase on the year-earlier level, benefiting from factors including higher than average income from the sale of real estate in 2025

Operating expenses 5

Our operating expenses, excluding the expenses that are directly attributable to insurance contracts, amounted to 4 706 million euros. Including expenses directly attributable to insurance contracts, but excluding bank and insurance tax, they stood at 4 599 million euros in 2025, only 2.8% higher than in 2024 (2.5% excluding the foreign-exchange effect, in line with our guidance for 2025). This was mainly attributable to higher staff expenses (mostly indexation and wage drift) and, to a lesser extent, to higher ICT costs, marketing costs, professional service fees and depreciation, partly offset by lower facility expenses. Excluding Ireland and the integration and euro-adoption costs in Bulgaria, operating expenses (excluding bank and insurance tax) increased by 3.6% (3.2% excluding the foreign-exchange effect). Bank and insurance tax amounted to 666 million euros, up 7% year-on-year.

The cost/income ratio excluding bank and insurance tax came to 41% in 2025, compared to 43% in 2024. The cost/income ratio including bank and insurance tax but excluding the exceptional and/or non-operational items (see the 'Glossary of financial ratios and terms' at the end of this report for more information) amounted to 46%, compared to 47% in 2024.

Impairment 6

Our total impairment (on both loans and other assets) came to 334 million euros in 2025.

Loan loss impairment amounted to 273 million euros, compared to 199 million euros a year earlier. The 2025 figure includes:

- A 290-million-euro increase related to impairment on the loan portfolio, compared to an increase of 333 million euros a year earlier
- A reversal of 17 million euros for the reserve for geopolitical and macroeconomic uncertainties (compared to a reversal of 134 million euros a year earlier), as a result of which the reserve for geopolitical and macroeconomic uncertainties amounted to 100 million euros at year-end 2025

For the group as a whole, the credit cost ratio therefore amounted to 0.13% for 2025 (also 0.13% excluding the change in the reserve for geopolitical and macroeconomic uncertainties), as opposed to 0.10% for 2024 (0.16% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties). More information on this matter can be found in Note 3.9 of the 'Consolidated financial statements' section. The proportion of (stage 3) impaired loans (see the 'Glossary of financial ratios and terms' for a definition) in our loan portfolio was 1.8% at year-end 2025, compared to 2.0% in 2024. The proportion of impaired loans more than 90 days past due came to 0.9%, compared to the year-earlier figure of 1.0%.

Other impairment charges came to 61 million euros in 2025, compared to a year-earlier figure of 49 million euros. In 2025, these mainly involved impairment of software and modification losses related to interest rate arrangements in Slovakia and Hungary, and limited impairment on goodwill.

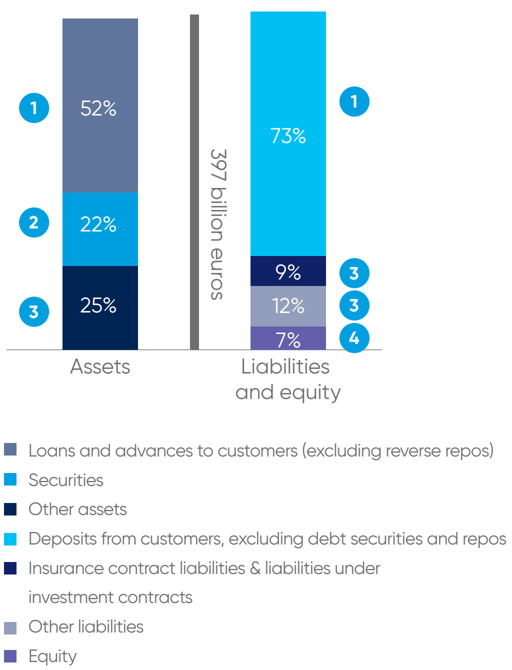
Other items 7

In 2025, the 'Share in results of associated companies and joint ventures' only amounted to 6 million euros, down from the year-earlier figure of 80 million euros which 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 1 010 million euros in 2025, compared to a year-earlier figure of only 527 million euros. This is because the 2024 figure included a positive one-off impact of 318 million euros as a result of the liquidation of Exicon (the remaining activities of KBC Bank Ireland).

Our balance sheet

Balance sheet components (year-end 2025)



Loans and deposits 1

Our core banking 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, which, at 209 billion euros, accounts for more than half of the balance sheet total at year-end 2025. Loans and advances to customers grew by 7%, with 5% growth at the Belgium Business Unit, 10% at the Czech Republic Business Unit, and 12% at the International Markets Business Unit (with growth in all countries). The main lending products at group level were again term loans (97 billion euros;+6%) and mortgage loans (84 billion euros; +7%).

On the liabilities side, our customer deposits grew by 3% to 238 billion euros (growth rate excluding the deposits at KBC Bank's foreign branches). This figure included a 2% increase at the Belgium Business Unit, 1% growth at the Czech Republic Business Unit and 8% growth at the International Markets Business Unit. The main deposit products at group level were again demand deposits (116 billion euros, +4%), savings accounts (85 billion euros, +13%) and time deposits (37 billion euros, -14%). Debt securities issued accounted for 51 billion euros, 20% more than the previous year. More information on this matter can be found in Note 4.1 of the 'Consolidated financial statements' section.

Securities 2

We also hold a portfolio of securities at the bank and at the insurer (where it serves primarily as an investment in the life insurance context), which totalled 89 billion euros at year-end 2025, roughly 11% up on the year-earlier figure. The securities portfolio comprised 3% shares and 97% bonds. At year-end 2025, 83% 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 'Risk management' section.

Other assets and other liabilities 3

Other important items on the assets side of the balance sheet were loans and advances to credit institutions (3 billion euros, up 24% on the year-earlier figure, reverse repos (33 billion euros, up 51% on the year-earlier figure, mainly in the Czech Republic), derivatives (positive mark-to-market valuation of 4 billion euros, down 25% on the year-earlier figure), investment-linked life insurance contracts (18 billion euros, up 8% on the year-earlier figure) and cash, cash balances with central banks and other demand deposits with credit institutions (34 billion euros, down 28% on the year-earlier figure, primarily at KBC Bank in Belgium and KBC Bank branches abroad).

Other significant items on the liabilities side of the balance sheet were insurance contract liabilities and liabilities under the insurer's investment contracts (an aggregate 34 billion euros, up 5% year-on-year), repos (22 billion euros, up 3% on the year-earlier figure, mainly in the Czech Republic), derivatives (negative mark-to-market valuation of 5 billion euros, down 5% on the year-earlier level, due to foreign exchange and equity contracts) and deposits from credit institutions (13 billion euros, down 2% on the year-earlier figure).

Equity 4

On 31 December 2025, our total equity came to 28.0 billion euros. This figure included 25.4 billion euros in parent shareholders' equity, 2.5 billion euros in additional tier-1 instruments and 0.1 billion euros in minority interests. Total equity rose by 3.7 billion euros compared to the end of 2024. This increase was due to the combined effect of:

- The recognition of the profit for the financial year (+3.6 billion euros)
- The payment of the final dividend for 2024 (in May 2025) as well as an interim dividend for 2025 that was paid in November 2025 (an aggregate -1.6 billion euros)
- Higher revaluation reserves (+1.1 billion euros)
- A net increase in additional tier-1 instruments outstanding (+0.6 billion euros)
- A number of smaller items

For more details, see 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section.

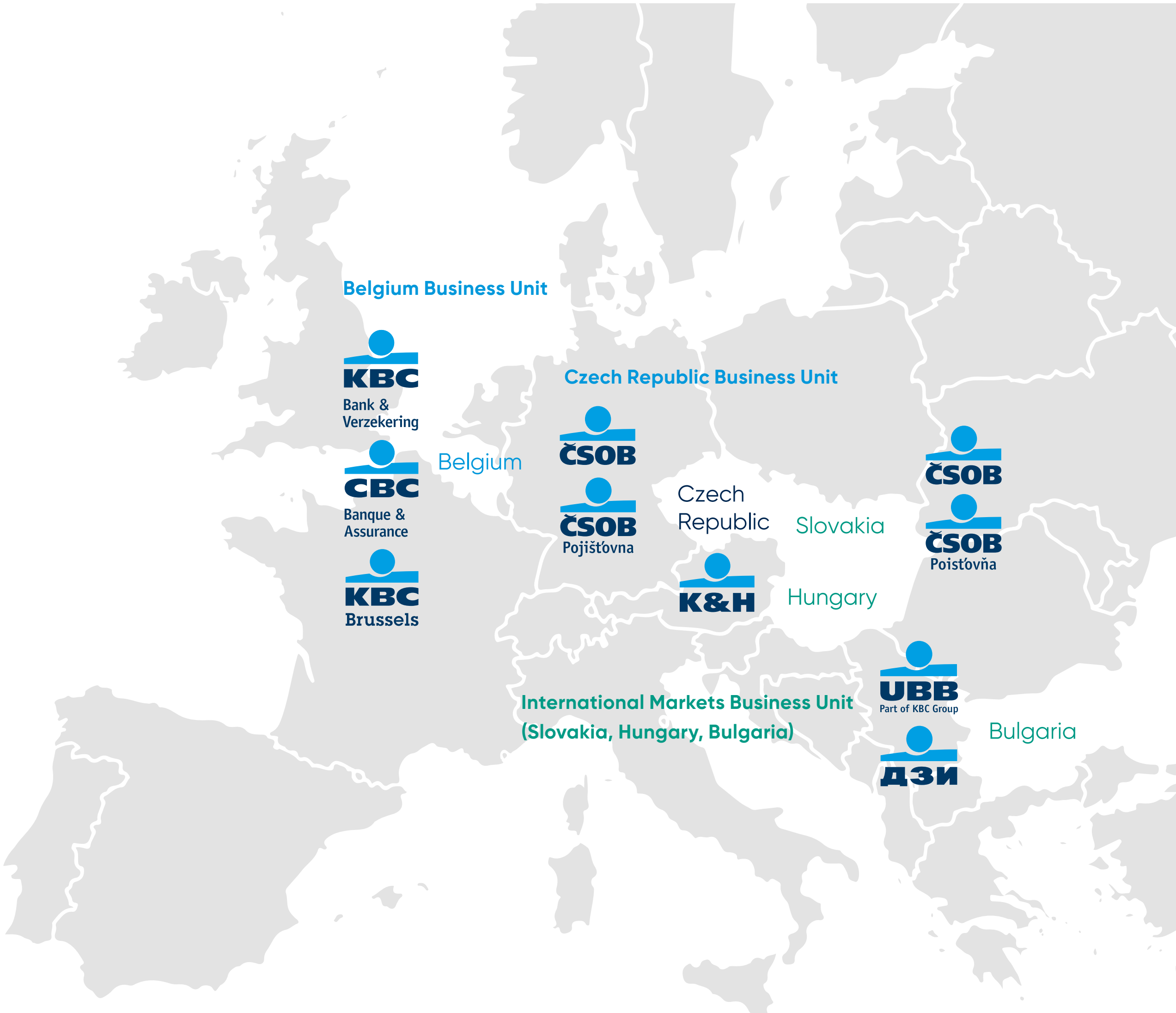
On 31 December 2025, our fully loaded unfloored common equity ratio (Basel IV, under the Danish compromise method) stood at 14.9%, compared to 15.0% in 2024 (under Basel III, which corresponds to a pro-forma Basel IV ratio of 14.6%). Risk-weighted assets went up by 9.5 billion euros to 129.5 billion euros, due to a combination of the impact of the first-time application of Basel IV and volume growth. Detailed calculations of our solvency indicators are given in the 'Capital management' section.

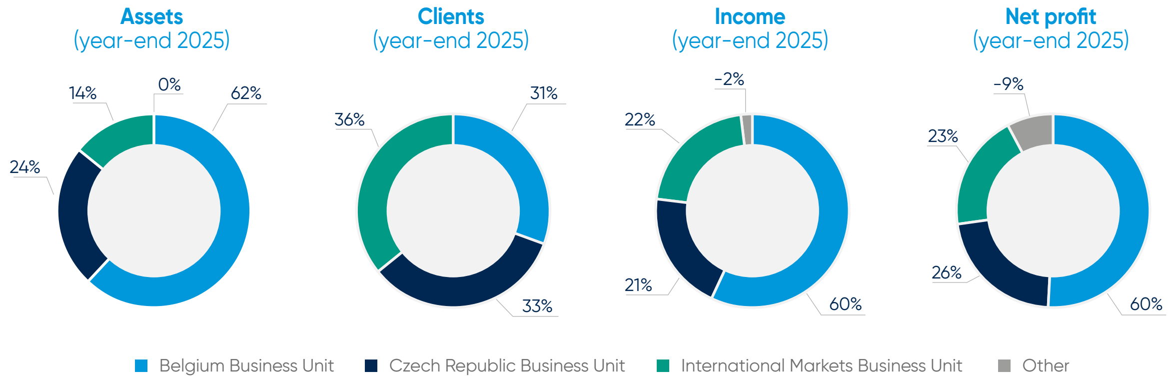
The group's liquidity position remained excellent, as reflected in an LCR ratio of 159% and an NSFR ratio of 138%, well above the minimum requirement of 100%.

Additional information

- The overall impact on the net result of fluctuations in the exchange rates of the main non-euro currencies was very 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 'Risk management' section.
- For information on the treasury share buyback programme, see Note 5.10 in the 'Consolidated financial statements' section.
- For information on significant post-balance-sheet events, see Note 6.8 of the 'Consolidated financial statements'.
- For a review of the result for each business unit, see 'Our business units'.
- Guidance for 2026: see the quarterly report for the fourth quarter of 2025 (at www.kbc.com).

Our business units





Belgium

Comprises KBC Bank NV and KBC Insurance NV, and their Belgian subsidiaries, which include CBC Banque, KBC Asset Management, KBC Lease Group and KBC Securities.

Macroeconomic context

Unlike in the three previous years, in 2025 Belgium's economic growth of 1.0% was lower than euro area growth (1.5%). This growth was driven by domestic demand, more specifically again mainly by household consumption and, to a lesser extent, by corporate investments. Household investments in residential buildings and net exports made a negative contribution to growth.
Labour market conditions remained relatively favourable in 2025, showing a net increase of some 20 000 jobs and a persistently low – although rising – unemployment rate. The job vacancy rate declined slightly further, but still indicated tight labour supply. The average annual inflation rate (based on the Harmonised Index of Consumer Prices) of 3.0% revealed that the rate had halved during the year, from 4.4% in January to 2.2% in December. Services inflation, by contrast, remained persistently high at 3.7% on average. In the housing market the more moderate price dynamics continued, with house prices still recording an average increase of an estimated 3.3% for the full year.
Public finances deteriorated further on account of both lower revenues and higher, partly ageing-related, spending. The ten-year rate of Belgian linear bonds (OLOs) momentarily peaked in March and has fluctuated between 3.0% and 3.4% since then. The yield spread with the corresponding German Bund briefly hit a high in the spring and then moved within a range of 45 to 60 basis points.

Figures for forecast GDP growth in 2026 and 2027 can be found under 'Market conditions in our core markets'.

KBC Mobile: 'Best Mobile App Worldwide', and Bolero: 'Best Belgian Investment App' (Sia)

'Best Bank' and 'Best Digital Bank of Belgium (Spaargids.be)

'Best Bank', 'Best Private Bank' and 'Best Bank for ESG' in Belgium (Euromoney)

'Best Private Bank of Belgium' (Professional Wealth Management & The Banker)

KBC and CBC: 'Top Employer' (Top Employers Institute)

KBC Insurance: first place in the category 'Best Fire Insurance' for both owners and tenants, and in the category 'Innovation' (Decavi Awards)

'Best Bank in Europe for Customer Experience' (Euromoney)

'Best Customer Service Provider in Western Europe', 'Best Innovation in Retail Banking in Belgium' and 'Sustainable Bank of the Year in Belgium' (International Banker)

Specific objectives

- 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 'ecosystems' that enable us to offer our clients comprehensive solutions – in 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.

2025 developments

client centricity

In line with our strategy, we continue to invest in our digital systems by focusing on solutions intended to make our clients' lives easier and help them save time and earn money. Kate, our AI-powered personal digital assistant, plays a vital role in this regard. In 2025, Kate was further upgraded to enable even more natural and intuitive conversations, which will further boost autonomy and client usage. Kate has been used by as many as 2.3 million clients in Belgium since her launch over five years ago. Kate is also able to resolve an increasing number of questions fully autonomously: this figure was roughly eight out of ten at the end of 2025. More information about Kate can be found in 'Putting the client at the centre'. In 2025, we also introduced a major improvement with our updated Kate Coins programme, making it even easier for clients to earn and use Kate Coins. Now, clients can earn Kate Coins at one partner and use them at another. More information about Kate Coins can be found in the same section.

Our smartphone app gives smooth and secure access to our own products and services, and we offer various non-financial services through our collaboration with other parties. A few examples of recent financial innovations are the integration of the Wero application (which will gradually enable person-to-person transfers within Europe that do not require a bank account number, similar to Payconiq in Belgium), verification of beneficiaries in transfers, and the 'check your call' test (when you are talking to someone who claims to be a KBC employee, you can check in KBC Mobile whether this person is indeed a KBC employee). We also introduced MyMobility, a platform for all mobility-related matters. The dashboard can be used, for example, to find answers to questions regarding the possession and use of your current vehicle, a range of new and second-hand vehicles, and clear information about the affordability of a vehicle. We have also made some more improvements to the carbon footprint calculator in KBC Mobile, which allows you to monitor the impact of your expenses on the environment and to make more conscious choices. Our range of non-financial applications features practical applications for mobility services (road vignettes, train and tram 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, valuing your own property, etc.), leisure (receiving financial and economic news, buying certain cinema tickets), making donations to charities and good causes, and so on and so forth.

We have expanded our commercial website www.kbc.be with a new youth section fully tailored to the lives of our young target audience. Relevant content about travel, cash, payments and more is cleverly linked to KBC Mobile and Kate, which means the app can be accessed directly by clicking on the link.

In December 2025, 2.1 million clients were already using our mobile app – a further 6% increase year-on-year. And we are incredibly proud that independent international consulting firm Sia named KBC Mobile the best banking app in the world again in 2025. Sia also named our Bolero app best Belgian investment app.
Our clients can naturally also count on our help through our bank branches and insurance agencies and through our KBC Live employees, where our experts remain available to answer complex questions or provide advice at key life moments. The success of our digital strategy allows us to free up even more time to improve the advice we provide to our clients.
We are now combining our extensive range of financial and non-financial services, our various digital and non-digital channels, Kate and Kate Coins, and external partners and incorporating them in ecosystems. This should enable us to offer our clients a new type of service, supporting them and offering them maximum convenience – through our distribution channels – every step of the way in their search for solutions to housing, mobility and other issues, using our own products and services as well as those of our partners and suppliers.

sustainable **profitable growth**

In 2025, our lending to clients showed strong growth in the Belgium Business Unit, rising by 5% year-on-year. Our deposits (excluding the more volatile deposits in our network of KBC Bank branches abroad) were up 2%. Assets under management (funds, asset management, etc.) increased by 8% in 2025 due to both net inflow (4 percentage points) and the increase in asset prices in 2025 (also 4 percentage points). Sales of our non-life insurance products in Belgium went up 6% in 2025, with growth in virtually all main classes of insurance, and sales of life insurance products rose by 24%, owing to non-unit-linked, unit-linked and hybrid products.

bank-insurance

Our focus on bank-insurance allows us to deliver various commercial synergies. In 2025, for instance, more than nine out of ten clients who agreed home loans with KBC Bank also purchased home insurance with KBC Insurance, and over eight out of ten clients took out mortgage protection cover. There was a further increase of 3% in the number of clients who hold at least one KBC banking product and one KBC insurance product (i.e. bank-insurance clients) in 2025, and the number of clients with at least three banking and three insurance products from KBC (i.e. stable bank-insurance clients) likewise went up by 3%. At year-end 2025, bank-insurance clients accounted for 76% 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.

role in society

We took a variety of initiatives to stimulate entrepreneurship in recent years. The main initiative was Start it @KBC, which has been operating for more than 10 years and has supported numerous start-ups in that period. In early 2025, Start it @KBC pooled resources with a number of partners and launched Scale it Agro, a new accelerator programme that helps scale-ups accelerate the marketing of sustainable and innovative solutions that benefit agriculture and horticulture. In 2025 we also organised the Thrive programme again, which is a leadership development initiative of Start it @KBC in collaboration with Flanders Innovation & Entrepreneurship (VLAIO) that is aimed at women entrepreneurs in Flanders.
As regards environmental awareness, we remain committed to reducing our own footprint, but our main aim is to also be a partner for our clients in their transition. For example, we expanded the product range for SMEs with a KBC Better Building tool, which involves collaborating with strategic partners in order to provide our clients with maximum assistance and support in complying with the EPC obligations and with renovation legislation for non-residential real estate. In terms of mobility, KBC Autolease focuses on bicycle loans and on making the vehicle fleet more sustainable, with orders for electric vehicles already accounting for 95% of new orders in 2025.
We also remain committed to enhancing financial skills and knowledge among young people. We do so, for example, by collaborating with Doconomy, a fintech company that provides banks with innovative tools to promote financial well-being and action-oriented sustainability. For this purpose, KBC integrated a savings module in the mobile app that allows young adults to set personalised goals and develop new savings habits. Seeking to educate them on poor financial choices and how to avoid getting into financial difficulty, we also offer the free Get-a-Teacher teaching pack to schools, colleges and universities, and we inform young adults about their first home through local events, a podcast and a webinar.
In 2025, we committed ourselves once again to supporting The Warmest Week, whose theme was 'invisible illnesses'. Migraine, anxiety disorders and diabetes, for example – not many people know what it means to live each day with an invisible illness. That is why The Warmest Week dedicated special attention to people with an invisible illness. And to top it all off, KBC clients could not only make a donation in KBC Mobile, they could also donate their Kate Coins.
In 2025, KBC and Cera also established a new foundation, the KBC & Cera Foundation, which will start its work in 2026 to support healthcare and health projects with a focus on preventing mental health problems among young people.

2025 result: 16% increase in the business unit’s net profit

Result for the Belgium Business Unit (simplified; in millions of EUR)	2025	2024
Net interest income	3 584	3 305
Insurance revenues before reinsurance	1 910	1 805
Dividend income	72	50
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense	-337	-343
Net fee and commission income	1 810	1 684
Net other income	233	201
Total income	7 273	6 702
Operating expenses (excl. directly attributable to insurance contracts)	-2 605	-2 496
Insurance service expenses before reinsurance	-1 487	-1 449
Net result from reinsurance contracts held	-51	-63
Impairment	-192	-260
Share in the result of associates and joint ventures	7	80
Income tax expense	-793	-667
Result after tax	**2 151**	**1 846**
Cost/income ratio (excl. bank and insurance tax)	39%	41%
Combined ratio	86%	88%
Credit cost ratio	0.13%	0.19%
Impaired loans ratio	1.8%	2.0%
Loans and advances to customers	130 585	123 887
Deposits from customers (excluding debt securities)	147 814	145 625

- 8% growth in net interest income. The business unit’s loans and advances to customers increased by 5% and customer deposits (excluding the more volatile deposits in our network of KBC Bank branches abroad) went up by 2%. The net interest margin for 2025 came to 1.91%, compared to 1.94% in 2024.
- 27% higher insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held), with the increase in insurance revenues and the improved reinsurance result being only partly offset by the higher insurance service expenses.
- 8% growth in net fee and commission income, due mainly to higher management fees for asset management services and, to a lesser extent, higher fees for banking services (mainly for network income and securities trading).
- 60-million-euro increase in all other income items combined, due mainly to higher dividend income and net other income.
- 2% increase in expenses excluding bank and insurance tax, due mainly to higher staff expenses and ICT costs.
- 68-million-euro decrease in impairment charges, due mainly to lower impairment on individual loans along with a more or less stable amount of reversal of the reserve for geopolitical and macroeconomic uncertainties (see Note 3.9 in the ‘Consolidated financial statements’ section).
- A detailed breakdown of the income statement for each business unit and each country can be found in ‘Note 2.2: Results by segment’ in the ‘Consolidated financial statements’ section.

Czech Republic

Comprises the ČSOB group (under the ČSOB Bank, ČSOB Postal Savings Bank, ČSOB Hypoteční banka, ČSOB Stavební spořitelna and Patria Finance brands) and the insurer ČSOB Pojišťovna.

Macroeconomic context

Annual average economic growth in the Czech Republic accelerated in 2025 and stood at around 2.5%, primarily on account of solid growth in household consumption. This was mainly the result of the relatively rapid pay increase and the slightly lower consumer savings ratio of Czech households. At the same time, investment activity also started to improve in 2025, and the fiscal policy is providing a boost as well.
Meanwhile, inflation largely remained under control with an annual average of roughly 2.3% in 2025, which was partly attributable to lower energy and fuel prices and slower inflation in the non-energy-based goods segment. Services and food price inflation, by contrast, remained high.
The Czech National Bank (CNB) reduced its key rate to 3.50% in May 2025 and left it unchanged for the remainder of the year, mainly due to concerns about the high pay increases and persistent inflation in the services sector. The current key rate level is expected to be the bottom of the interest rate cycle.
Meanwhile, the Czech koruna showed a surprisingly strong increase against the euro in 2025. The main determining factors here were the relatively cautious and restrictive CNB policy, the strong macroeconomic foundations of the Czech economy and the global weakness of the US dollar that supported emerging markets in general.

Figures for forecast GDP growth in 2026 and 2027 can be found under 'Market conditions in our core markets'.

'Best Bank in the Czech Republic' (The Banker)

'Best Private Bank in the Czech Republic' (PWM/The Banker)

'Best Private Bank', 'Best Digital Bank' and 'Best Bank for SMEs in the Czech Republic' (Euromoney)

'Best Green Bank' and 'Best Retail Banking App in the Czech Republic' (Global Banking and Finance)

'Best SME Bank in the Czech Republic' (The Digital Banker)

'Best Bank', 'Best SME Bank', 'Best Bank for Sustainable Finance' and 'Best Trade Finance Provider in the Czech Republic' (Global Finance)

'Top Employer in the Czech Republic' (Top Employers Institute)

1st place in the category 'Most Client-Friendly Non-Life Insurance Company' (Hospodářské noviny Awards)

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 strengthen the relationship with our clients by offering services that go beyond banking and partnerships, by means of housing and mobility ecosystems.
- To continue the further digitalisation and introduction of new and innovative products and services.
- 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, further simplifying our products, our head office, and our distribution model, and the widespread use of AI, 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, innovation, 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.

2025 developments

client centricity

In line with the group's strategy, the focus in the Czech Republic, too, 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. The most important aspect in this regard is the further development of Kate, our personalised digital assistant. Kate has been consulted by as many as 1.7 million clients in the Czech Republic since her launch in 2020. Moreover, Kate currently resolves about seven out of ten client queries autonomously. And in 2024, we also already launched Kate Coins in the Czech Republic. More information about Kate can be found in 'Putting the client at the centre'.

The expansion and further improvement of the features of our mobile banking applications and their user-friendliness also remain a priority. For example, the ČSOB Smart mobile app now contains a new carousel on its home screen that shows personal financial tips and exclusive offers, a QR code payment feature that is activated at the push of a button, and a privacy feature that allows users to quickly hide account balances. Card management has also been improved and now includes simplified blocking/unblocking options. Category-specific tools were also introduced in the app, such as fuel- and energy-saving calculators. A car and motorcycle e-catalogue was also integrated into the ČSOB Smart app, which provides clients with a centralised platform that gives access to discounts on vehicles and related equipment, along with attractive financing options. This solution was awarded first place in the 2025 Zlatá koruna competition in the Leasing and Financing category. The CEB Mobile platform for companies was also improved as new features were added that facilitate account management for corporate clients. There were already 1.6 million Czech mobile users in the last quarter of 2025 – 9% more than in 2024.

Just like we did in Belgium, we are working to combine our extensive range of financial and non-financial services, our digital and non-digital channels, Kate and Kate Coins, and external partners. This should enable us to offer our clients a new type of service, supporting them – through our distribution channels – every step of the way and providing them with maximum convenience in their search for solutions. Our initial focus is on housing and mobility.

In this respect, in 2025 ČSOB launched the ČSOB mortgage without property, an innovative product designed to reinforce the position of buyers in a competitive real estate market. This initiative enables clients to obtain and sign a pre-approved mortgage loan with a guaranteed interest rate before deciding on a home, and then they have nine months to find their dream home. The product also includes a collaboration with Nemoinspekt, which offers technical inspections at a discount to help buyers avoid hidden defects and unexpected costs.

sustainable **profitable growth**

As in previous years, we again recorded substantial growth in lending in the Czech Republic in 2025, as our loans and advances to customers went up by 10%. Our customer deposits went up by 1%. Sales of non-life insurance increased by 14% in 2025 (with growth in all main classes of insurance) and sales of life insurance went up by 16% (on account of the hybrid products). We adjusted these growth figures for foreign-exchange effects. Assets under management grew by 14% in the Czech Republic due to net inflow (10 percentage points) and an increase in asset prices (4 percentage points).
In February 2026, we finalised the acquisition of Business Lease in the Czech Republic and Slovakia, for a total consideration of 72 million euros. This strategic transaction will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. Specifically for the Czech Republic, we will integrate Business Lease with ČSOB Leasing to create a powerful fleet of around 15 000 operating leasing vehicles, making us a top 5 player in that market. The combined entity will be able to further increase operational efficiency, optimise the client experience and unlock substantial synergy benefits, including cross-selling opportunities.

bank-insurance

Our bank-insurance approach is delivering numerous commercial synergies. For example, around seven out of ten ČSOB group clients who took out home loans with the bank in 2025 also purchased home insurance from the group. There was a further increase of 2% 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 2025, 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 6%. At year-end 2025, bank-insurance clients accounted for 81% of the business unit's active clients (clients with a current account into which their income is regularly paid), while stable bank-insurance clients made up 18% of active clients.

role in society

We once again took a number of initiatives in terms of our social engagement.
Start it @ČSOB remains particularly important in promoting entrepreneurship. In 2025, this start-up incubator again proved its ability to act as the driving force behind innovative companies. A case in point is Greenwool, a start-up that turns unused sheep's wool into environmentally friendly fertiliser. This sustainable solution earned Greenwool a nomination for the prestigious 2025 Innovator of the Year award of Czech financial newspaper Hospodářské noviny.
As nature conservation is an increasingly pressing issue, ČSOB organised conferences on the theme of biodiversity that brought together companies, public bodies, academics and NGOs for a discussion of methods, data and tools to help companies understand and limit their impact on ecosystems. ČSOB also entered into a strategic partnership with the Faculty of Fisheries and Protection of Waters of the University of South Bohemia with the aim of working together on water management, ecology and sustainability research and innovations.
ČSOB also puts its social responsibility into practice every day. Our Volunteer Day, for example, allows employees to spend one working day on volunteer work or on consultancy work for non-profit organisations.
As always, considerable attention was paid to increasing financial literacy. Our ČSOB DoKapsy lifestyle app contains a 'Filip' section designed specifically to enhance children's financial knowledge, which offers captivating educational content – including videos and audio recordings – that discusses complex topics on finances and online safety in a simple way. Filip is available to everyone from the age of 10, even to non-ČSOB clients, and is free of charge. It builds on ČSOB's long-standing commitment to education, including the annual Filip Cup contest, training programmes for teachers and the recently launched Penězověda portal, which is mainly intended to support parents and teachers in educating children about personal finances, saving and handling money responsibly. In partnership with the Czech police, ČSOB also launched the 'Caller and clicker' training ('Volač a klikač') to improve digital literacy and raise awareness of cybersecurity. In 2025, the programme successfully trained more than a million people to recognise and avoid online scams and cyber threats.

2025 result: 6% increase in the business unit's net profit

Result for the Czech Republic Business Unit (simplified; in millions of EUR)	2025	2024
Net interest income	1 408	1 298
Insurance revenues before reinsurance	677	585
Dividend income	1	1
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense	96	72
Net fee and commission income	376	352
Net other income	5	3
Total income	2 562	2 312
Operating expenses (excl. directly attributable to insurance contracts)	-870	-854
Insurance service expenses before reinsurance	-523	-531
Net result from reinsurance contracts held	-22	61
Impairment	-51	31
Share in the result of associates and joint ventures	-1	0
Income tax expense	-171	-161
Result after tax	**922**	**858**
Cost/income ratio (excl. bank and insurance tax)	41%	43%
Combined ratio	87%	86%
Credit cost ratio	0.10%	-0.09%
Impaired loans ratio	1.3%	1.3%
Loans and advances to customers	43 984	38 338
Deposits from customers (excluding debt securities)	54 252	50 690

- 2% increase in the average exchange rate of the Czech koruna against the euro. The growth figures in the analysis have been calculated excluding this foreign-exchange effect.
- 6% increase in net interest income. The business unit's loans and advances to customers increased by 10% and customer deposits went up by 1%. The net interest margin for 2025 came to 2.41%, compared to 2.42% in 2024.
- 13% increase in insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held), due to higher insurance revenues, lower insurance service expenses (2024 was negatively impacted by storm Boris) and partly offset by a lower reinsurance result.
- 5% increase in net fee and commission income due to higher fees for both asset management services and banking services.
- 24-million-euro increase in all other income items combined, primarily due to higher trading and fair value income.
- 3% increase in expenses excluding bank and insurance tax, due mainly to higher staff expenses and, to a lesser extent, to ICT and marketing costs.
- 81-million-euro increase in impairment charges, due mainly to higher impairment on individual loans and higher impairment charges relating to the reserve for geopolitical and macroeconomic uncertainties (a reversal took place in 2024). (See Note 3.9 in the 'Consolidated financial statements' section).
- A detailed breakdown of the income statement for each business unit and each country can be found in 'Note 2.2: Results by segment' in the 'Consolidated financial statements' section.

International Markets

Comprises ČSOB Bank and ČSOB Insurance in Slovakia, K&H Bank and K&H Insurance in Hungary, and UBB and DZI Insurance in Bulgaria.

Macroeconomic context

At 0.8% and 0.3%, respectively, economic growth in both Slovakia and Hungary was well below euro area growth in 2025. Both economies suffered from weak domestic demand, in particular due to weak investment dynamics combined with general weakness in the export-focused manufacturing sector. The Bulgarian economy, by contrast, was supported in 2025 by the prospect of the country joining the euro area in January 2026. This convergence trend resulted in annual average growth of 3.2% in 2025, again well above euro area growth.
Inflation in Bulgaria rose in advance of the introduction of the euro in January 2026 and, at an overall annual average rate of 3.5% in 2025, was substantially higher than euro area inflation. The annual average inflation rates in Slovakia and Hungary of 4.2% and 4.4%, respectively, also remained persistently higher than euro area inflation in 2025, mainly due to services inflation. These conditions led the National Bank of Hungary to pursue an interest rate policy that is more restrictive than the ECB's policy. The Hungarian central bank kept its key rate unchanged at 6.50% in 2025. The interest rate differentials with the ECB in particular strengthened the exchange rate of the Hungarian forint against the euro in 2025.

Figures for forecast GDP growth in 2026 and 2027 can be found under 'Market conditions in our core markets'.

UBB: 'Best Bank' and 'Best ESG Bank in Bulgaria' (Euromoney)

UBB: 'Best Innovative Bank' and 'Best Customer Digital Bank in Bulgaria' (Global Finance)

DZI: 'Best Digital Insurer in Bulgaria' (Global Insurance Innovation Awards – The Digital Banker)

K&H: 'Best Digital Bank' and 'Best ESG Bank in Hungary' (Euromoney)

K&H: 'Best Green Insurance Company' (National Bank of Hungary)

K&H: 'Best Digital Bank in Hungary' (Global Banking & Finance Review)

K&H: 'Top Employer in Hungary' (Top Employers Institute)

ČSOB Slovakia 'Best Trade Finance Provider' and 'Best Sub-custodian Bank in Slovakia' (Global Finance)

ČSOB Slovakia 'Top Employer in Slovakia' (Top Employers Institute)

ČSOB Insurance: 'Smart Insurance Company of the Year' (MôjAndroid.sk)

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 2026 we will continue to focus intensively on 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.
  - To be a pioneer for sustainability in all countries.
- Country-specific:
  - In Bulgaria, we aim to solidify our position as the largest integrated financial services provider and continue the expansion of our core activities (banking, insurance, leasing, pension funds and asset management). We seek to provide the best digital services, including when it comes to services that go beyond pure bank-insurance.
  - 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 are strengthening our local presence through the acquisition of 365.bank and Business Lease (see below). At the same time, we aim to maintain our robust organic 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.

2025 developments

client centricity

Growth in the use of our digital channels in Slovakia, Hungary and Bulgaria continued in 2025 as well, with the focus being on the development of solutions intended to make our clients' lives easier and help them save time and earn money. The most important aspect in this regard is the further development of Kate, our personalised digital assistant. Kate was launched in Slovakia, Hungary and Bulgaria in 2022. In these three countries combined, as many as 2 million clients, 16% more than in 2024, have already used Kate since her launch in 2022. Moreover, the proportion of cases that Kate resolves fully autonomously continues to grow, with Kate currently resolving more than seven out of ten client queries independently. More information about Kate can be found in 'Putting the client at the centre'.

Just like we did in the other core markets, in Bulgaria, Hungary and Slovakia we are working to combine our extensive range of financial and non-financial services, our digital and non-digital channels, Kate and Kate Coins, and services of external partners. This should enable us to offer our clients a new type of service, supporting them every step of the way and providing them with maximum convenience in their search for solutions.

In Bulgaria, the focus has been placed on the housing, mobility and health ecospheres. In the area of housing, for example, clients can now find a new home using a convenient search engine, obtain provisional mortgage approval and manage their tax payments. In the area of mobility, we introduced advanced features in UBB Mobile, such as parking services, car tax management and a dedicated mobility dashboard where clients can find essential information for their travels and get access to roadside assistance. We also introduced image recognition in the comprehensive non-life insurance process, allowing clients to inspect the damage to their vehicle themselves and submit photographs through the app, after which their claim is handled automatically. In Slovakia, we have started developing the mobility ecosphere, which includes the creation of a My Garage service that will initially offer a convenient platform for registering all important vehicle data within ČSOB SmartBanking. It will later be expanded with other features such as vehicle management. We also added new train functionalities to the SmartBanking app and launched a service that enables clients to hire a vehicle for a short period of time. In Hungary, we added several new products and services to the mobile app, including car insurance, death insurance, travel insurance and a pension product.

Thanks to these continuous innovations, the number of users of our mobile banking apps increased substantially again in 2025 (by around 10% in Slovakia, 10% in Hungary and 8% in Bulgaria), totalling close to 1.8 million users for the three countries of the business unit combined (this concerns the last quarter of 2025 for Bulgaria and December 2025 for the other countries). The share of digital sales in total sales also showed further growth again: based on the key banking products, this accounted for 73% of the total sales in Slovakia, 56% of the total sales in Hungary and 38% of the total sales in Bulgaria. All these developments were again reflected in the numerous awards we were honoured to receive, such as Best Digital Bank in Hungary, Best Innovative Bank and Best Customer Digital Bank in Bulgaria, and Smart Insurance Company of the Year in Slovakia (see the list at the start of this section).

sustainable **profitable growth**

In 2025, we took a major step in strengthening our presence in Slovakia as we reached an agreement to acquire 365.bank. This acquisition – which was finalised in January 2026 – enables us to solidify our position in the Slovak market and close the gap to the top three banks in the banking sector. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC's existing Slovak subsidiary ČSOB, leading to significant cost, revenue (cross-selling) and funding synergies. We will particularly strengthen our reach in retail banking as well as benefit from access to the unique client base and distribution network of 365.bank and its exclusive partnership with Slovak Post. Furthermore, we reached an agreement to acquire Business Lease in the Czech Republic and Slovakia. This transaction – which was finalised in February 2026 – will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. Specifically for Slovakia, we will integrate Business Lease into our existing leasing activities to create a powerful fleet of around 10 000 operational leasing vehicles, further strengthening our leadership in the leasing market, particularly in the area of operational leasing. The combined entity will be able to further increase operational efficiency, optimise the client experience and unlock substantial synergy benefits, including cross-selling opportunities.
As in previous years, we also posted strong growth in the volume of banking and insurance products and asset management again in 2025. For the business unit as a whole (excluding exchange rate effects), loans and advances to customers grew organically in 2025 by no less than 12% and customer deposits by 8% (9% and 4%, respectively, in Slovakia, 11% and 6% in Hungary, and 16% and 12% in Bulgaria). Sales of both non-life insurance and life insurance went up in 2025 (by 10% and 17%, respectively). And owing to strong net inflow (12 percentage points) and an increase in asset prices (4 percentage points), assets under management grew by no less than 16% year-on-year.

bank-insurance

Our focus on bank-insurance delivers many commercial synergies. For instance, home insurance was sold in conjunction with approximately 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 9% 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 2025, 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 15%. At year-end 2025, bank-insurance clients accounted for 71% 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 25% of active clients.

role in society

We once again took a number of initiatives in terms of our social engagement, focusing on financial literacy, environmental responsibility, entrepreneurship and health. Some examples of recent projects:
In Bulgaria, we again organised the UBB NextGen Academy, bringing together the successors of 10 of the largest family businesses in Bulgaria for an in-depth discussion of growth strategies, sustainable business models, corporate structure, risk management, leadership and team management. In the area of environmental responsibility, for example, UBB works in partnership with the Bulgarian Biodiversity Foundation in restoring traditional mountain springs and wetlands in the Vitosha Nature Park, which are crucial for the people and for plant and animal life. In collaboration with Mastercard, UBB also initiated the VODIM programme to contribute to clean water, nature conservation and education. In 2025, the project provided 4 500 students in Sofia with clean drinking water by installing smart taps. Our Bulgarian insurer DZI pooled resources with the First Aid Academy, the only organisation approved by the Bulgarian Ministry of Education that is permitted to train teachers and education professionals to give first aid. Since its launch in 2024, more than 1 000 participants have taken part in over 15 sessions of lectures and hands-on workshops in kindergartens, schools, colleges and universities. In Hungary, K&H implemented the K&H Fit for Life programme for young people who are under the supervision of youth protection services, to help them work towards an independent life. Nearly 300 young people registered, and 77 selected participants are now attending training courses. In 2025 we also participated in the initiative 'Good Deed Bank – Month of the Blood Donors' in the banking sector, with the opening event being held at K&H's head office. In Slovakia, ČSOB is the main sponsor of the largest sports festival in Bratislava, the ČSOB Bratislava Marathon, which creates opportunities for people of all ages to enjoy sports. In addition to taking part in the event, our employees also contributed as volunteers. As regards nature conservation, ČSOB will continue to provide financial support for the restoration of mountain springs in Slovakia. In 2025, we helped revive three springs in Malé Karpaty, Štiavnické vrchy and Liptov. In 2025, ČSOB celebrated a success as its Digital Smart Grant programme was named a finalist of the Via Bona Awards in the Social Innovation category. In this initiative, ČSOB supports smart projects and ideas in local communities, schools and municipalities. For 25 years now, the Via Bona Slovakia award has highlighted inspirational examples of responsible business practices and social engagement.

2025 result: 8% increase in the business unit's net profit

Result for the International Markets Business Unit (simplified; in millions of EUR)	2025	2024
Net interest income	1 344	1 290
Insurance revenues before reinsurance	603	541
Dividend income	1	1
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense	56	55
Net fee and commission income	606	546
Net other income	17	-6
Total income	2 627	2 427
Operating expenses (excl. directly attributable to insurance contracts)	-1 054	-1 041
Insurance service expenses before reinsurance	-498	-493
Net result from reinsurance contracts held	-16	1
Impairment	-99	-7
Share in the result of associates and joint ventures	1	0
Income tax expense	-148	-137
Result after tax	**814**	**751**
Slovakia	107	101
Hungary	384	345
Bulgaria	322	304
Cost/income ratio (excl. bank and insurance tax)	37%	38%
Combined ratio*	90%	96%
Credit cost ratio	0.18%	-0.08%
Impaired loans ratio	1.7%	1.6%
Loans and advances to customers	34 043	29 842
Deposits from customers (excluding debt securities)	35 802	32 432

* 88% excluding the additional insurance tax in Hungary (93% in 2024).

- 4% growth in net interest income. The business unit's loans and advances to customers increased by 12% and customer deposits went up by 8%. The net interest margin for 2025 came to 3.00%, compared to 3.25% in 2024.
- 81% higher insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held), with the higher insurance service expenses and the lower reinsurance result being more than offset by the strong increase in insurance revenues.
- 11% increase in net fee and commission income, due mainly to higher fees for banking services (primarily payment transaction fees), and, to a lesser extent, higher fees relating to asset management services.
- 24-million-euro increase in the other income items combined, due mainly to higher net other income.
- 3% increase in expenses excluding bank and insurance tax, due in part to higher staff expenses and depreciation costs.
- 91-million-euro increase in impairment charges, due to higher impairment on individual loans and higher impairment charges relating to the reserve for geopolitical and macroeconomic uncertainties (a reversal took place in 2024) (see Note 3.9 in the 'Consolidated financial statements' section).
- A detailed breakdown of the income statement for each business unit and each country can be found in 'Note 2.2: Results by segment' in the 'Consolidated financial statements' section.

Group Centre

Belgium
Czech Republic
International Markets
Group Centre

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 Exicon (the remaining activities of KBC Bank Ireland) in particular.

The Group Centre generated a net result of -318 million euros in 2025, compared to -40 million euros in 2024. The negative change of 278 million euros was accounted for by:

- a 322-million-euro decrease in net result in Ireland. This was because the 2024 result for Ireland was heavily impacted by tax savings amounting to 318 million euros (in 'Income tax expense').
- a 44-million-euro increase in net result for the other items, owing primarily to the combination of higher income (with the increase in net interest income being only partly offset by lower trading and fair value income), higher costs, improved reinsurance result and a net reversal of impairment charges (compared to a net increase a year earlier).

Risk management

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, insurance underwriting 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 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

General information 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, ambiguity, digital transformation, the transition to a sustainable economy, and macroeconomic and geopolitical uncertainties.

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, compliance and actuarial 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 staff 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, in business proposals which include a thorough assessment of the risks involved, and in the thoughtful consideration in the decision-making process of the challenge of 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: supporting the business (in everyday and transformation activities), transforming ourselves (digitalisation and data-driven approach), and people (building an engaged workforce).

Managing risks in 2025

In 2025, geopolitical risks remain elevated, shaped by the persistent and ongoing Russia-Ukraine and Palestine-Israel conflicts, other tensions in the Middle east, competition between US and China, and so on. The aftermath of numerous elections in 2024, including in the US, has introduced new policy directions and heightened uncertainty, particularly around trade relations. These events put additional pressure on the economic competitiveness in Europe, causing significant challenges for the economy and financial markets in general, and for the financial sector in particular.

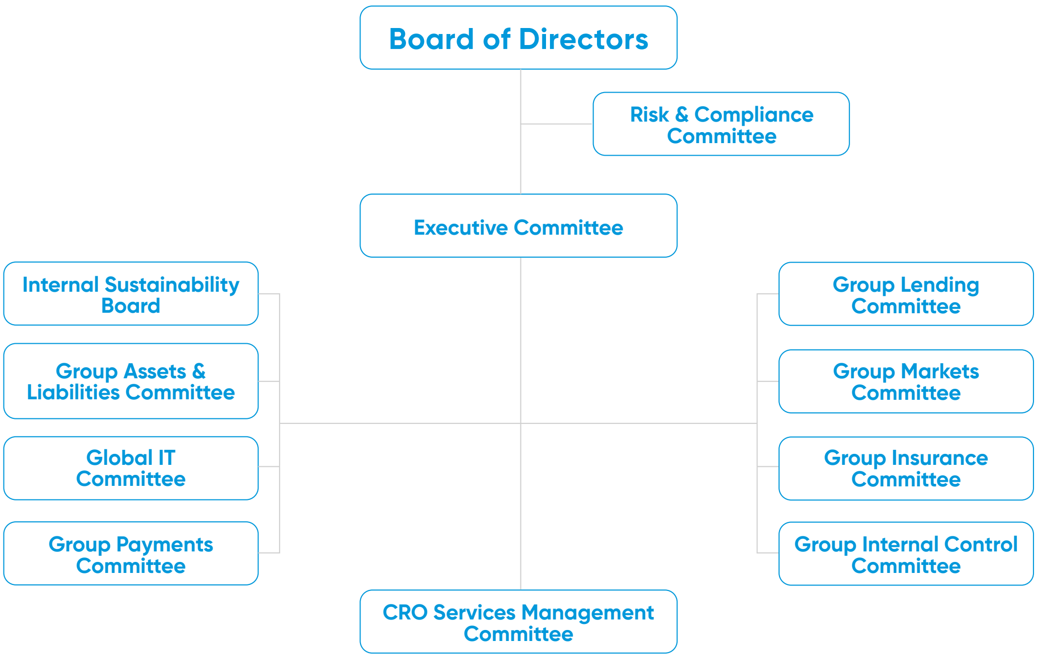
Regulatory developments (including in relation to capital requirements, operational resilience and the ongoing implementation of DORA requirements regarding third parties, anti-money laundering regulations, GDPR and ESG) also remained a dominant theme for the sector, as did enhanced consumer protection. 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.

Lastly, climate and environmental-related risks are becoming increasingly prevalent. This was evidenced by spring drought across Europe raising concerns on potential impacts on agriculture, inland water transport and ecosystems. Nevertheless, in the medium and longer term, droughts are projected to become more frequent and severe, possibly leading to stress on KBC's portfolios. Furthermore, in Europe, ambitious climate regulation is driving a faster transition to a green economy, requiring significant adaptation from KBC and its clients, while slower progress in other parts of the world creates an uneven playing field.

Risk governance

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, 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:

1st line of defence – **BUSINESS**

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.

2nd line of defence – **INDEPENDENT CONTROL FUNCTIONS**

In line with regulations, independent control functions, at both group and local level, act as (part of) the second Line of Defence and in order to safeguard independence, they report functionally to the Group CRO:

- The risk function develops and enforces the Risk Management Framework, covering risk identification, measurement, reporting, and appetite. Independent Chief Risk Officers (CROs) across the group ensure robust challenge and expert advice in decision-making.
- The compliance function's prime objective is to prevent compliance risk (i.e. incurring loss or damage due to non-compliance with applicable laws, regulations or internal rules). It is characterised by its specific status which is defined by law and the Compliance Charter. The compliance department hierarchically reports to the CRO and to the RCC, and in some cases, additionally, to the Board.
- The actuarial function ensures additional quality control by providing expert technical actuarial advice to the supervisory body, the RCC and the executive body of KBC Group, of KBC Insurance and all reinsurance and insurance entities within the group. Such advice covers the calculation of the technical provisions for insurance liabilities, the reinsurance policy and underwriting risk.

3rd line of defence – **INTERNAL AUDIT**

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.

Components of 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 Risk Report.

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 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.

Setting and cascading risk appetite

Taking and transforming risks is an integral part – and hence an inevitable consequence of – the business of a financial institution. 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.

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 (annually approved by the Board), which are further cascaded down to the entities (annually approved by the ExCo). 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, response and 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 Board, the RCC and the ExCo 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), and ORSA (Own Risk and Solvency Assessment) 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.

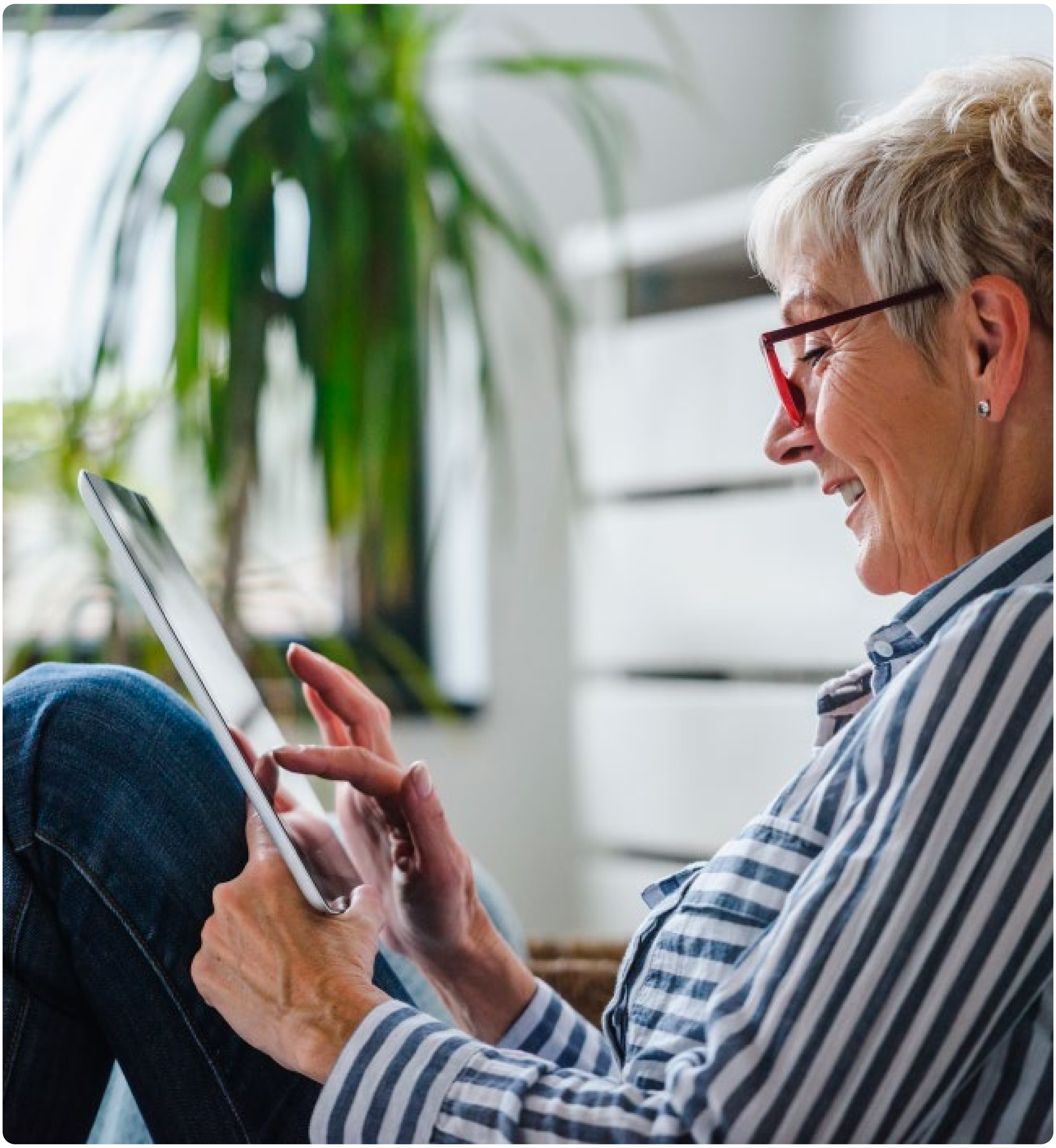
Stress testing

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 ORSA, and recovery and resolution planning. As part of the annual ICAAP, ILAAP and ORSA 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, biannual thematic stress test and annual EIOPA stress test).



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.

Managing credit risk

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.

In line with the capital deployment policy of KBC and the strategy to optimise RWA in order to strengthen the capital ratio and support further growth, KBC has successfully completed a significant risk transfer transaction (SRT) on a 4.2-billion-euro corporate loan portfolio in 2025. We consider SRTs as only one of many RWA management tools which will be explored and used over the coming years and will keep its dependency on the SRT market limited. More information on the transaction can be found in the Risk Report on www.kbc.com.

The building blocks for managing credit risk

- **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.
  Via the Environmental Risk Impact Map, on annual basis and for different time horizons and scenarios, we identify the main environmental risk drivers impacting our loan portfolio (see the Sustainability statement and the Risk Report for more information). In general, the most significant impact on credit risk can be expected in the middle to long run, due to, for example, negative effects stemming from climate change and nature loss. For a full overview of our (credit) risk concentrations and how these are identified, measured and reported on, we refer to the Risk Report and the accompanying Pillar 3 disclosures on www.kbc.com.
- **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 in the Belgium Business Unit and ČSOB in the Czech Republic. The Standardised approach is used for ČSOB in Slovakia, K&H, UBB, the sovereign portfolios in the entire group and some immaterial portfolios in the Belgium Business Unit and at ČSOB in the Czech Republic.

- **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 or the ExCo. 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 this loan and investment portfolio if they are issued by companies or banks. So, government bonds are not included here. 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, banking		
A: Total loan portfolio	**31-12-2025**	**31-12-2024**
Total loan portfolio (in millions of EUR)		
Amount outstanding and undrawn	280 556	262 991
Amount outstanding	227 942	210 903
Loan portfolio breakdown by business unit (as a % of the outstanding portfolio)		
Belgium[1]	63%	65%
Czech Republic	20%	19%
International Markets	16%	16%
Group Centre	0%	0%
Total	100%	100%
Loan portfolio breakdown by counterparty sector (as a % of the outstanding portfolio)		
Private individuals	41%	41%
Finance and insurance	6%	5%
Governments	3%	3%
Corporates	50%	51%
Services	*11%*	*11%*
Distribution	*8%*	*8%*
Real estate[6]	*7%*	*7%*
Building and construction	*5%*	*5%*
Agriculture, farming, fishing	*3%*	*3%*
Automotive	*3%*	*3%*
Other (sectors < 2%)	*15%*	*15%*
Total	*100%*	*100%*
Loan portfolio breakdown by region (as a % of the outstanding portfolio)[2]		
Belgium	53%	55%
Czech Republic	19%	19%
Slovakia	6%	6%
Hungary	4%	4%
Bulgaria	6%	6%
Rest of Western Europe	7%	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[7]		
PD 1 (lowest risk, default probability ranging from 0.00% up to, but not including, 0.10%)	*23%*	*24%*
PD 2 (0.10% – 0.20%)	*20%*	*14%*
PD 3 (0.20% – 0.40%)	*12%*	*12%*
PD 4 (0.40% – 0.80%)	*12%*	*17%*
PD 5 (0.80% – 1.60%)	*15%*	*14%*
PD 6 (1.60% – 3.20%)	*9%*	*10%*
PD 7 (3.20% – 6.40%)	*5%*	*5%*
PD 8 (6.40% – 12.80%)	*2%*	*2%*
PD 9 (highest risk, ≥ 12.80%)	*1%*	*1%*
Unrated	*0%*	*0%*
Impaired		
PD 10	*0.9%*	*0.9%*
PD 11	*0.2%*	*0.3%*
PD 12	*0.7%*	*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)	91%	90%
Stage 2 (significant increase in credit risk since initial recognition – not credit impaired) incl. POCI[4]	8%	8%
Stage 3 (significant increase in credit risk since initial recognition – credit impaired) incl. POCI[4]	2%	2%
Total	100%	100%

B: Impaired loan portfolio	31-12-2025	31-12-2024
Impaired loans (PD 10 + 11 + 12; in millions of EUR or %)		
Impaired loans[5]	4 097	4 171
Of which more than 90 days past due	*2 103*	*2 178*
Impaired loans by business unit (as a % of the impaired loan portfolio)		
Belgium[1]	64%	65%
Czech Republic	15%	13%
International Markets	15%	13%
Slovakia	*5%*	*5%*
Hungary	*2%*	*2%*
Bulgaria	*8%*	*6%*
Group Centre	6%	9%
Total	100%	100%
Impaired loans by sector (as a % of the impaired loan portfolio)		
Distribution	21%	20%
Private individuals	16%	15%
Real estate[6]	10%	11%
Services	11%	10%
Automotive	9%	10%
Building and construction	9%	8%
Chemicals	3%	5%
Agriculture, farming, fishing	3%	3%
Other (sectors < 2%)	18%	17%
Total	100%	100%
Loan loss impairment (in millions of EUR)		
Impairment for Stage 1 portfolio	229	201
Impairment for Stage 2 portfolio, incl. POCI[4] (cured)	326	340
Impairment for Stage 3 portfolio, incl. POCI[4] (still impaired)	2 002	1 979
Of which impairment for impaired loans that are more than 90 days past due	*1 439*	*1 492*
Credit cost ratio		
Belgium Business Unit[1]	0.13%	0.19%
Czech Republic Business Unit	0.10%	-0.09%
International Markets Business Unit	0.18%	-0.08%
Slovakia	*0.05%*	*-0.14%*
Hungary	*0.06%*	*-0.27%*
Bulgaria	*0.40%*	*0.14%*
Group Centre[8]	-0.74%	1.58%
Total	0.13%	0.10%
Impaired loans ratio		
Belgium Business Unit[1]	1.8%	2.0%
Czech Republic Business Unit	1.3%	1.3%
International Markets Business Unit	1.7%	1.6%
Slovakia	*1.6%*	*1.5%*
Hungary	*0.8%*	*1.2%*
Bulgaria	*2.4%*	*2.0%*
Group Centre	34.2%	38.3%
Total	1.8%	2.0%
Of which more than 90 days past due	*0.9%*	*1.0%*
Coverage ratio		
Loan loss impairment / impaired loans	49%	47%
Of which more than 90 days past due	*68%*	*69%*
Loan loss impairment / impaired loans (excl. mortgage loans)	52%	50%
Of which more than 90 days past due	*71%*	*71%*

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 7 039 million euros at year-end 2025).
2 A more detailed breakdown by country is available in KBC's quarterly reports (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 75-million-euro decrease between 2025 and 2024 breaks down as follows: -99 million euros at the Belgium Business Unit, +51 million euros in the Czech Republic, +23 million euros in Slovakia, -19 million euros in Hungary ,+90 million euros in Bulgaria and -121 million euros for the rest.
6 Real estate: income producing real estate to third parties.
7 The reported PDs in the table: probability of default within 12 months. The evolution in PD2 and PD4 mainly results from a model redesign for mortgage loans in CSOB in the Czech Republic.
8 Negative ratio in 2025 as impairment releases were higher than charges.

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:

Loan portfolio breakdown by IFRS 9 ECL stage				31-12-2025				31-12-2024
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loan portfolio by country/business unit								
Belgium	56.9%	4.7%	1.1%	62.8%	57.9%	5.3%	1.3%	64.5%
Czech Republic	18.8%	1.5%	0.3%	20.5%	17.9%	1.2%	0.3%	19.4%
International Markets	14.8%	1.4%	0.3%	16.4%	14.1%	1.3%	0.3%	15.6%
Slovakia	*5.4%*	*0.4%*	*0.1%*	*6.0%*	*5.6%*	*0.3%*	*0.1%*	*5.9%*
Hungary	*3.8%*	*0.5%*	*0.0%*	*4.4%*	*3.4%*	*0.5%*	*0.0%*	*4.0%*
Bulgaria	*5.5%*	*0.4%*	*0.1%*	*6.1%*	*5.1%*	*0.4%*	*0.1%*	*5.7%*
Group Centre	0.2%	0.0%	0.1%	0.3%	0.3%	0.0%	0.2%	0.5%
Total	90.6%	7.6%	1.8%	100.0%	90.2%	7.8%	2.0%	100.0%
Loan portfolio by sector								
Private individuals	39.2%	1.8%	0.3%	41.3%	38.8%	1.7%	0.3%	40.8%
Finance and insurance	5.5%	0.1%	0.0%	5.6%	5.3%	0.1%	0.0%	5.3%
Governments	2.7%	0.4%	0.0%	3.1%	2.5%	0.3%	0.0%	2.9%
Corporates	43.2%	5.4%	1.5%	50.0%	43.6%	5.8%	1.6%	51.0%
Total	90.6%	7.6%	1.8%	100.0%	90.2%	7.8%	2.0%	100.0%
Loan portfolio by risk class								
PD 1–4	64.5%	2.2%	–	66.7%	64.5%	2.2%	–	66.7%
PD 5–9	26.1%	5.4%	–	31.5%	25.7%	5.6%	–	31.3%
PD 10–12	–	–	1.8%	1.8%	–	–	2.0%	2.0%
Total	90.6%	7.6%	1.8%	100.0%	90.2%	7.8%	2.0%	100.0%
Total (in millions of EUR)	206 524	17 321	4 097	227 942	190 193	16 538	4 171	210 903

Impairment broken down by IFRS 9 ECL Stage				31-12-2025				31-12-2024
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment by country/business unit								
Belgium	4.4%	5.6%	46.9%	56.9%	4.2%	6.7%	45.7%	56.5%
Czech Republic	2.1%	3.8%	10.5%	16.5%	1.6%	3.9%	9.6%	15.1%
International Markets	2.3%	3.3%	11.1%	16.7%	2.2%	2.9%	9.7%	14.8%
Slovakia	*0.6%*	*0.9%*	*3.7%*	*5.2%*	*0.5%*	*0.9%*	*3.6%*	*5.0%*
Hungary	*0.6%*	*0.9%*	*1.3%*	*2.8%*	*0.7%*	*0.7%*	*1.3%*	*2.7%*
Bulgaria	*1.2%*	*1.5%*	*6.1%*	*8.8%*	*1.0%*	*1.3%*	*4.8%*	*7.1%*
Group Centre	0.1%	0.0%	9.8%	9.8%	0.0%	0.0%	13.6%	13.6%
Total	9.0%	12.8%	78.3%	100.0%	8.0%	13.5%	78.5%	100.0%
Impairment by sector								
Private individuals	1.2%	3.4%	9.6%	14.2%	1.4%	3.7%	8.9%	14.1%
Finance and insurance	0.2%	0.2%	1.3%	1.7%	0.2%	0.2%	1.3%	1.6%
Governments	0.1%	0.1%	0.2%	0.3%	0.0%	0.1%	0.2%	0.3%
Corporates	7.4%	9.1%	67.3%	83.8%	6.4%	9.5%	68.2%	84.1%
Total	9.0%	12.8%	78.3%	100.0%	8.0%	13.5%	78.5%	100.0%
Impairment by risk class								
PD 1–4	1.6%	0.5%	–	2.2%	1.6%	0.7%	–	2.3%
PD 5–9	7.3%	12.2%	–	19.6%	6.4%	12.8%	–	19.1%
PD 10–12	–	–	78.3%	78.3%	–	–	78.5%	78.5%
Total	9.0%	12.8%	78.3%	100.0%	8.0%	13.5%	78.5%	100.0%
Total (in millions of EUR)	229	326	2 002	2 557	201	340	1 979	2 519

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)	Opening balance	Loans which have become forborne	Loans which are no longer considered to be forborne	Repayments	Write-offs	Other[1]	Closing balance
2025	1 843	638	-540	-196	-21	79	1 804
2024	2 303	545	-683	-334	-16	28	1 843

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
2025	400	43	-62	87	-48	3	422
2024	387	71	-61	100	-93	-4	400

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)
31-12-2025					
Total	1%	31%	11%	40%	18%
By client segment					
Private individuals[1]	1%	59%	3%	30%	8%
SMEs	1%	23%	15%	40%	22%
Corporations[2]	1%	20%	13%	46%	21%
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%

1 Some 81% of the forborne loans total relates to mortgage loans in 2025 (84% in 2024).
2 Some 14% of the forborne loans relates to commercial real estate loans in 2025 (19% in 2024).

Other credit risks in the banking activities

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, banking (in millions of EUR)	31-12-2025	31-12-2024
Issuer risk[1]	50.01	49.18
Counterparty credit risk of derivatives transactions[2]	3 655	4 130

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.

Credit risk exposure in the insurance activities

For the insurance activities, credit exposure exists primarily in the investment portfolio and towards reinsurance companies. We have guidelines in place for the purpose of controlling credit risk within the investment portfolio with regard to, for instance, portfolio composition and ratings.

The upper part of the table below shows the market value of the investment portfolio of the insurance entities broken down by asset type under Solvency II, while the lower part provides more details of the bond and other fixed-income security components of the portfolio.

Investment portfolio of KBC group insurance entities (in millions of EUR, market value)[1]	**31-12-2025**	**31-12-2024**
Per asset type (Solvency II)		
Securities	18 480	17 286
Bonds and alike	*17 091*	*16 021*
Shares	*1 347*	*1 224*
Derivatives	*42*	*41*
Loans and mortgages	1 856	2 076
Loans and mortgages to clients	*1 540*	*1 699*
Loans to banks	*316*	*377*
Property and equipment and investment property	162	306
Unit-linked investments[2]	18 005	16 602
Investments in associated companies	510	318
Other investments	6	6
Total	39 018	36 594
Details for bonds and other fixed-income securities		
By external rating[3]		
Investment grade	99%	99%
Non-investment grade	1%	1%
Unrated	0%	0%
By sector[3]		
Governments	70%	67%
Financial[4]	21%	23%
Other	9%	11%
By remaining term to maturity[3]		
Not more than 1 year	10%	8%
Between 1 and 3 years	15%	17%
Between 3 and 5 years	17%	18%
Between 5 and 10 years	35%	30%
More than 10 years	23%	28%

1 The total carrying value amounted to 39 199 million euros at year-end 2025 and to 36 759 million euros at year-end 2024. Figures differ from those appearing in Note 4.1 of the 'Consolidated financial statements' section, due to asset class reporting under Solvency II.

2 Representing the assets side of unit-linked (class 23) products and completely balanced on the liabilities side. No credit risk involved for KBC Insurance.

3 Excluding investments for unit-linked life insurance. In certain cases, based on extrapolations and estimates.

4 Including covered bonds and non-bank financial companies.

We are also exposed to a credit risk in respect of (re) insurance companies, since they could default on their commitments under (re)insurance contracts concluded with us. We measure this particular type of credit risk by means of a nominal approach (the maximum loss) and expected loss (EL), among other techniques. Name concentration limits apply. Probability of Default (PD) and expected loss is calculated using internal or external ratings. We determine the exposure at default (EAD) by adding up the net loss reserves and the premiums, and the loss given default (LGD) percentage is fixed at 50%.

Credit exposure to (re)insurance companies by risk class[1]: EAD and EL[2] (in millions of EUR)	EAD 2025	EL 2025	EAD 2024	EL 2024
AAA up to and including A-	229	0.1	228	0.1
BBB+ up to and including BB-	13	0.0	14	0.0
Below BB-	0	0.0	0	0.0
Unrated	0	0.0	0	0.0
Total	242	0.1	242	0.1

1 Based on internal ratings.
2 EAD figures are audited, whereas EL figures are unaudited.

Market risk in non-trading activities AUDITED

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).

Managing market risk in non-trading activities

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.

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

- **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 prepayments, 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 management of the non-trading books consists in maintaining a sound equilibrium between the resilience of the balance sheet to interest rate movements (value) and the generation of interest income, through the reinvestment of the free capital and the management of opportunities brought by natural imbalances in the product mix stemming from commercial 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 group, impact on value[2] (in millions of EUR)	2025	2024
Banking	-60	-55
Insurance	4	20
Total	-56	-35

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.

Through sensitivity gap analysis in the banking book, we manage the interest rate sensitivity of assets and liabilities across the different maturities, as shown in the table below. To determine the sensitivity gap, we break down the carrying value of assets (positive amount) and liabilities (negative amount) according to their maturity date for fixed rate instruments, or to their repricing date for floating rate instruments. We include derivative financial instruments, mainly to reduce exposure to interest rate movements.

Interest sensitivity gap of the ALM book (including derivatives), banking activities (in millions of EUR)

	0-1 year	1-5 years	5-10 years	>10 years
31-12-2025	3 273	10 216	3 595	1 090
Of which derivatives*	32 814	-41	-15 067	-18 045
31-12-2024	4 734	6 053	8 163	1 089
Of which derivatives*	16 429	1 428	2 936	-20 503

* The evolution of derivative values is related to an increase in the loan and asset-swapped bond portfolio in 2025.

Our interest rate exposure is mainly concentrated in the currencies of our primary markets (EUR, CZK, HUF and BGN), whereas the interest rate exposure to other currencies is less material. Looking at our funding mix, a large part of our portfolio consists of current and savings accounts (despite the migration to some term deposits in 2023 and 2024). More information on our funding mix can be found in the on 'Liquidity risk' section.

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 EBA.

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 -6.27% of tier-1 capital at year-end 2025. This is well below the -15% threshold, which is monitored by the ECB and indicates that the overall interest rate sensitivity of KBC's balance sheet is limited.

The SOT on EVE is complemented by the SOT on 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 -1.00% at year-end 2025, 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.

As regards the group's insurance activities, the fixed-income investments for the Non-life reserves are invested with the aim of matching the projected pay-out patterns for claims, based on extensive actuarial analysis.

The non-unit-linked Life activities combine a guaranteed interest rate with a discretionary participation feature (DPF) fixed by the insurer. The main risks to which the insurer is exposed as a result of such activities are a low-interest-rate risk (the risk that return on investments will drop below the guaranteed level) and the risk that the investment return will not be sufficient to give clients a competitive profit-sharing rate. The risk of low interest rates is managed via a cashflow-matching policy, which is applied to that portion of the Life insurance portfolios covered by fixed-income securities. Unit-linked Life insurance investments are not dealt with here, since this activity does not entail any market risk for KBC.

We also adopt an interest rate gap view for our insurance activities. The Life insurance assets and liabilities relating to business offering guaranteed rates are grouped according to the expected timing of cashflows, whereas, Non-life activities are less material in volume and have a substantially lower average duration.

Expected cashflows (not discounted), Life insurance activities (in millions of EUR)	0–1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
31-12-2025							
Fixed-income assets backing liabilities, guaranteed component	1 555	908	1 105	830	843	9 289	14 529
Equity	–	–	–	–	–	–	*1 021*
Property	–	–	–	–	–	–	*365*
Other (no maturity)	–	–	–	–	–	–	*183*
Liabilities, guaranteed component	1 257	975	764	751	779	10 556	15 083
Difference in time-sensitive expected cashflows	298	- 67	340	79	64	-1 267	- 553
Mean duration of assets							5.36 years
Mean duration of liabilities							6.60 years
31-12-2024							
Fixed-income assets backing liabilities, guaranteed component	1 629	942	924	1 072	895	8 507	13 969
Equity	–	–	–	–	–	–	*964*
Property	–	–	–	–	–	–	*286*
Other (no maturity)	–	–	–	–	–	–	*182*
Liabilities, guaranteed component	1 120	941	969	722	714	9 945	14 410
Difference in time-sensitive expected cashflows	509	1	-45	350	181	-1 438	-422
Mean duration of assets							5.67 years
Mean duration of liabilities							7.35 years

As mentioned above, the main interest rate risk for the insurer is the risk of low rates for a longer period. We adopt a liability-driven ALM approach focused on mitigating the interest rate risk in accordance with KBC's risk appetite. For the remaining interest rate risk, we adhere to a policy that takes into account the possible negative consequences of a sustained decline in interest rates, and have built up adequate supplementary reserves.

Breakdown of the reserves for non-unit-linked Life insurance by guaranteed interest rate, insurance activities	31-12-2025	31-12-2024
5.00% and higher	3%	3%
More than 4.25% up to and including 4.99%	4%	5%
More than 3.50% up to and including 4.25%	3%	3%
More than 3.00% up to and including 3.50%	8%	9%
More than 2.50% up to and including 3.00%	4%	4%
2.50% and lower	76%	74%
0.00%	3%	2%
Total	100%	100%

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. KBC primarily invests in government bonds from its domestic markets, with some diversification across Europe. Bonds denominated in non-domestic currencies are mainly intended to hedge same-currency liabilities. 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 2025, KBC Group, carrying value (in millions of EUR)

	At amortised cost	At fair value through other comprehensive income (FVOCI)	Held for trading	Total	*For comparison purposes: total at year-end 2024*	Economic impact of +100 basis points[1]
Sovereign	45 016	22 426	3 805	71 247	*63 480*	-3 332
Of which[2]:						
Czech Republic	*11 238*	*3 463*	*2 113*	*16 814*	*14 968*	*-708*
Belgium	*8 891*	*6 198*	*776*	*15 866*	*12 727*	*-872*
France	*4 348*	*2 582*	*1*	*6 931*	*6 851*	*-319*
Slovakia	*3 851*	*1 535*	*345*	*5 731*	*4 876*	*-295*
Hungary	*3 274*	*1 147*	*110*	*4 531*	*3 767*	*-120*
Non-sovereign[3]	6 736	4 556	3 407	14 699	14 225	-329

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. Sensitivity figures relate to non-trading positions in sovereign bonds for the banking and insurance businesses (impact on trading book exposure was quite limited and amounted to -48 million euros at year-end 2025).
2 Top 5 largest sovereign portfolios.
3 An immaterial portfolio held at fair value through profit or 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 main exposure to equity is within our insurance business, where the ALM strategies are based on a risk-return evaluation, taking into account the market risk attached to open equity positions. 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 (106 million euros) aims to contribute to the financial objectives through dividend payouts and capital gains. The equity portfolio held in the insurance business is largely diversified through sectors and geographical areas as it is benchmarked against a basket of major indexes such as the S&P 500 or the EUROSTOXX 600. 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 group	Banking activities		Insurance activities		Group	
	31-12-2025	31-12-2024	31-12-2025	31-12-2024	31-12-2025	31-12-2024
In millions of EUR*	236	239	1 579	1 422	1 816	1 660
of which unlisted	*236*	*231*	*282*	*240*	*518*	*471*

* The main reason for the difference with 'Equity instruments' in Note 4.1 of the 'Consolidated financial statements' section is that shares in the trading book are excluded above, but included in the table in Note 4.1.

Impact of a 25% drop in equity prices, impact on value (in millions of EUR)	2025	2024
Banking activities	-59	-60
Insurance activities	-395	-355
Total	-454	-415

Non-trading equity exposure (in millions of EUR)	Net realised gains (in income statement)		Net unrealised gains on year-end exposure (in equity)	
	31-12-2025	31-12-2024	31-12-2025	31-12-2024
Banking activities	–	–	-38	22
Insurance activities	1	-1	351	339
Total	1	-1	313	361

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.

KBC Insurance also holds a diversified real estate portfolio, as an investment for Non-life reserves and long-term Life activities. 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)	2025	2024
Bank portfolios	-113	-116
Insurance portfolios	-138	-120
Total	-251	-235

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. At KBC Insurance, inflation risk relates specifically to workmen's compensation insurance, where, particularly in the case of permanent or long-term disabilities, an annuity benefit is paid to the insured person (with the annuity being linked to inflation by law). KBC Insurance partly mitigates the risks by investing in inflation-linked bonds and complements its inflation hedging programme by investing in real estate and shares, as these assets are traditionally correlated with inflation and do not have a maturity date.

The banking business holds a portfolio of inflation-linked bonds with a sensitivity to inflation (BPI) of 4.2 million euros (a 0.10% move in inflation expectations) at the end of 2025. For the workmen's compensation business in the insurance activities the BPI of liabilities was calculated at -4.4 million euros (increasing the liabilities), against which inflation-linked bonds are held with a 3.6-million-euro BPI, supplemented with a 31-million-euro real estate portfolio. The sensitivity of liabilities to inflation is only known with a quarter's delay. Therefore, the insurance figures in this section are based on the third quarter of 2025.

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)		Banking		Insurance
	31-12-2025	31-12-2024	31-12-2025	31-12-2024
CZK	-251	-217	-39	-32
HUF	-79	-74	-12	-10
USD	-7	-3	-61	-59

* Exposure for currencies where the impact exceeds 10 million euros in Banking or Insurance. The BGN is pegged to the euro, ensuring a highly stable exchange rate and as of 2026, Bulgaria has adopted the euro.

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 Note 1.2 in the 'Consolidated financial statements' section.

Hedging interest rate risks

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.

Hedging foreign exchange risks

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 dedesignated hedging instrument can be redesignated 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 (under Danish compromise), KBC group (as % points of CET1 ratio), IFRS impact caused by:	31-12-2025	31-12-2024
+100-basis-point parallel shift in interest rates	-0.1%	-0.1%
+100-basis-point parallel shift in spread	-0.5%	-0.4%
-25% in equity prices	-0.1%	-0.2%

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 (FVOCI). Currently, roughly a quarter of KBC Bank's bond portfolio is captured at FVOCI. 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 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.

Managing liquidity risk

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, and ensures compliance with all internal and regulatory limits. 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

- **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 (159% in 2025) and the Net Stable Funding Ratio 138%), 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

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 (103 billion euros at year-end 2025 (or 101 billion euros, 12-month average over 2025), of which 74 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 2025, KBC had 74 billion euros' worth of unencumbered central bank eligible assets, 60 billion euros of which in the form of liquid government bonds (81%). 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)* (in billions of EUR)	<= 1 month	1–3 months	3–12 months	1–5 years	>5 years	On demand	Not defined	Total
31-12-2025								
Total inflows	9	13	30	110	136	2	57	358
Of which derivatives	0	0	1	3	0	0	0	4
Total outflows	53	28	16	21	7	201	31	358
Of which derivatives	0	0	1	3	0	0	0	5
Professional funding	*19*	*1*	*3*	*6*	*0*	*6*	*0*	*35*
Customer funding	*21*	*12*	*9*	*1*	*0*	*195*	*0*	*238*
Debt certificates	*11*	*15*	*4*	*14*	*7*	*0*	*0*	*50*
Other	*4*	*0*	*0*	*0*	*0*	*0*	*31*	*34*
Liquidity gap (excl. undrawn commitments)	-45	-15	14	89	129	-198	26	0
Undrawn commitments	–	–	–	–	–	–	-54	-54
Financial guarantees	–	–	–	–	–	–	-12	-12
Net funding gap (incl. undrawn commitments)	-45	-15	14	89	129	-198	-39	-66
31-12-2024								
Total inflows	7	14	29	105	119	7	55	336
Of which derivatives	0	1	1	2	0	0	0	5
Total outflows	66	25	19	26	7	163	30	336
Of which derivatives	*0*	*1*	*1*	*3*	*0*	*0*	*0*	*5*
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

* Cashflows include interest rate flows consistent with internal and regulatory liquidity reporting. Inflows/outflows that arise from central bank reserves and non-financial assets/liabilities 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. The liquidity table is based on the bank's consolidated scope. This implies that insurance entities are excluded, impacting asset composition. Additionally, repo transactions are excluded from liquidity inflows and outflows because they involve liquid collateral, resulting in no net liquidity impact. As for asset classification, equity instruments are not considered liquid due to their inherent volatility. Similarly, corporate bonds are treated as less liquid for the same reason.

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	31-12-2025	31-12-2024
Funding from customers[1]	Demand deposits, term deposits, savings deposits, other deposits, savings certificates and debt issues placed in the network	76%	75%
Debt issues placed with institutional investors	Including covered bonds, tier-2 issues, KBC Group NV senior debt	8%	8%
Net unsecured interbank funding	Including TLTRO	3%	3%
Net secured funding[2]	Repo financing	-3%	-0%
Certificates of deposit	–	7%	5%
Total equity	Including AT1 issues	9%	8%
Total		100%	100%
in billions of EUR		315	306

1 Some 87% of this funding relates to private individuals and SMEs at year-end 2025.
2 Negative on account of KBC carrying out more reverse repo transactions than repo transactions.

Market risk in trading activities AUDITED

General information
Credit risk
Market risk in non-trading activities
Liquidity risk
Market risk in trading activities
Technical insurance risk
Non-financial risks

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.

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 via sales desks in the UK and Asia.

Managing market risk

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.

The building blocks for managing market risk

- **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

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.

To compute shifts in the risk factors (interest rate risk, FX risk, equity risk), the Historical Value-at-Risk (HVaR) method is used. This means that the actual market performance is used in order to simulate how the market could develop going forward. KBC's HVaR methodology for regulatory capital calculation is based on a 10-day holding period and a 99% confidence level, with historical data going back 500 working days.

The tables below show the Management HVaR for the residual trading positions at all the dealing rooms of KBC that can be modelled by HVaR and the breakdown per risk type.

While HVaR provides a useful estimate of potential losses under normal market conditions, the HVaR relies on historical data to simulate future price movements which might not capture sudden market shifts or structural changes. During periods of market stress or illiquidity, it is possible that positions cannot be liquated or hedged within the defined holding period. Additionally, tail risks can be understated as a 99% confidence level is used.

Market risk (Management HVaR) (in millions of EUR)	2025	2024
Average for 1Q	4	7
Average for 2Q	4	5
Average for 3Q	4	5
Average for 4Q	4	4
As at 31 December	4	4
Maximum in year	6	10
Minimum in year	2	3

Breakdown by risk factor of trading HVaR for the KBC group (Management HVaR; in millions of EUR)	Average for 2025	Average for 2024
Interest rate risk	3.6	4.9
FX risk	0.4	0.5
Equity risk	2.1	1.9
Diversification effect	-2.2	-2.0
Total HVaR	4.0	5.2

Technical insurance risk AUDITED

General information
Credit risk
Market risk in non-trading activities
Liquidity risk
Market risk in trading activities
Technical insurance risk
Non-financial risks

Technical insurance risk is the risk of loss due to (re)insurance liabilities or of adverse developments in the value of (re)insurance liabilities related to Non-life, Life and Health (re)insurance contracts, stemming from uncertainty about the frequency and severity of losses.

Managing technical insurance risk

In the area of technical insurance risk, the ExCo is supported by the Group Insurance Committee (GIC), which monitors risks and capital regarding the (re)insurance activities. The governance, rules and procedures on how technical insurance risk management should be performed throughout the group are outlined in the Technical Insurance Risk Management Framework. Its implementation is monitored by Group Risk and its Technical Insurance Risk Competence Centre. The Competence Centre is responsible for providing support for local implementation and for the functional direction of the insurance risk management processes of the insurance subsidiaries. The actuarial function helps to ensure continuous compliance with the requirements regarding the calculation of technical provisions and the risks arising from this calculation and assesses the reinsurance policy and underwriting risk.

The building blocks for managing technical insurance risk

- **Risk identification**: all risk identification exercises described in the 'Components of sound risk management' section apply to the technical insurance risk management context (such as the Risk Scan, the NAPP and the collection of risk signals). Furthermore, special attention is paid to the adequacy of the technical provisions. Part of the risk identification process consists of reliably classifying all insurance risks that may be triggered by (re)insurance contracts. Under the Solvency II directive, insurance activities are split up into three main categories, namely Life, Non-life and Health, each sub-divided into catastrophe and non-catastrophe risks.
- **Risk measurement**: technical insurance risk is measured by means of both regulatory measures, such as Solvency Capital Requirement (SCR) and Best Estimate valuation of insurance liabilities, and internal measures on, for example, economic profitability of insurance portfolios and Non-life capital requirements based on internal stochastic models. These measures of insurance risk are used consistently throughout the group.

- **Setting and cascading risk appetite**: the risk appetite for technical insurance risk is set at low and is overseen by the GIC, where the defined limits are reviewed and reported. The insurance risk limits are determined and set at group level and further cascaded to the local entities. The necessary compliance checks are conducted.
- **Risk analysis, reporting, response and follow-up**: regular reporting and follow-up of the risk measurements is presented in the Insurance Integrated Risk Report, which is submitted to the Group Insurance Committee on a quarterly basis. In addition, relevant risk signals are reported on a regular basis as part of the regular (Insurance) Integrated Risk Report.
- **Stress testing**: internal and externally driven (regulatory) stress tests and sensitivity analyses are performed and the outcome of these tests is reported in the annual Own Risk and Solvency Assessment report (ORSA) and other reports (such as the Regular Supervisory Report (RSR) and the Insurance Integrated Risk Report).

Reinsurance

The insurance portfolios are protected against the impact of large claims or the accumulation of losses by limits per policy, diversification of the portfolio across product lines and geographical regions, and reinsurance. More information on how concentration risks are identified and managed is available in the Solvency & Financial Condition Report (SFCR), at www.kbc.com.

Reinsurance programmes can be divided into three main groups, i.e. property insurance, liability insurance and personal insurance. Most of the reinsurance contracts are concluded on a non-proportional basis, which provides specific cover against the impact of large loss events.

The independent insurance risk function is responsible for:

- Advising on the restructuring of the reinsurance programme during the annual negotiations
- Informing management on a quarterly basis of the top natural catastrophe claims and how these were managed and mitigated
- Conducting ad hoc analyses/deep dives following risk signals or management requests to analyse possible trends in catastrophe events

Actuarial function

The Solvency II regulatory framework requires an actuarial function to be installed as one of the independent control functions (in addition to the risk management, compliance and internal audit functions) at the level of each insurance entity and at insurance group level. An actuarial function holder is appointed to take charge of the actuarial function's activities. Basically, the task of such a function is to ensure that the company's Board of Directors or Supervisory Board is fully informed of technical actuarial topics in an independent manner.

The main tasks of the actuarial function are to:

- Ensure the appropriateness of the methodologies and underlying models used, as well as the assumptions made, in the calculation of technical provisions
- Assess the sufficiency and quality of the data used in the calculation of technical provisions
- Compare best estimates against experience
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions
- Express an opinion on the overall underwriting policy
- Express an opinion on the adequacy of reinsurance arrangements
- Contribute to the effective implementation of the risk management, in particular with respect to the risk modelling underlying the calculation of the capital requirements

Sensitivity to parameters underlying the IFRS 17 valuation of insurance liabilities

The table gives an overview of the sensitivity of IFRS 17 insurance liabilities to a change at the reporting date of a selection of parameters which are used in the calculation of the IFRS 17 fulfilment cashflows. Liabilities on the balance sheet which are in scope of IFRS 9 reporting, mainly unit-linked liabilities, are not included in the sensitivity reporting below. The impact is reported before reinsurance, given the small impact which the reinsurance has on the sensitivities.

				31-12-2025				31-12-2024
Sensitivity (in millions of EUR)	Discounted fulfilment cashflows	Contractual Service Margin	Result before tax	Equity: OCI before tax	Discounted fulfilment cashflows	Contractual Service Margin	Result before tax	Equity: OCI before tax
Life insurance: balance	11 848	2 261	–	–	11 782	2 143	–	–
Impact of:								
Mortality rates: +1%	*6*	*-4*	*0*	*-2*	*6*	*-4*	*-0*	*-1*
Mortality rates: -1%	*-6*	*4*	*0*	*2*	*-6*	*5*	*-0*	*1*
Morbidity rates: +1%	*7*	*-7*	*-1*	*1*	*6*	*-6*	*-1*	*1*
Morbidity rates: -1%	*-7*	*7*	*1*	*-1*	*-6*	*7*	*0*	*-1*
Expenses: +5%	*50*	*-55*	*-6*	*12*	*55*	*-57*	*-7*	*9*
Expenses: -5%	*-50*	*56*	*6*	*-12*	*-55*	*57*	*6*	*-9*
*Lapse rate: +10%**	*59*	*91*	*9*	*-159*	*58*	*5*	*3*	*-66*
*Lapse rate: -10%**	*-61*	*-96*	*-10*	*168*	*-60*	*-5*	*-4*	*69*
Non-life insurance: balance	2 551	–	–	–	2 444	–	–	–
Impact of:								
Unpaid claims & expenses: +5%	*127*	–	*-133*	*7*	*122*	–	*-125*	*3*
Unpaid claims & expenses: -5%	*-127*	–	*133*	*-7*	*-122*	–	*125*	*-3*

* The significant change in the impact on CSM and OCI is due to the further increase in interest rates in 2025.

Comparison of IFRS 17 carrying amount and amounts payable for Life insurance contracts

In this table the amounts 'payable on demand' for Life insurance contracts measured under IFRS 17 are set off against the carrying amount of those contracts. The carrying amount is defined as the sum of the present value of future cashflows of those contracts increased by the risk adjustment and the contractual service margin. 'Amounts payable on demand' is the amount to which policyholders are contractually entitled if they were to surrender their contracts on the reporting date, before deduction of the surrender fees.

			31-12-2025			31-12-2024
Life insurance (in millions of EUR)	Amounts payable on demand	Carrying amount of insurance liabilities	Difference	Amounts payable on demand	Carrying amount of insurance liabilities	Difference
Unit-linked (IFRS 17)	869	891	22	808	842	34
Non-unit-linked*	12 489	12 149	-340	11 866	12 099	232
Hybrid contracts	1 306	1 069	-237	1 165	985	-180
Total	14 663	14 109	-555	13 839	13 925	87

* The evolution of amounts payable on demand and carrying amount of insurance liabilities is due to the increase in the discounting interest rate.

Sensitivity of the IFRS 17 valuation of insurance liabilities to a change in the discount curve

The table shows the sensitivity to a 30-bp parallel shift up and down of the discount curve.

Sensitivity (in millions of EUR)	31-12-2025 Fulfilment cashflows	Contrac-tual Service Margin	Result before tax	Equity: OCI before tax	31-12-2024 Fulfilment cashflows	Contrac-tual Service Margin	Result before tax	Equity: OCI before tax
Life insurance:								
Assets*: balance	15 300	–	–	–	14 729	–	–	–
Impact of discount rate +0.30%	*-225*	*0*	*2*	*-227*	*-230*	*0*	*4*	*-234*
Impact of discount rate -0.30%	*230*	*0*	*-2*	*232*	*238*	*0*	*-4*	*242*
Insurance liabilities (excl. unit-linked): balance	11 848	2 261	–	–	11 782	2 143	–	–
Impact of discount rate +0.30%	*-300*	*-2*	*0*	*302*	*-334*	*6*	*-0*	*328*
Impact of discount rate -0.30%	*306*	*1*	*1*	*-308*	*364*	*-7*	*1*	*-358*
Combined effect	–	–	–	–	–	–	–	–
Impact of discount rate +0.30%	*75*	*2*	*2*	*75*	*104*	*-6*	*3*	*95*
Impact of discount rate -0.30%	*-77*	*-1*	*-1*	*-77*	*-126*	*7*	*-3*	*-116*
Non-life insurance								
Assets*: balance	4 767	–	–	–	4 204	–	–	–
Impact of discount rate +0.30%	*-14*	*0*	*0*	*-14*	*-13*	*0*	*0*	*-13*
Impact of discount rate -0.30%	*15*	*0*	*0*	*15*	*13*	*0*	*0*	*13*
Insurance liabilities: balance	2 551	–	–	–	2 444	–	–	–
Impact of discount rate +0.30%	*-34*	*0*	*0*	*34*	*-36*	*0*	*0*	*35*
Impact of discount rate -0.30%	*36*	*0*	*0*	*-35*	*38*	*0*	*-0*	*-37*
Combined effect	–	–	–	–	–	–	–	–
Impact of discount rate +0.30%	*20*	*0*	*0*	*19*	*23*	*0*	*0*	*23*
Impact of discount rate -0.30%	*-21*	*0*	*0*	*-21*	*-25*	*0*	*-0*	*-24*

* Covering assets.

Non-life claims development

The table below provides a disclosure about claims development (the Non-life Building Block Approach is excluded because of immateriality). For each accident year, this table shows a yearly follow-up of the total claim charge throughout the years following the year in which the claims occurred. The estimate of the future cashflows is obtained by subtracting for each accident year the amounts that have already been paid from the total estimated claims charge of that year. As IFRS 17-compliant data is available from 2022 on, the four last diagonals show the claims charge calculated according to IFRS 17 principles. The figures in italics were reported under IFRS 4 and are added for reference.

Non-life claims development, KBC insurance (in millions of EUR)	Accident year <2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimates of undiscounted cumulative claims before reinsurance												
At the end of accident year:	–	*1 024*	*1 000*	*1 072*	*1 149*	*1 018*	*1 262*	1 097	1 091	1 247	1 298	–
1 year later	–	*888*	*882*	*939*	*1 019*	*897*	1 022	1 091	1 234	1 327	–	–
2 years later	–	*825*	*849*	*894*	*989*	782	1 020	1 086	1 158	–	–	–
3 years later	–	*811*	*833*	*876*	895	793	1 028	1 100	–	–	–	–
4 years later	–	*806*	*816*	782	903	779	1 017	–	–	–	–	–
5 years later	–	*787*	743	786	888	786	–	–	–	–	–	–
6 years later	–	746	743	782	899	–	–	–	–	–	–	–
7 years later	–	751	740	786	–	–	–	–	–	–	–	–
8 years later	–	751	748	–	–	–	–	–	–	–	–	–
9 years later	–	755	–	–	–	–	–	–	–	–	–	–
Estimates of undiscounted cumulative claims before reinsurance at reporting date	–	755	748	786	899	786	1 017	1 100	1 158	1 327	1 298	9 873
Cumulative actual claims paid before reinsurance in the last 10 accident years	–	667	671	711	788	686	879	903	924	997	653	7 877
Total (cumulative) undiscounted future cashflows before reinsurance	739	88	77	75	111	100	138	198	235	329	645	2 735
Effect of discounting	–	–	–	–	–	–	–	–	–	–	–	-469
Effect of (discounted) risk adjustment	–	–	–	–	–	–	–	–	–	–	–	275
Other	–	–	–	–	–	–	–	–	–	–	–	-6
Discounted insurance liabilities for incurred claims before reinsurance	–	–	–	–	–	–	–	–	–	–	–	2 533
Discounted ceded reinsurance assets for incurred claims	–	–	–	–	–	–	–	–	–	–	–	99

Non-financial risks include:

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

Operational risk

Managing operational risk

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. Its implementation is coordinated and monitored by the Centre of Competence Operational Risk within 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 subtypes. 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 subtypes 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 subtype (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 via the annual Internal Control Statement to the ExCo, AC, RCC and Board and, externally, to the NBB, the FSMA and the ECB. 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 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 all 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 potential termination.

Outsourcing is a specific subset of third-party arrangements, where the service provider performs tasks that would otherwise be carried out by the institution itself. Regulatory frameworks such as the EBA Guidelines on Outsourcing and Third-Party Risk and the EIOPA Guidelines on Outsourcing provide comprehensive governance expectations, emphasising risk-based decision-making, board-level accountability, and full lifecycle oversight of outsourcing relationships.

To ensure robust management of its third-party and outsourcing processes and risks, KBC has defined a single group-wide approach which comprises a group-wide Outsourcing and DORA Third-Party Risk Management (TPRM) policy. This policy sets out the principles and strategy for third-party activities and standardises the approach when a transfer of an activity is considered.

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 to ensure the availability of critical activities. 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, business continuity plans and practical scenarios called runbooks are available on how to handle an ongoing crisis. Lessons learned from any (internal or external) incident, crisis or dry-run testing, are drawn and, when needed, our BCM plans are adapted.

Compliance risk

Managing compliance risks

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, Business Ethics, Consumer Protection, Governance aspects of CRD IV, V, and VI, 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) continues to work on developing the foundations of a strong group-wide compliance function. The main focus points are processes and efficiency, creating a future-proof strategy reflected in the vision and strengthening staffing and the management team. In addition, GCPL invests 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 and issued regulatory provisions. Special emphasis is placed on a preventive risk management approach (for example, embargo circumvention measures).

Data and Consumer Protection and AI

Conformity with personal data protection 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 privacy protection and 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 GDPR, the ePrivacy Directive, PSD3/PSR, the Basic Banking Service and the Accessibility Act. 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 already developed its 'Trusted AI Framework, which ensures that the technologies we use operate in a transparent, fair and secure way. KBC is currently implementing the AI Act through a Compliance-led project involving multiple stakeholders across the organisation. The project focuses on several key workstreams: conducting gap assessments to identify compliance gaps, translating regulatory requirements into practical business rules, defining an AI Governance framework, providing targeted training to raise awareness, developing the necessary tools to support an AI inventory.

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 2025, we continued to apply 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, GCPL therefore advises on and monitors compliance with governance aspects of CRD IV, V and VI, 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 2025, significant focus was placed on enhancing the group reporting of complaints towards the Board and further defining the role of the compliance function within the Fit & Proper framework. These efforts were closely aligned with the first Line of Defence and the local compliance functions of group entities. Additionally, emerging and updated regulatory requirements – such as CRD VI, DORA, TPRM guidelines, and revised governance standards from EBA, EIOPA, and NBB – were actively monitored and assessed for their impact on these governance domains.

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.

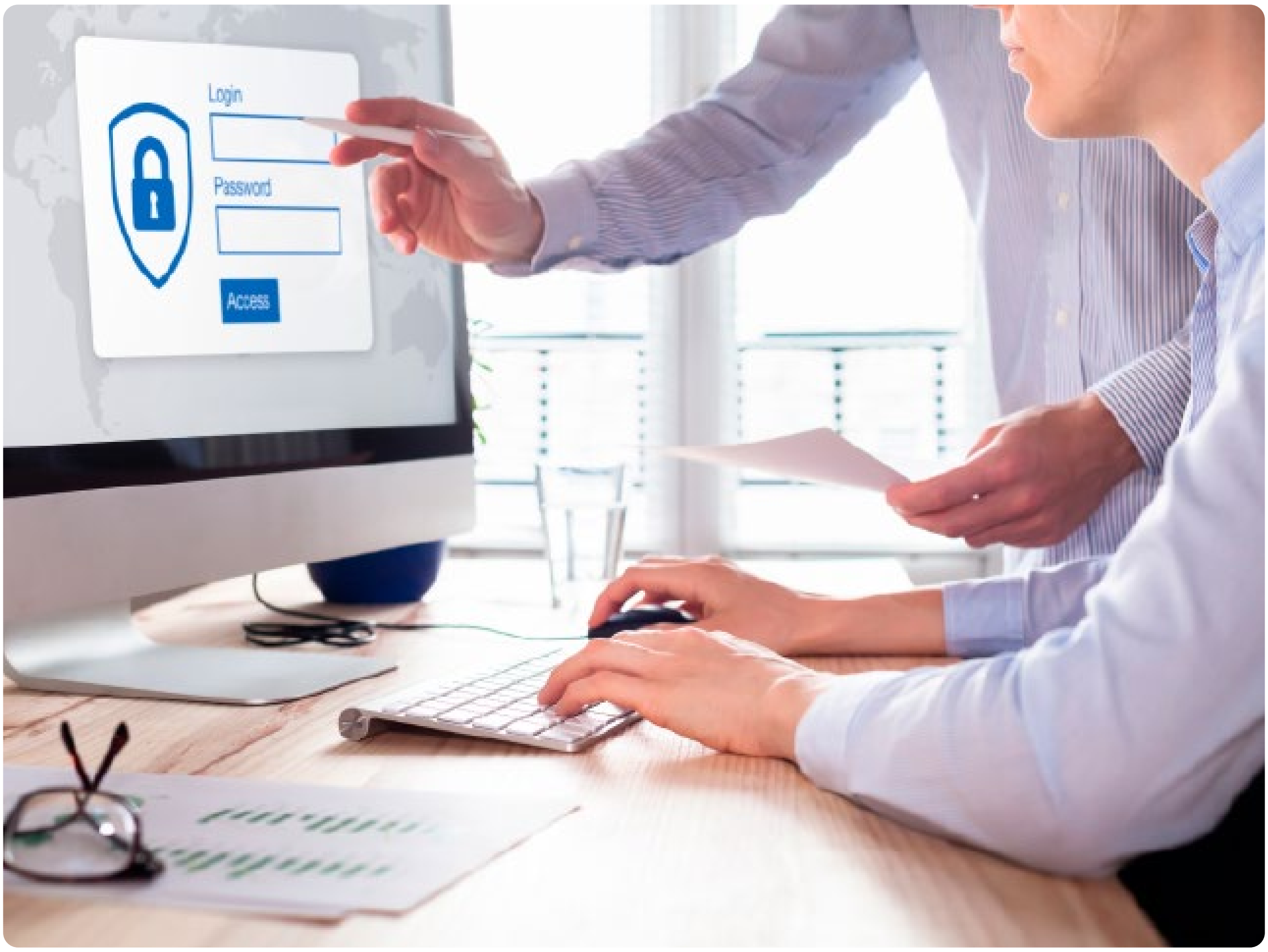
Risks linked to irresponsible and/or unethical behaviour are often labelled as 'conduct risk'. As in previous years, KBC continues to limit and mitigate these risks with targeted training and awareness programmes, codes of conduct and specific policies on conflicts of interest, anti-corruption, gifts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

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.

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.



Capital management

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 reporting

We report the solvency of the group, the bank and the insurance company based on IFRS data and according to the rules imposed by the regulator. For the KBC group, 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. Currently, KBC makes use of the Basel 4 transitional measures. These measures include a five-year implementation period for the output floor (2025–2030), which limits the benefit of internal risk models by requiring banks to hold capital based on at least 72.5% of standardised risk-weighted assets. Additional EU-specific transitional arrangements – such as the delayed application of stricter rules for unrated corporates – extend the full impact until 2033. In addition to the official transitional solvency ratios, KBC also reports 'fully loaded' figures, assuming the full application of all regulatory rules, without any transitional relief. In the figures below, as of 2025, 'fully loaded' is to be understood as 'unfloored fully loaded', which means no transitional relief except for the output floor (expected to become a constraint only as from 2033 onwards).

Based on CRR/CRD, profit can be included in CET1 capital only after the profit appropriation decision by the final decision-making body (for KBC Group this is the General Meeting). The ECB can allow the inclusion of 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. Until the first quarter of 2025, our dividend policy of 'at least 50%' did not include a maximum and, therefore, KBC did not request ECB approval to include interim or annual profit in CET1

capital before the decision of the General Meeting. As such, the annual profit of 2024 and the dividend for 2024 were recognised in the official *transitional* CET1 of the first quarter of 2025, which is reported after the General Meeting. As from the second quarter of 2025, KBC's updated dividend policy includes a pay-out range of 50%-65%. This allows us to request ECB approval to include the profit in transitional CET1 before the decision of the General Meeting. The pay-out ratio to be applied is the higher of the maximum pay-out ratio in the dividend policy (65%), the pay-out ratio of previous year (58% for 2025 reporting) and the average pay-out ratio of the three previous years (76% for 2025 reporting).
The *fully loaded* figures immediately reflect the interim or annual profit, taking into account a 50% payout and/or any dividend proposal and/or decision by the Board of Directors. Hence, the year-end 2025 fully loaded figures reflect the proposed dividend of 5.10 euros per share that is proposed to the General Meeting Shareholders for approval

The general rule under CRR/CRD for insurance participations is that an insurance participation is deducted from common equity at group level, unless the competent authority grants permission to apply a risk weighting instead (Danish compromise). Since the fourth quarter of 2020, the revised CRR/CRD requires the use of the equity method, unless the competent authority allows institutions to apply a different method. KBC has received ECB approval to continue to use the historical carrying value for risk weighting (250% as of 2025, 370% before that), after having deconsolidated KBC Insurance from the group figures.

Solvency requirements

- 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). In addition, CRR/CRD requires a capital conservation buffer of 2.5%.
- 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). Following the SREP cycle for 2025, the ECB formally notified KBC that the pillar 2 requirement (P2R) is set at 1.95%, of which 1.10% in CET1 taking into account CRD Article 104a. KBC aims to optimise its capital structure by entirely filling up the AT1 and T2 buckets within Pillar 1 and the P2R. The pillar 2 guidance (P2G) is set at 1.0% of CET1.
- The overall capital requirement for KBC is determined not only by the ECB, but also by the decisions of the local competent authorities in its core markets. The most recently announced countercyclical buffer rates by the countries where KBC's relevant credit exposures are located correspond to a countercyclical buffer at KBC group level of 1.28%. For Belgian systemic financial institutions, the NBB had already announced its systemic capital buffers at an earlier date. For the KBC group, this means that an additional capital buffer of 1.5% of CET1 is required. The sectoral systemic risk buffer for exposures secured by residential real estate in Belgium will be deactivated as from 1 July 2026 (it currently corresponds to 0.10% of total RWA for KBC Group consolidated).
- Altogether, this brings the fully loaded CET1 requirement (under the Danish compromise) to 10.87%.

Solvency figures under CRR/CRD

Solvency at group level (consolidated; under CRR/CRD, Danish compromise method) (in millions of EUR)	31-12-2025 Fully loaded	31-12-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Total regulatory capital, after profit appropriation[1]	24 813	24 381	22 374	21 048
Tier-1 capital	21 728	21 295	19 811	18 485
Common equity	19 228	18 795	17 947	16 621
Parent shareholders' equity (after deconsolidating KBC Insurance)	23 813	23 813	21 589	18 932
Intangible fixed assets, incl. deferred tax impact (-)	-928	-928	-743	-743
Goodwill on consolidation, incl. deferred tax impact (-)	-1 075	-1 075	-1 052	-1 052
Minority interests	0	0	0	0
Hedging reserve, cashflow hedges (-)	10	10	508	508
Valuation differences in financial liabilities at fair value – own credit risk (-)	-28	-28	-29	-29
Value adjustment due to requirements for prudent valuation (-)[2]	-41	-41	-35	-35
Dividend payout (-)	-1 626	-2 064	-1 249	0
Share buyback - partly not yet executed (-)	0	0	0	0
Coupon on AT1 instruments (-)	-29	-29	-27	-27
Deduction with regard to financing provided to shareholders (-)	-20	-20	-23	-23
Deduction with regard to irrevocable payment commitments (-)	-87	-87	-90	-90
Deduction regarding NPL backstops (-)[3]	-182	-182	-205	-205
Deduction with regard to pension plan assets (-)	-208	-208	-205	-205
IRB provision shortfall (-)	-263	-257	-141	-66
Deduction with regard to first loss in SRT transactions (-)	-7	-7	0	0
Deferred tax assets on losses carried forward (-)	-103	-103	-353	-353
Transitional adjustments to CET1	0	0	0	7
Limit on deferred tax assets from timing differences relying on future profitability and significant participations in financial entities (-)	0	0	0	0
Additional going concern capital[4]	2 500	2 500	1 864	1 864
CRR-compliant AT1 instruments	2 500	2 500	1 864	1 864
Minority interests to be included in additional going concern capital	0	0	0	0
Tier-2 capital	3 085	3 086	2 563	2 563
IRB provision excess (+)	214	214	167	167
Transitional adjustments to Tier-2 capital	0	0	0	0
Subordinated liabilities[5]	2 872	2 872	2 396	2 396
Subordinated loans to non-consolidated financial sector entities (-)	0	0	0	0
Minority interests to be included in tier-2 capital	0	0	0	0
Total weighted risk volume	129 455	127 588	119 945	119 950
Banking	122 664	120 797	110 082	110 087
Credit risk	101 908	100 541	94 213	94 218
Market risk[6]	3 419	2 919	2 026	2 026
Operational risk	17 337	17 337	13 843	13 843
Insurance	6 171	6 171	9 133	9 133
Holding-company activities and elimination of intercompany transactions	620	620	729	729
Solvency ratios[7]				
Common equity ratio (or CET1 ratio)	14.9%	14.7%	15.0%	13.9%
Tier-1 ratio	16.8%	16.7%	16.5%	15.4%
Total capital ratio	19.2%	19.1%	18.7%	17.5%

1 The difference between the fully loaded and the transitional figure as at 31-12-2025 is explained by the proposed final dividend (1 626 million euros as proposed to the General Meeting of shareholders in fully loaded versus a 2 064 million euros foreseeable dividend based on interim profit recognition rules in the transitional figures) and the impact of the IRB excess/shortfall (-6 million euros higher in the fully loaded figures).

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) needs to be brought back to its 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 NPL backstops refer to the minimum coverage requirements on non-performing loans for loans originated after 26 April 2019 (CRR requires a deduction from CET1) and the ECB minimum coverage expectations on non-performing loans for exposures originated before 26 April 2019 (KBC decided to voluntary deduct from CET1 any shortfalls relative to supervisory expectations).

4 In September 2024, KBC Group issued a new AT1 for an amount of 750 million euros and at the same time repurchased 636 million euros from the 1-billion-euro AT1 instrument that was issued in April 2018 and that had a first call date of 24 October 2025. In May 2025, KBC issued a new AT1 instrument for an amount of 1 billion euros; in October 2025 KBC called the remaining 364 million euros of the 1-billion-euro AT1 instrument that was issued in April 2018.

5 The EBA Monitoring report on AT1, tier-2 and TLAC/MREL eligible liabilities instruments (27 June 2024) recommends the use of the carrying amounts (including accrued interest and hedge adjustments) instead of nominal amounts for own funds calculation. KBC has applied this EBA recommendation: as at 31-12-2025 it had a 56 million-euro positive impact on tier-2 capital at KBC Group level.

6 The HVAR and SVAR multiplier used for the calculation of market risk is equal to 3.0.

7 As of 2025, fully loaded is to be understood as 'unfloored fully loaded', which means taking into account the total risk-weighted assets impact of Basel IV, excluding the output floor impact.

In 2025, we updated our dividend and capital deployment policy. The new policy is explained under 'stringent risk, capital and liquidity management framework' in the 'Our strategy' section of this report.

The fully loaded CET1 ratio dropped from 15.0% (Basel III) at year-end 2024 to 14.9% at year-end 2025 (Basel IV, unfloored, fully loaded), which is explained by Basel IV (impact of -0.3 percentage points unfloored fully loaded), the 2025 profit (impact of +2.6 percentage points under the Danish Compromise), the proposed total dividend of 5.10 euros per share (impact of -1.6 percentage points) and the increase in RWA (impact of -0.8 percentage points). The acquisition of 365.Bank (finalised on 15 January 2026) and Business Lease (finalised on 10 February 2026) will have a combined impact on the fully loaded CET1 ratio of approximately -0.5 percentage points.

The impact on the common equity ratio of the most significant acquisitions and disposals in 2025 and 2024 is described in Note 6.6 of the 'Consolidated financial statements' section.

Solvency at group level (consolidated; CRR/CRD, deduction method) (in millions of EUR)	31-12-2025 Fully loaded	31-12-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Common equity	18 703	18 227	17 303	15 843
Total weighted risk volume	128 143	126 168	115 372	115 044
Common equity ratio	14.6%	14.4%	15.0%	13.8%

Condensed solvency calculations for KBC Bank and KBC Insurance can be found in Note 6.7 of the 'Consolidated financial statements' section.

Maximum Distributable Amount

Amounts for distribution (dividend payments, payments related to additional tier-1 instruments or variable remuneration) are limited when the combined buffer requirements described above are breached. This limitation is referred to as Maximum Distributable Amount (MDA) thresholds.

Buffer compared to the Overall Capital Requirement (consolidated; under CRR/CRD, Danish compromise method)	31-12-2025 Fully loaded	31-12-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
CET1 Pillar 1 minimum	4.50%	4.50%	4.50%	4.50%
Pillar 2 requirement to be satisfied with CET1	1.10%	0.98%	1.09%	1.05%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Buffer for systemically important institutions (O-SII)	1.50%	1.50%	1.50%	1.50%
Systemic risk buffer	0.00%	0.10%	0.14%	0.14%
Entity-specific countercyclical buffer	1.28%	1.15%	1.15%	1.12%
Overall Capital Requirement (OCR) – with P2R split, CRD Article 104a(4)	10.87%	10.74%	10.88%	10.80%
CET1 used to satisfy shortfall in AT1 bucket	-0.07%	-0.13%	0.27%	0.29%
CET1 used to satisfy shortfall in T2 bucket	0.10%	0.02%	0.30%	0.33%
CET1 requirement for MDA	10.91%	10.74%	11.45%	11.42%
CET1 capital (in millions of EUR)	19 228	18 795	17 947	16 621
CET1 buffer (= buffer compared to MDA) (in millions of EUR)	5 100	5 095	4 212	2 919

Solvency figures under FICOD

KBC also has to disclose its solvency position as calculated in accordance with the Financial Conglomerate Directive. In line with this directive, available capital is calculated on the basis of the consolidated position of the group and the eligible items recognised as such under the prevailing sectoral rules, which are CRD for the banking business and Solvency II for the insurance business. The resulting available capital is to be compared with a capital requirement expressed as a risk-weighted asset amount. For this latter figure, the capital requirements for the insurance business (based on Solvency II) are multiplied by 12.5 to obtain a risk-weighted asset equivalent (instead of the risk weighting applied to the equity value in the insurance company under the Danish compromise).

KBC is required to satisfy the pillar 1 requirements. No pillar 2 requirements or management target are defined at the level of the FICOD ratio.

Solvency at group level (consolidated; FICOD method) (in millions of EUR)	31-12-2025 Fully loaded	31-12-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Common equity	21 514	21 082	19 456	18 563
Total weighted risk volume	151 633	149 766	138 265	138 270
Common equity ratio	14.2%	14.1%	14.1%	13.4%

Leverage ratio

Leverage ratio at group level (consolidated; under CRR/CRD, Danish compromise method) (in millions of EUR)	31-12-2025 Fully loaded	31-12-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Tier-1 capital	21 728	21 295	19 811	18 485
Total exposure	388 869	388 869	360 085	360 092
Total assets	397 372	397 372	373 048	373 048
Deconsolidation of KBC Insurance	-36 155	-36 155	-33 734	-33 734
Transitional adjustment	0	0	0	7
Adjustment for derivatives	1 197	1 197	-885	-885
Adjustment for regulatory corrections in determining tier-1 capital	-2 820	-2 820	-2 681	-2 681
Adjustment for securities financing transaction exposures	1 482	1 482	1 686	1 686
Central bank exposures	0	0	0	0
Off-balance-sheet exposures	25 793	25 793	22 651	22 651
Leverage ratio	5.6%	5.5%	5.5%	5.1%

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).

Minimum requirement for own funds and eligible liabilities (MREL)

Besides the ECB and NBB, which supervise KBC on a going concern basis, KBC is also subject to requirements set by the Single Resolution Board (SRB). The SRB is developing resolution plans for the major banks in the euro area.

The resolution plan for KBC is based on a Single Point of Entry (SPE) approach at KBC group level, with 'bail-in' as the primary resolution tool. Bail-in implies a recapitalisation and stabilisation of the bank by writing down certain unsecured liabilities or converting them into shares. The SPE approach at group level reflects KBC's business model, which relies heavily on integration, both commercially (e.g., banking and insurance) and operationally (e.g., risk, finance, treasury, ICT, etc.). Debt instruments that are positioned for bail-in are issued by KBC Group NV. This approach keeps the group intact in resolution and safeguards the bank-insurance model in going concern.

It is crucial that there are adequate liabilities eligible for bail-in. This is measured by the minimum requirement for own funds and eligible liabilities (MREL). The SRB defines the minimum MREL level for KBC. It communicated MREL targets to KBC expressed as a percentage of Risk-Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE):

- 27.64% of RWA as from the fourth quarter of 2025 (including a transitional Combined Buffer Requirement of 5.25%)
- 7.42% of LRE

Besides a total MREL amount, BRRD2 also requires KBC to maintain a certain part of MREL in subordinated form. The binding subordinated MREL targets are:

- 22.25% of RWA as from the fourth quarter of 2025 (including a Combined Buffer Requirement of 5.25%)
- 7.42% of LRE

MREL (in millions of EUR)	31-12-2025	31-12-2024
Own funds and eligible liabilities (transitional)	40 095	36 818
CET1 capital (consolidated, CRR/CRD, Danish compromise method)	18 795	16 621
AT1 instruments (consolidated, CRR/CRD)	2 500	1 864
T2 instruments (consolidated, CRR/CRD)	3 086	2 563
Subordinated liabilities (issued by KBC Group NV but not included in AT1 & T2)	0	0
Senior debt (issued by KBC Group NV, nominal amount, remaining maturity > 1 year)	15 714	15 770
Risk-Weighted Assets (RWA)	127 588	119 950
MREL as a % of RWA	31.4%	30.7%
Leverage Ratio Exposure Amount (LRE)	386 869	360 092
MREL as a % of LRE	10.4%	10.2%

Information on ICAAP, ORSA and stress testing is provided in KBC's Risk Report, available at www.kbc.com.

Corporate governance statement

The main aspects of our corporate governance policy are set out in the Corporate Governance Charter of KBC Group NV (the 'Charter', which is published at www.kbc.com). We have adopted the 2020 version of the Belgian Corporate Governance Code ('Code 2020') as our benchmark. It can be downloaded at www.corporategovernancecommittee.be. The company has complied with all the provisions of this code, except for those deviated from, for the reasons explained in this section. More factual information regarding corporate governance and on the application of certain statutory provisions is contained in this corporate governance statement.
Unless otherwise indicated, the period dealt with runs from 1 January 2025 to 31 December 2025.

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

- Board of Directors: Board
- Executive Committee: ExCo
- Audit Committee: AC
- Risk & Compliance Committee: RCC
- Companies and Associations Code: CAC
- The Belgian Act of 25 April 2014 on the legal status and supervision of credit institutions: The Banking Act

Management bodies

Composition of the Board and its committees at year-end 2025

A list of the external offices held by all members of the Board is provided at www.kbc.com, as is a brief CV for each director. The number of meetings attended is shown in the columns relating to the committees.


Koenraad Debackere


Philippe Vlerick


Johan Thijs


Michiel Allaerts


Alain Bostoen


Kristine Braden


Erik Clinck


Sonja De Becker


Marc De Ceuster


Franky Depickere

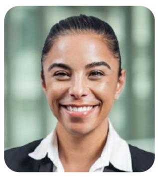

Frank Donck


Line Hestvik


Liesbet Okkerse


Bartel Puelinckx


Alicia Reyes Revuelta


Diana Rádl Rogerová


Raf Sels


Christine Van Rijsseghem

Company	Primary responsibility	Period served on the Board in 2025	Expiry date of current term of office	Board meetings attended	Non-executive directors	Core shareholders' representatives	Independent directors	ExCo	AC	RCC	Nomination committee	Remuneration committee
	Number of meetings in 2025			12					6	8	6	4
Koenraad Debackere	Chairman of the Board	Full year	2027	12	■		■				6 (c)	4 (c)
Philippe Vlerick	Deputy Chairman of the Board; CEO of the Vlerick Group	Full year	2026	12	■	■					5	3
Johan Thijs	President of the ExCo and Executive Director, KBC	Full year	2028	11				■ (c)				
Michiel Allaerts	CFO and COO, Ravago	8 months	2029	8	■	■						
Alain Bostoen	CEO, Christeyns Group	Full year	2027	12	■	■						
Kristine Braden	Independent Director, KBC Group NV	8 months	2029	8			■			4	5	
Erik Clinck	President, Thomas More University College	Full year	2028	12	■	■						
Sonja De Becker	Chairperson, MRBB	Full year	2028	12	■	■				8	6	
Marc De Ceuster	Professor of Financial Economics, University of Antwerp	Full year	2027	12	■	■			6 (c)			
Franky Depickere	Managing Director; CEO of Cera and KBC Ancora	Full year	2027	11	■	■				7 (c)	5	
Frank Donck	Managing Director, 3D	Full year	2027	11	■	■				8		
Line Hestvik	Independent Director, KBC Group NV	8 months	2029	8			■			4	6	
Liesbet Okkerse	Financial Director, Zoersel Municipality and Public Social Welfare Centre	Full year	2028	12	■	■						
Bartel Puelinckx	Executive Director, KBC	Full year	2029	11				■				
Diana Rádl Rogerová	Managing partner of Behind Inventions	Full year	2028	12	■		■		6	8	6	
Alicia Reyes Revuelta	Director at several companies	Full year	2026	11	■		■		5	8		4
Raf Sels	CEO, MRBB	Full year	2027	12	■	■						
Christine Van Rijsseghem	Executive Director, KBC	Full year	2026	12				■				

Statutory auditor: KPMG Bedrijfsrevisoren, represented by Messrs Kenneth Vermeire and Stéphane Nolf.

Secretary to the Board: Wilfried Kupers.

(c) Chairman of this committee.

Changes in the composition of the Board in 2025 and proposed changes for 2026

- Bartel Puelinckx, who was co-opted as director in September 2024, was formally appointed for a four-year term of office at the General Meeting of 30 April 2025.
- Theodoros Roussis reached the age limit of 70 and was succeeded by Michiel Allaerts, CFO and COO of Ravago NV.
- With a view to strengthening the company's governance, the 2025 General Meeting decided to appoint Line Hestvik and Kristine Braden as additional independent directors for a four-year term of office, within the meaning of and in line with the relevant legal criteria and Code 2020.
- Philippe Vlerick was reappointed by the 2025 General Meeting as director for a one-year term of office and has since reached the age limit of 70. His succession will be proposed to the General Meeting of Shareholders of 7 May 2026.
- It will be proposed to the General Meeting of Shareholders of 7 May 2026 to reappoint Alicia Reyes Revuelta and Christine Van Rijsseghem for a period of four years.

The Corporate Governance Charter, the CV for the new proposed director and the CVs for the other members of the Board and the agenda for the General Meeting can be found at www.kbc.com.

Composition of the Group Executive Committee at year-end 2025

						
Johan Thijs	Peter Andronov	Aleš Blažek	Erik Luts	David Moucheron	Bartel Puelinckx	Christine Van Rijsseghem
°1965	°1969	°1972	°1960	°1973	°1965	°1962
Belgian	Bulgarian	Czech	Belgian	Belgian	Belgian	Belgian
Master's Degree in Science (Applied Mathematics) and Actuarial Sciences (KU Leuven)	Master's Degree in Finance (University of National and World economy in Sofia)	Master's Degree in Law (Charles University Law School in Prague)	Master's Degree in Pedagogy (KU Leuven)	Master's Degree in Law (UCL)	Master's Degree in Applied Economics (KU Leuven) and Law (ULB)	Master's Degree in Law (UGent)
Joined company in* 1988	Joined company in* 2007	Joined company in* 2014	Joined company in* 1988	Joined company in* 2015	Joined company in* 1992	Joined company in* 1987
Group CEO (Chief Executive Officer)	CEO of the International Markets Business Unit	CEO of the Czech Republic Business Unit	CIO (Chief Innovation Officer)	CEO of the Belgium Business Unit	CFO (Chief Financial Officer)	CRO (Chief Risk Officer)

* Joined company in: refers to KBC Group NV, group companies or pre-merger entities (Kredietbank, Cera, ABB, etc.).

Changes in the composition of the Executive Committee in 2025 and proposed changes for 2026

- Erik Luts will reach the age limit in September 2026. Preparations for his succession are underway.

Governance model

On 31 December 2025, the Board had 18 members, namely:

- Its Chairman, who is an independent director
- Four other independent directors
- Three members of the ExCo (the CEO, the CFO and the CRO)
- Ten representatives of the core shareholders

Given that the Banking Act stipulates that at least three members of the ExCo should also be directors (acting as 'executive directors'), it is legally not possible to implement a pure, dual governance structure with a clear split between the Board (dealing with strategy, risk appetite and the supervision of management) and the ExCo (operational management). The CEO, the CFO and the CRO are all executive directors.

The core shareholders (Cera, KBC Ancora, MRBB and the other core shareholders) have concluded a shareholder agreement in order to ensure shareholder stability and a long-term focus for the management of the group, as well as to support and coordinate its general policy. To this end, the core shareholders act in concert at the General Meeting of KBC Group NV and were represented on its Board by ten directors at year-end 2025.

With a view to strengthening governance, the General Meeting of 30 April 2025 appointed two additional independent directors, increasing their total to five. Therefore, there is no majority of independent directors on the Board. However, KBC has placed a strong emphasis on selecting high-calibre, independent directors at the level of KBC Group NV, as well as on the boards of KBC Bank and KBC Insurance. These individuals are of high standing, come from diverse backgrounds and bring specific financial and governance expertise to the Board. Moreover, the boards of KBC Group NV, KBC Bank and KBC Insurance always hold joint meetings in practice. Since the Boards of both KBC Bank and KBC Insurance also at all times include two independent directors (of which at least one director sits solely on the Board of KBC Bank or KBC Insurance), the joint Board meetings will actually be attended by between seven and nine independent directors. The collective nature of the decision-making process generally used in these joint Board meetings also reflects the importance attached to the views of the independent directors. Moreover, all advisory committees include a majority of independent directors.

The core shareholders' wish for their representatives to hold a majority on the Board is considered the corollary of the commitment they have made in the context of their shareholder agreement, with the aim of ensuring shareholder stability and guarantee continuity for the group. Given the long-term nature of their commitment, the core shareholders inherently pay particular attention to value creation, a solid capital base, prudent risk management, sustainability and social relevance in the geographical areas where the group is active.

All members of the ExCo participate in the Board's meetings, except when it meets to discuss the operations of the ExCo and the remuneration to be granted to members of the ExCo, and when requested by non-executive Board members.

Diversity policy

The Board has drawn up a policy regarding the desired amount of diversity in the composition of the Board itself and in the ExCo. The aim of this policy is to guarantee diversity in terms of know-how, experience, gender and geographical background. It aims to ensure that the Board and the ExCo can both fall back on a broad base of relevant competences and know-how and receive diverse opinions and input for their decision-making process.

The policy stipulates that the Board should have a balanced composition to ensure that it has suitable expertise in the area of banking and insurance, the requisite experience in executive management and a broad awareness of societal and technological developments.

The policy also stipulates that:
- At least one-third of the Board's members must be of a different gender than the other members
- The members of the Board must be of different nationalities, with due account being taken of the different geographical areas where KBC is active
- At least three directors must be independent within the meaning of and in line with the criteria set out in Article 7:87 of the CAC
- Three members of the ExCo must also sit on the Board

The Board usually holds its meetings together with the Boards of KBC Bank and KBC Insurance. The additional directors on each of these two boards provide extra expertise and diversity.

The policy also stipulates that the ExCo should have a balanced composition to ensure that it has suitable expertise regarding the financial sector and the requisite know-how relating to all areas in which KBC operates.

The policy also stipulates that:
- At least one member of the ExCo must be of a different gender than the other members; the objective is to achieve a more balanced gender composition
- The ExCo should strive towards achieving diversity in terms of the nationality and age of its members
- All members of the ExCo have the necessary and diversified financial knowledge, professional integrity and management experience, but have followed different career paths

The Board will see to it that this diversity policy is applied properly when deciding on the profile of a new director or a new member of the ExCo.

The Nomination Committee regularly checks to see whether this policy was being applied in practice and established that this was the case in 2025.

A complete CV for each member of the Board and the ExCo is provided at www.kbc.com > Corporate Governance > Leadership.

A table reflecting the diversity among the Board and ExCo members is provided under 1.2.1 in the 'Sustainability statement' section.

AC: application of Article 7:99 of the CAC and section 6.2.3 of the Charter

On 31 December 2025, the AC had two independent directors within the meaning of and in line with the criteria set out in Article 7:87 of the CAC and in Code 2020:

- Diana Rádl Rogerová, who holds a Master's Degree in International Trade, Monetary Economics and Banking (VŠE, University of Economics and Business in Prague). In 2006, she became an audit partner at Deloitte in Prague and from 2016 to 2022, she was a managing partner of Deloitte Czech Republic. In 2022, Diana founded Behind Inventions, an investment company that has a number of technological start-ups in its portfolio, of which she is managing partner.
- Alicia Reyes Revuelta, who holds a Master's Degree in Law, Economics and Business Administration (ICADE, Madrid) and a PhD in Quantitative Methods and Financial Markets (ICADE, Madrid). She has held senior management positions at Bear Stearns, Olympo Capital and Wells Fargo, and is currently an independent Board Member of Ferrovial, Energias de Portugal and Chair of the Board of Directors at Ardonagh Europe Services Limited.

The other member of the AC is:

- Marc De Ceuster (Chairman of the AC, 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 a Professor of Financial Economics at the University of Antwerp and Executive Director of CERA and KBC Ancora.

It can be concluded on the basis of the profiles and competences of the members of the AC that the committee is constructed and has the requisite skills and experience in accordance with the requirements of Article 7:99 of the CAC and of section 6.2.3 of the Charter.

RCC: application of Article 56, §4 of the Banking Act and section 6.3.3 of the Charter

On 31 December 2025, the RCC of KBC Group NV had four independent directors within the meaning of and in line with the criteria set out in Article 7:87 of the CAC and in Code 2020:

- Diana Rádl Rogerová (see CV above)
- Alicia Reyes Revuelta (see CV above)
- Line Hestvik, who holds a Master's Degree in Business & Economics (Norwegian School of Management). She has held executive management positions at Storebrand and If P&C, and at Allianz Group, where she served as Head of Global Property&Casualty and Global Chief Sustainability Officer. She is currently a Board Member of Storebrand ASA, Wallenius Wilhelmsen ASA, Nova Consulting Group AS and the Foundation Innlandet Science Park.
- Kristine Braden, who holds a Bachelor of Arts Degree with Honours in Political Science (University of California, Berkeley) and has gained extensive senior management experience at Citibank Group. Currently, she is also a Board Member and member of the audit and risk committee of Vontobel Holdings and Vontobel Bank, and she also works in the non-profit sector.

The other members of the RCC are:

- Franky Depickere (Chairman of the RCC, 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 and KBC Ancora.
- Frank Donck (non-executive director), who holds a Master's Degree in Law (UGent) and a Master's Degree in Finance (Vlerick Business School). He is Managing Director of 3D NV, Chairman of Atenor Group NV, and an independent director at Barco NV and Luxempart SA. He also holds directorships at several unlisted companies. Mr Donck is a member of the Belgian Corporate Governance Commission.
- Sonja De Becker (non-executive director), who holds a Master's Degree in Law (KU Leuven). She has held several positions at Boerenbond and Landelijke Gilden, where she was Chair from 2015 to 2022. She is currently the Chair of MRBB, Arvesta, Agri Investment Fund, SBB Accountants & Adviseurs and Aktiefinvest, and Director of Acerta.

It can be concluded on the basis of the profiles and competences of the members of the RCC that the committee is constructed in accordance with the requirements of the Charter and it possesses the requisite skills and experience.

Remuneration Committee: application of Article 56, §4 of the Banking Act and section 6.5.2 of the Charter

On 31 December 2025, the Remuneration Committee had two independent directors within the meaning of and in line with the criteria set out in Article 7:87 of the CAC and in Code 2020:

- Koenraad Debackere (independent director and Chairman of the Board), who holds a Master of Science in Electromechanical Engineering and a Doctor's degree in Management. He is an ordinary Professor at the Faculty of Economics and Business at KU Leuven and Chairman of the KU Leuven Association. He is also an independent director at Umicore NV. Koenraad Debackere chairs the Remuneration Committee.
- Alicia Reyes Revuelta (see CV above).

The other member of the Remuneration Committee is:

- Philippe Vlerick (non-executive director), who holds a Bachelor's Degree in Philosophy, a Master's Degree in Law (KU Leuven), a Master's Degree in Management (Vlerick Business School in Ghent) and an MBA degree (Indiana University, Bloomington, USA). He is Executive Chairman of Vlerick Group and of UCO, Chairman of Raymond Uco Denim, BIC Carpets, Pentahold, Besix Group and Smartphoto, Non-Executive Director of Exmar, Concordia Textiles, B.M.T, L.V.D. and Mediahuis, Director of Vlerick Business School, and Chairman of Festival of Vlaanderen and of Europalia.

It can be concluded on the basis of the profiles and competences of the members of the Remuneration Committee that the committee is constructed in accordance with the requirements of the Charter and it possesses the requisite skills and experience.

Nomination Committee: application of Article 56, §4 of the Banking Act and section 6.4.2 of the Charter

On 31 December 2025, the Nomination Committee of KBC Group NV had four independent directors within the meaning of and in line with the criteria set out in Article 7:87 of the CAC and in Code 2020:

- Koenraad Debackere, Chairman of the Nomination Committee (see CV above)
- Diana Rádl Rogerová (see CV above)
- Line Hestvik (see CV above)
- Kristine Braden (see CV above)

The other members of the Nomination Committee are:

- Franky Depickere (see CV above)
- Philippe Vlerick (see CV above)
- Sonja De Becker (see CV above)

It can be concluded on the basis of the profiles and competences of the members of the Nomination Committee that the committee is constructed in accordance with the requirements of the Charter and it possesses the requisite skills and experience.

Application of and non-compliance with Code 2020

The corporate governance statement included in the annual report must indicate whether any provisions of Code 2020 have not been complied with and state the reasons for non-compliance (the 'comply-or-explain principle').

Given that the Nomination Committee is now also composed of a majority of independent directors, the composition of the Board and the advisory committees now complies in every respect with the provisions of Code 2020.

Code 2020 also stipulates that the 'Corporate governance statement' must contain all relevant information on events that affected governance. As set out above, two additional independent directors were appointed to the Board of Directors in 2025, and all advisory committees of the Board now comprise a majority of independent directors.

Statutory auditor

The auditor, KPMG Bedrijfsrevisoren, is represented by Messrs Kenneth Vermeire and Stéphane Nolf.

Details of the statutory auditor's remuneration are provided in Note 6.4 of the 'Consolidated financial statements' section.

Report on the activities of the Board and its committees in 2025

Board

Besides carrying out the activities required by law, reviewing the quarterly results and the activities of the AC, RCC, Nomination Committee and Remuneration Committee, and handling and taking decisions on the dossiers submitted by these committees, the Board also dealt with the following matters:

- The strategy and operations (focusing on banking and insurance) in the Belgium, Czech Republic, Hungary and Slovakia business units/countries, and of KBC Securities and KBC Asset Management
- The macroeconomic analyses of the Chief Economist in the geopolitical context
- Governance
- The capital policy and dividend policy, including the adoption of Significant Risk Transfer transactions
- The sustainability strategy and the associated dashboards
- The IT strategy and digital transformation (including Kate and strategy, transformation and innovation trends)
- The Rainbow project (creation of a platform ensuring high-quality financial, risk and treasury reports), the Starlight project (data quality management), the Temenos project (rollout of the IT platform in Hungary, K&H) and the BIAT project (creation of an IT platform for ČSOB in the Czech Republic)
- Implementing the (re)insurance strategy
- The Treasury strategy
- The HR policy, with particular attention being paid to the succession policy
- The Bolero and Start it @KBC strategies
- A number of M&A cases (such as the acquisition of 365.bank and Business Lease)
- Joining a Stablecoin consortium
- The outsourcing policy
- The ICAAP/ILAAP/ORSA Report
- The Risk Appetite Statement
- The risk reports
- The compliance reports and the compliance function
- Reviewing the Internal Control Statement
- The revision of the Suitability Policy, including the time commitment of the members of the Board and the suitability matrix
- The joint venture between KBC Securities and Van Lanschot Kempen
- The Board's self-assessment

The ExCo reported monthly on the trend in the results and the general course of business at the group's various business units. In addition, the Board focused on the strategy and specific challenges for the different areas of activity.

Regular training sessions were also organised for all members of the Board (newly appointed directors also followed an extensive induction programme). The following topics were addressed:

- Artificial intelligence, agentic AI and lead-driven sales
- Capital deployment
- Cybersecurity
- The data culture
- ESG/climate
- Developments in the supervisory and regulatory landscape
- ICAAP and the internal capital model
- Drivers of IFRS 9 Expected Credit Losses
- Resolution

Furthermore, an exhaustive training programme was developed and rolled out covering the insurance activities.

Sustainability parameters have been incorporated into the KBC Sustainability Dashboard to enable the situation within the KBC group to be monitored and adjustments to be made, where necessary. The Board assesses the performance of these parameters twice a year. More information in this regard can be found in the 'Sustainability statement' section.

Audit Committee (AC)

The AC is tasked with a number of responsibilities, including advising the Board on the integrity of financial and non-financial reporting and the effectiveness of the internal control process and risk management. It provides guidance to the internal audit function and supervises the external auditor. The AC of KBC Group NV acts in the same capacity for KBC Global Services.

The AC met in the presence of the President of the ExCo, the Group CRO, the Group CFO, the internal auditor, the compliance officer and the statutory auditors. Besides reviewing the company and consolidated financial statements, the annual report, the half-year and quarterly figures, approving the relevant press releases and discussing the auditor's findings – including the declaration of independence – it also discussed the quarterly reports drawn up by the internal auditor (including the approved annual audit plan and the results of the branch inspection departments).

The AC also examined:

- The statement of effective management with regard to the assessment of internal control systems and the monitoring of the resulting action plans
- Intra-group conflicts of interest
- The results of inspections performed by the supervisory authorities and the action plans drawn up by management
- The evaluation of the internal audit function and the corresponding remuneration, including the results of the periodic external quality assessment
- The updated Internal Audit Charter
- The selection process for the external auditor's term of office under CSRD regulations
- The adoption of the CSRD rules, including the outcome of the Double Materiality Assessment
- The updated policy for non-audit departments
- The reporting on SPVs

Risk & Compliance Committee (RCC)

The RCC advises the Board on current and future risk tolerance and on risk strategy, and assists it in supervising how the ExCo implements this strategy. It ensures that the prices of assets and liabilities and of categories of off-balance-sheet products that are offered to clients, factor in the risks run by the institution, with due account taken of its business model and risk strategy, viz. risks – especially reputational risks – that might arise from the types of product offered to clients. The RCC monitors the risk and compliance functions. The RCC of KBC Group NV acts in the same capacity for KBC Global Services.

The RCC met in the presence of the President of the ExCo, the Group CRO, the Group CFO, the internal auditor, the compliance officer and the statutory auditors. Besides discussing the periodic reports from the risk function and the compliance officer, it also examined the reports drawn up by the legal and tax departments.

The RCC paid special attention to:

- ESG and Climate-related risk as part of the periodic reports from the risk function
- Major digitalisation projects such as Rainbow and Temenos
- Progress reports on the implementation of the EU data policy (GDPR, Schrems II), and other specific regulations, such as AML and MiFID as well as EC regulations
- The statement of effective management with regard to the assessment of internal control systems and the monitoring of the resulting action plans
- The ICAAP-ILAAP Report for 2025
- The KBC ORSA Report for 2025
- The KBC Recovery Plan for 2025
- Information Security and Cyber Risk
- The results of inspections performed by the supervisory authorities and the action plans drawn up by management
- The updated Compliance Charter
- The Integrity Policy and the updated Incompatibility Code
- The Compliance Annual Report to the Board
- The Data Protection Officer Report
- The Conflict of Interest Report
- The Anti-Money Laundering Committee Report
- The Enterprise-Wide Risk Assessment
- The Complaints Handling Report
- The Acceptance Policy
- The Whistleblower Policy
- The MiFID II Product Governance report for 2024
- The Integrated Risk Reports
- Third-Party Risk Management
- The Recovery and Resolution plans
- The Group Treasury Frameworks

Nomination Committee

The Nomination Committee of KBC Group NV acts in the same capacity for KBC Insurance, KBC Bank and KBC Global Services.

The main matters dealt with were:

- Appointments and reappointments to the Board
- Succession planning for the Board and senior management
- The revision of the Suitability Policy, including the assessment of the collective suitability of the ExCo and the Board and the review of the time commitment of the members of the Board
- The HR policy, with particular attention being paid to diversity and inclusion
- Evaluation of the operations and composition of the Board

Remuneration Committee

The Remuneration Committee of KBC Group NV acts in the same capacity for KBC Insurance, KBC Bank and KBC Global Services. The Remuneration Committee met each time in the presence of the Chairman of the RCC, with the President of the ExCo usually in attendance too.

The main matters dealt with were:

- The assessment of the criteria for evaluating the ExCo in 2025
- The criteria for evaluating the ExCo in 2026
- The annual Remuneration Review
- The preparation of the remuneration report with input from the RCC
- The review process of the heads of the internal control functions
- The annual benchmarking of the remuneration of the ExCo
- The update of the pension regulations for and of the remuneration of the ExCo members

For a general description of how the Board and its committees function, see sections 5 and 6 of the Charter of KBC Group NV (at www.kbc.com).

Principal features of the evaluation process for the Board, its committees and its members

Under the leadership of its Chairman and assisted by the Nomination Committee, the Board evaluates at least once every three years its own performance, how it interacts with the ExCo, and its scope, composition and operations, as well as that of the committees.

Each Board committee carries out an evaluation of its own composition and operations at least once every three years, before reporting its findings and, where necessary, making proposals to the Board.

Directors who are nominated for reappointment are subject to an individual evaluation regarding their attendance at Board and committee meetings and their contribution to and constructive involvement in discussions and decision-making. This evaluation is conducted by the Nomination Committee.

On the initiative of the President of the ExCo, the full ExCo discusses its objectives and assesses its performance once a year. Each year, the President of the ExCo evaluates each member of the ExCo individually after which the evaluations are discussed in the Remuneration Committee and approved by the Board. The individual evaluation of the President is performed by the Chairman of the Board in consultation with the Remuneration Committee before being approved by the Board.

Conflicts of interest that fell within the scope of Article 7:115, 7:116 or 7:117 of the CAC

During financial year 2025, 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 12 February 2025, the relevant minutes of which are provided below:

Based on a proposal from the Remuneration Committee, the Board first discusses the individual performance score of the Executive Committee members (except the CEO). The Board agrees to the proposal of the Remuneration Committee on the basis of the CEO's input.
The Board of Directors then 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 2024 and came to a global score of 97.6% (compared to 98.92% in 2023). The change in the overall score is explained by the adjustment of the relative weights of the four pillars that were included in the collective assessment between 2023 and 2024. As for the CRO the risk and control parameters count double and the business parameters are not taken into account (due to legal requirements), the final score for the CRO is 97.1%.

In addition, 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 13 March 2025, the relevant minutes of which are provided below:

It is explained that KBC Group NV has a dual governance model, though hybrid as at least 3 members of the Executive Committee must also be member of the Board of Directors. Article 7:109, § 3 CCA provides that, after the adoption of the annual accounts, the Board has to decide on the granting of 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.

Transactions between the company and its directors and members of the ExCo, not covered by the statutory regulations governing conflicts of interest

None.

Measures regarding insider dealing and market manipulation

The Dealing Code requires a list of key employees to be drawn up, annual blocking periods to be set, and transactions by persons with managerial responsibility and with persons connected with them to be reported to the Belgian Financial Services and Markets Authority (FSMA).

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. It appoints the members of the ExCo.
- 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 operations, as well as the qualifications their members must possess.

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, KBC group, as a % of the selected target audience	2025
Training course on combating corruption and bribery	99%
Training course on anti-money laundering	97%
Training course on GDPR	99%
Other data, KBC group, in numbers	**2025**
Conflicts of interest (non-MiFiD) received	133
Donations (of or exceeding 250 euros) reported	30
Whistleblower reports received	70

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, compliance and actuarial functions constitute the second line of defence.

Independent of the business side, the second-line risk and control functions formulate their own opinion on 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 ExCo) 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.
The actuarial function is an independent function that ensures additional quality control by providing expert technical actuarial advice to the Board, the RCC, the ExCo of KBC Group NV, and to the KBC Insurance group and all reinsurance and insurance entities within the group. Such advice covers the calculation of the technical provisions for insurance liabilities, the reinsurance policy and underwriting risk. The independence of this function is supported by its modified status, as described in the actuarial function Charter.

3 As independent third line of defence, Internal Audit provides support to the ExCo, 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 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 that are consistently applied within the group to guarantee the continuity of operations.
Responsibilities, features, organisational structure and reporting lines, scope, audit methods, cooperation 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 operations, along with the qualifications of their members, are laid down in their respective charters, which are included under the Charter. More information on these committees is provided elsewhere in this section.

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

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 (balance sheet and income statement) 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. Periodic reports on own funds are prepared 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 the Investor Relations Office and of Experts, Reporting & Accounting, monitors compliance with IFRS accounting policies and the completeness of IFRS disclosure requirements.

Pursuant to the Banking Act, the ExCo 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 key risk, performance and quality 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 Groupwide Mandatory Controls Accounting and 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 Groupwide Mandatory Controls Accounting and 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 and analyses of the potential risks in the processes, 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.

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.

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

1 Capital structure on 31 December 2025

The share capital was fully paid up and was represented by 417 662 783 shares of no nominal value. For more information, see the 'Additional information' section.

2 Restrictions on transferring securities as laid down by law or the Articles of Association

Each year, KBC Group NV carries out a capital increase for its employees and the employees of certain of its Belgian subsidiaries. If the issue price of the new shares is less than the set closing price, the employee may not transfer these new shares for two years, starting from the payment date, unless he or she dies.

The shares issued under the capital increase in 2025 remain blocked until 17 December 2027. The shares issued under the capital increase in 2024 are blocked until 11 December 2026.

3 Holders of any securities with special control rights

None.

4 Systems of control of any employee share scheme where the control rights are not exercised directly by the employees

None.

5 Restrictions on exercising voting rights as laid down by law or the Articles of Association

The voting rights attached to the shares held by KBC Group NV and its direct and indirect subsidiaries are suspended. See Note 5.10 in the 'Consolidated financial statements' section.

6 Shareholder agreements known to KBC Group NV that could restrict the transfer of securities and/or the exercise of voting rights

The core shareholders of KBC Group NV comprise KBC Ancora NV, its parent company Cera CV, MRBB BV, and a group of legal entities and individuals referred to as 'Other core shareholders'.
A shareholder agreement was concluded between these core shareholders that provides for a contractual shareholder syndicate. It sets out the rules for the syndicated shares, management of the syndicate, syndicate meetings, voting rights within the syndicate, preferential subscription rights in the event of the transfer of syndicated shares, withdrawal from the agreement, and duration of the agreement. Apart from a limited number of decisions, the syndicate meeting may take decisions by a two-thirds majority vote, on the understanding that none of the shareholder groups can block a decision. The agreement was extended for a ten-year period, with effect from 1 December 2024.

Shareholdings of the core shareholders based on the most recent notifications provided to KBC	31-12-2025
KBC Ancora NV	77 516 380
Cera CV	16 555 143
MRBB BV	51 905 219
Other core shareholders	29 308 099
Total	175 284 841
As a percentage of total shareholdings	41.97%

7 Rules governing the appointment and replacement of board members and the amendment of the Articles of Association of KBC Group NV

Appointment and replacement of members of the Board:
Following the approval of or notification to the supervisory authority, proposals to appoint nominated directors or to reappoint directors are submitted by the Board to the General Meeting for approval. Each proposal is accompanied by a documented recommendation from the Board, based on the advice of the Nomination Committee. Without prejudice to the applicable legal provisions, nominations are communicated as a separate agenda item for the General Meeting at least thirty days before it is held. When nominating an independent director, the Board will state whether the individual meets the independence criteria set out in Article 7:87 of the CAC. The General Meeting appoints directors by a simple majority of votes cast. From among its non-executive members, the Board elects a chairman and one or more deputy chairmen, if necessary. In principle, outgoing directors are eligible for reappointment. If, during the course of a financial year, a directorship falls vacant as a result of decease, resignation, dismissal or for any other reason, the remaining directors may provisionally arrange for a replacement and appoint a new director. In that case, the next General Meeting will proceed to a definitive appointment.

Amendment of the Articles of Association:
The General Meeting is entitled to amend the Articles of Association. Accordingly, the General Meeting may only validly deliberate and take decisions about such amendments if they have been accurately proposed in the convening notice and if the shareholders present or represented at the meeting represent at least half the capital. If the latter condition is not satisfied, a second convening notice is required and the new meeting can validly deliberate and take decisions, regardless of the share of capital represented by the shareholders present or represented at the meeting. An amendment is only adopted if it receives three-quarters of the votes cast (Article 7:153 of the CAC).
If an amendment to the Articles of Association pertains to the object of the company, the Board must justify the proposed amendment in a detailed report that is referred to in the agenda. An amendment will then only be adopted if it receives at least four-fifths of the votes cast (Article 7:154 of the CAC).

8 Powers of the Board with regard to the issue and repurchase of treasury shares

The General Meeting authorised the Board until 22 May 2028 to increase, in one or more steps, the share capital in cash or in kind, by issuing shares. The Board is also authorised until the same date to decide on one or several occasions to issue convertible bonds (whether subordinated or otherwise) or warrants that may or may not be linked to bonds (whether subordinated or otherwise) that could result in capital being increased. This authorisation related to a sum of 146 000 000 euros, where the Board is entitled – in the company's interest – to suspend or restrict the preferential subscription rights of existing shareholders, and to a sum of 554 000 000 euros, without the Board having the power to suspend or restrict preferential subscription rights. On 12 November 2025, the Board decided to use its authorisation to increase capital by issuing shares with preferential subscription rights cancelled to employees. For more information, see 'Notes to the company annual accounts' in the 'Additional information' section.

The General Meeting of 5 May 2022 authorised the Board, for a period of four years calculated from the announcement of the resolution, to acquire a maximum of 10% of the KBC Group NV shares on Euronext Brussels or another regulated market at a price per share that may not exceed the last closing price on Euronext Brussels preceding the date of acquisition plus 10%, and that may not be lower than one euro. Under this authorisation, the Board acquired 20 980 823 shares in 2023 and 2024 (an aggregate 5.02% of the number of shares in circulation).

For information on KBC Group NV shares belonging to KBC Group NV and its subsidiaries, see Note 5.10 in the 'Consolidated financial statements' section.

9 Significant agreements to which KBC Group NV is a party and which take effect, alter or terminate upon a change of control of KBC Group NV following a public takeover bid

None.

10 Agreements between KBC and its directors or employees providing for compensation if the directors resign or are made redundant, or if employees are made redundant, without valid reason following a public takeover bid

None.

Notifications of shareholdings are provided under the Act of 2 May 2007, under the Act on public takeover bids or on a voluntary basis. A summary containing the most recent disclosures is provided under 'Our business model' in the 'Report of the Board of Directors' section.

Notifications received under the Act of 2 May 2007 concerning the disclosure of significant participations in issuers whose shares are admitted to trading on a regulated market

It should be noted that the figures provided below (may) differ from the current number of shares in possession, as a change in the number held does not always give rise to a new notification. The most recent shareholding update can be found under 'Our capital' in the 'Our business model' section.

Shareholder structure based on notifications received under the Act of 2 May 2007

Shareholder structure on 31 December 2025 (based on the most recent notifications received)	Address	Number of KBC shares/voting rights (as a % of the current number of shares/voting rights)[1]	Notification relating to
Core shareholders[1]			
KBC Ancora NV	Muntstraat 1, 3000 Leuven, Belgium	77 516 380 / 18.56%	1 December 2024
Cera CV	Muntstraat 1, 3000 Leuven, Belgium	16 555 143 / 3.96%	1 December 2024
MRBB BV	Diestsevest 32/5b, 3000 Leuven, Belgium	51 905 219 / 12.43%	1 December 2024
Other core shareholders	C/o Ph. Vlerick, Ronsevaalstraat 2, 8510 Bellegem, Belgium	28 247 408 / 6.76%	1 December 2024
Other shareholders (≥ 3%)			
BlackRock, Inc.	50 Hudson Yards, New York, NY, 10001, United States	17 215 344 / 4.12%	1 July 2025
FMR LLC	The Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States	13 752 849 / 3.29%	21 May 2025
Share buybacks[2]			
KBC Group NV	Havenlaan 2, 180 Brussels, Belgium	20 942 766 / 5.01%	30 July 2024

1 Includes the '*voting rights that may be acquired if the instrument is exercised*' as stated under 'B) Equivalent financial instruments' in the transparency notification. Any shareholders falling below the 3% notification threshold are no longer included in the table (unless they are a core shareholder). KBC publishes these notifications at www.kbc.com. The data regarding the core shareholders is sourced from the press release of 24 December 2024, which can also be viewed at www.kbc.com.

2 Following this notification, a limited number of treasury shares were repurchased. The total number of treasury shares repurchased is 20 980 823. The voting rights attached to these shares are suspended.

Disclosures under Article 74 of the Belgian Act on public takeover bids

Within the framework of this law, KBC Group NV received a number of updated disclosures in August 2025. The entities and individuals referred to below act in concert.

A Disclosures by (a) legal entities and (b) individuals holding 3% or more of securities carrying voting rights[1]

Shareholder	Shareholding (quantity)	%[2]	Shareholder	Shareholding (quantity)	%[2]
KBC Ancora NV	77 516 380	18.56%	Sereno SA	502 408	0.12%
MRBB BV	51 905 219	12.43%	Niramore International NV	400 000	0.10%
CERA CV	16 555 143	3.96%	Robor NV	359 606	0.09%
VIM BV	4 032 141	0.97%	Rodep NV	322 000	0.08%
Plastiche Finance NV	3 380 500	0.81%	Dufinco BV	300 000	0.07%
Agev SAK	2 807 731	0.67%	Beluval NV	267 698	0.06%
Almafin SA	1 627 127	0.39%	Bareldam SA	260 544	0.06%
Anchorage NV	1 550 000	0.37%	Gavel NV	200 000	0.05%
Cecan NV	1 485 260	0.36%	Ibervest NV	190 000	0.05%
De Berk BV	1 138 208	0.27%	Capstone Partners NV	150 000	0.04%
Alginvest NV	1 110 901	0.27%	STAK Iberanfra	120 107	0.03%
SAK PULA	981 450	0.23%	Agrobos NV	85 000	0.02%
Rainyve SA	950 000	0.23%	Wiljam NV	71 685	0.02%
Alia SA	938 705	0.22%	Hendrik Van Houtte en Co NV	40 000	0.01%
Stichting Amici Almae Matris	917 731	0.22%	Filax Stichting	38 529	0.01%
3D NV	911 893	0.22%	Van Holsbeeck Kristo BV	16 255	0.00%
Ceco NV	591 499	0.14%			

B Disclosures by individuals holding less than 3% of securities carrying voting rights (the identity of the individuals concerned does not have to be disclosed)

	Shareholding (quantity)	%[2]		Shareholding (quantity)	%[2]
–	900 000	0.22%	–	68 479	0.02%
–	884 000	0.21%	–	63 562	0.02%
–	285 000	0.07%	–	50 000	0.01%
–	285 000	0.07%	–	39 501	0.01%
–	250 000	0.06%	–	38 000	0.01%
–	167 498	0.04%	–	28 318	0.01%
–	102 944	0.02%	–	26 655	0.01%
–	100 000	0.02%	–	23 131	0.01%
–	85 662	0.02%	–	10 542	0.00%
–	75 000	0.02%	–	3 431	0.00%
–	71 168	0.02%	–	3 230	0.00%

1 No such disclosures were received.
2 The calculation is based on the total number of shares on 31 December 2025.

The most recent shareholding update can be found under ‘Our capital’ in the ‘Our business model’ section.

Procedures for developing the remuneration policy and for determining the remuneration granted to individual directors and members of the ExCo

- The remuneration policy for the Board and ExCo is based on prevailing legislation, the Corporate Governance Code and market data. It is monitored and regularly checked by the Remuneration Committee to see whether it complies with changes in the law, the Code, and prevailing market practices and trends. The Chairman of the Remuneration Committee informs the Board of the committee's activities and advises it of any changes to the remuneration policy and its implementation. The minutes of the meetings of the Remuneration Committee are provided to the Board for information purposes. The Board may also instruct the Remuneration Committee to examine potential changes to the remuneration policy and to advise it accordingly. If required by law, the Board will submit any policy changes to the General Meeting for approval.
- The RCC assists the Board and the Remuneration Committee in drawing up a sound remuneration policy and also checks each year whether that policy is consistent with healthy and effective risk management, and whether or not the incentives in the system promote risks.
- On the basis of advice obtained from the Remuneration Committee, the Board decides on proposals to change the remuneration package for its members and, where necessary, submits such proposals for approval at the General Meeting.
- On the basis of advice obtained from the Remuneration Committee and taking account of the established remuneration policy, the Board determines the remuneration to be granted to members of the ExCo, and assesses this amount at regular intervals. The amount in question is split into a fixed component and a variable (profit-related/performance-related) component.

Non-compliance with the Corporate Governance Code

- The Corporate Governance Code stipulates that members of the Board should receive a portion of their remuneration in the form of company shares as a way of encouraging them to act as long-term shareholders or, as phrased by the Corporate Governance Commission, to ensure that the directors have 'skin in the game'. While agreeing with the thinking behind it, the Remuneration Committee did not consider it expedient to follow this rule given KBC's specific shareholder structure, where – with the exception of the independent directors – all non-executive directors at KBC are representatives of the core shareholders. These core shareholders, by their very nature, are long-term shareholders who together hold more than 40% of KBC's shares. So it is fairly safe to say there is 'skin in the game'. Adding a limited number of shares by means of their remuneration would, therefore, not have any impact whatsoever. Consequently, the Remuneration Committee believes it is not necessary to implement this rule to achieve the intended objective. The Board followed the advice of the committee.
- The Corporate Governance Code also stipulates that the Board should determine the minimum number of shares that members of the ExCo may hold in a personal capacity. The reasoning behind this position is to bring the interests of executive management into line with those of the shareholders and because it would contribute to sustainable value creation. In this regard, too, the Corporate Governance Commission reiterates the importance of having 'skin in the game'. Moreover, a positive correlation is believed to exist between shareholdings by senior management and future operating profit. The Remuneration Committee advised the Board not to implement this particular provision of the Code. The Board followed the advice of the committee based on the fact that the idea behind this provision and the positive impact of shareholdings by senior management are already deeply embedded in the current structure of the remuneration package currently in place for members of the ExCo. Not only is payment of 60% of their variable remuneration deferred over a period of five

years, half of the variable remuneration is also paid in the form of phantom stocks. In other words, half of the variable remuneration is linked to the development of the value of the KBC share over a period of seven years following the year for which the variable remuneration was awarded. So we can safely conclude there is already quite some 'skin in the game'. Continuing good results and a positive share price performance are therefore as important to members of the ExCo as they are to the shareholders. The additional requirement of having members of the ExCo hold a package of KBC shares would make an overly large portion of their assets dependent on the KBC share price.

General framework

The policy for remunerating members of the Board and the ExCo is published in the Remuneration Policy for the Board of Directors and Members of the Executive Committee, which the General Meeting approved by 73% of the votes on 2 May 2024.

The main principles for setting variable remuneration are set out below:

- Variable remuneration must always comprise a profit-related component (for the ExCo as a collective body) and a performance-related component (for individual achievements).
- 60% of variable remuneration awarded to members of the ExCo may not be paid straightaway but its payment is to be spread over a period of five years.
- Half of the total amount of variable remuneration is to be awarded in the form of equity-related instruments (phantom stocks or other instrument specified by a local regulator). This ensures that the size of the variable emolument partly depends on the development of KBC's market price and, as a result, on the longer-term effects of the policy pursued.
- No advance payments may be made in relation to the variable component and clawback/malus provisions are in place.
- The variable remuneration may not exceed half of the fixed remuneration components.
- The criteria for assessing the performance of the ExCo member responsible for the risk function may not refer in any way to the results of the KBC group.
- Some of the criteria used for assessing the performance of members of the ExCo must always relate to risk. The sustainability policy is another element that is taken into account when setting variable remuneration.

Clawback provisions

- Payment of the total annual variable remuneration is not only spread over time; half of it is also awarded in the form of phantom stocks that are subject to a retention period of one year (i.e. they are only converted into cash one year after being awarded). The variable remuneration component, including the deferred part, is only acquired when this can be reconciled with the financial situation of the entire institution and justified by the performances of the KBC group and the ExCo.
- Action can be taken regarding payment of deferred amounts that have still to be acquired (malus arrangement) in certain situations. In exceptional circumstances, some or all of the variable remuneration already awarded can also be clawed back, which is decided on by the Board on the advice of the Remuneration Committee.

Remuneration awarded to non-executive directors

- The remuneration paid to non-executive directors consists of (i) an annual fixed component of 20 000 euros, which is non-performance-related and non-results-based (directors also sitting on the Board of KBC Bank and/or KBC Insurance receive an additional fixed remuneration of 10 000 euros for the work they perform in that regard), and (ii) the fee received for each meeting attended (5 000 euros; if meetings coincide with Board meetings of KBC Bank and/or KBC Insurance, the attendance fee will be paid just once to directors sitting on more than one of these Boards). Given his duties, the Deputy Chairman receives a higher fixed component (an additional 30 000 euros).
- In light of the considerable time he devotes to the ongoing supervision of KBC group affairs, the Chairman of the Board receives a different remuneration package that comprises solely a fixed component, which is set separately by the Remuneration Committee and approved by the Board. It amounts to 200 000 euros for the chairman of KBC Group NV and to 50 000 euros each for the chairmen of KBC Bank NV and KBC Insurance NV.
- The directors sitting on the AC and/or RCC receive an additional fixed emolument of 60 000 euros for the work they perform in that regard. Similarly, the emolument will be paid just once to directors also sitting on the AC or RCC

of KBC Bank and/or KBC Insurance. The chairmen of the AC and RCC receive a higher fixed emolument (an additional 30 000 euros and 100 000 euros, respectively). Directors sitting on either the Nomination Committee or the Remuneration Committee do not receive additional remuneration for the work they perform in that regard.

- In light of the considerable time required for directors not residing in Belgium to attend Board meetings, additional remuneration (attendance fees) of 2 500 euros is paid to them for each meeting attended. This does not apply to meetings held virtually or to virtual attendance of in-person meetings.
- KBC Group NV does not grant loans to directors. Loans or guarantees may, however, be granted by KBC Group NV banking subsidiaries pursuant to Article 72 of the Banking Act, meaning that loans may be granted at terms applying to clients and approved by the Board.

Individual remuneration awarded to non-executive directors of KBC Group NV

- The non-executive directors of KBC Group NV – and, where relevant, of other companies of the KBC group – received the amounts set out in the following table.
- The members of the ExCo who also sit on the Board as executive directors did not receive either a fixed remuneration or any attendance fees.

Remuneration per individual director (on a consolidated basis, in EUR) for FY 2025	**Remuneration**	**Remuneration for AC and RCC members**	**Attendance fees**	**Total**
Koenraad Debackere	300 000	–	–	300 000
Michiel Allaerts (from 30 April 2025)	13 333	–	35 000	48 333
Alain Bostoen	30 000	–	55 000	85 000
Eric Clinck	30 000	–	55 000	85 000
Sonja De Becker	40 000	60 000	55 000	155 000
Marc De Ceuster	65 000	90 000	62 500	217 500
Franky Depickere	65 000	160 000	57 500	282 500
Frank Donck	30 000	60 000	55 000	145 000
Line Hestvik (from 30 April 2025)	13 333	40 000	52 500	105 833
Liesbet Okkerse	40 000	–	55 000	95 000
Alicia Reyes Revuelta	30 000	60 000	75 000	165 000
Diana Rádl Rogerová	30 000	60 000	82 500	172 500
Theodoros Roussis (until 30 April 2025)	10 000	–	20 000	30 000
Raf Sels	30 000	–	55 000	85 000
Philippe Vlerick	60 000	–	55 000	115 000
Kristine Braden (from 30 April 2025)	13 333	40 000	52 500	105 833

Remuneration paid to the President and the other members of the ExCo

- The remuneration of individual ExCo members is made up of the following components:
  - A fixed monthly emolument
  - A defined pension contribution in a defined contribution plan
  - An annual, profit-related variable emolument (the amount of which depends on the performance of the ExCo as a collegial body and on the performance of the institution)
  - An annual, individual variable emolument based on the performance by each member of the ExCo and on the extent to which they led by example in promoting and implementing our corporate culture and our core value of being Respectful
  - Any emolument for offices performed on behalf of KBC Group NV (exceptional)
- A quantitative risk-adjustment mechanism – the 'risk gateway' – is used to set the variable remuneration. It comprises a number of capital and liquidity parameters. These parameters have to be met before the variable remuneration component may be awarded. The parameters are set each year by the Board. If one of these parameters is not met, no variable remuneration will be awarded for that year.
- For members of the ExCo, the individual variable component is set on the basis of an assessment of the performance of the member in question. The Remuneration Committee broadly assesses each member of the ExCo based on the pillars of our corporate culture and on the value of being Respectful, which is a core value for the entire KBC organisation. On the basis of this assessment, the Remuneration Committee proposes a percentage between 0 and 100% to the Board. The Board then decides on this final score, which ultimately determines the size of the individual variable emolument.

Criteria for awarding members of the ExCo the individual variable remuneration component	Explanation*
Performance	We strive for excellent results and do what we promise to do.
Empowerment	We offer every employee the chance to develop their creativity and talent.
Accountability	We meet our personal responsibility towards our clients, colleagues, shareholders and society.
Responsiveness	We anticipate and respond proactively to the questions, suggestions, contributions and efforts of our clients, colleagues and management.
Local Embeddedness and group-wide cooperation	We view the diversity of our teams and of our clients in the different core markets as a strength and we stay close to our clients.
Respectful	We treat people as our equals, we are transparent, we trust them and appreciate them for what they do and who they are.

* Our business model.

- On the advice of the Remuneration Committee, the Board sets the collective profit-related variable component on the basis of an assessment of a number of pre-agreed criteria relating to the performances of the ExCo and the company (see table). These criteria are centred on four broad areas, viz. implementing strategy, realising financial plans (including our sustainability plans), strengthening the risk control environment, and the satisfaction of all stakeholders. The performance of the ExCo in each of these four areas determines the size of this variable remuneration component, with each area accounting for 40%, 20%, 20% and 20%, respectively. The assessment of these criteria is reflected in a percentage between 0% and 100% that is applied to the maximum profit-related variable emolument. The size of the variable emolument, therefore, depends to a small extent on achieving financial results. Other aspects such as risk management and stakeholder management are equally important in this regard. And, as it determines at least 30% of the profit-related variable emolument, sustainability is also an increasingly important factor.

Criteria for awarding members of the ExCo the profit-related variable remuneration component	Explanation	Weighting*
Implementing strategy	The main focus is on what has been achieved in terms of client centricity, sustainability and innovation. The specific targets for 2025 related to: • Further progress in the implementation of the Ecosphere strategy (including Kate and Kate Coins) and of talent management • Qualitative and quantitative progress made in the area of bank-insurance clients, digital sales and STP (straight-through processing) • Progress, both qualitative and quantitative, on key sustainability indicators	40%
Realising financial plans	Comprises a number of financial parameters (return, liquidity, solvency, capital) and assessment of the progress made in terms of income diversification.	20%
Strengthening the risk control environment	Assessed based on liquidity, capital and funding criteria, implementing recommendations made by Audit and the regulator, and the degree to which the internal control environment, including compliance, has improved. In 2025, we continued to focus on cyber risks and the further implementation of AML and GDPR strategy. In addition to enhancing the risk control environment, many of these criteria also contribute to strengthening the company's good governance and to encouraging responsible conduct.	20%
Stakeholder satisfaction	Assessed based on results from client and employee satisfaction surveys and on progress made in terms of sustainability. A sustainability dashboard that contains numerous parameters is used for measuring sustainability in a range of areas, including our banking and insurance activities (e.g., the share of renewable energy loans in the loan portfolio and phasing out financing of the coal sector), our role in society (e.g., our own ecological footprint), sustainable growth (e.g., managing risk and creating long-term value), HR policy, etc.	20%

* For the variable remuneration of the CRO, the realisation of financial plans is not taken into account, but the relative weighting of risk-related criteria is doubled.

- The variable remuneration of the members of the ExCo is not only based on the results of a single financial year, but also considers the long-term impact. This is embedded in the structure of the payment of the variable remuneration:
  - Half of the remuneration is linked to the development of the price of the KBC share over a period of seven years following the performance year (by distributing phantom stocks);
  - 60% of the variable remuneration is not paid immediately, but is spread over a period of six years following the performance year. Events that have a material negative impact on KBC's results or reputation may give rise to non-payment or reduced payment of the variable remuneration.
- Members also benefit from a retirement and survivor's pension scheme, which comprises a supplementary retirement pension or – if the insured dies while still in employment and leaves a spouse – a survivor's pension (and, where applicable, an orphan's pension), and also provides cover in the event of disability.

Provisions concerning severance payments for executive directors and members of the ExCo of KBC Group NV

- In compliance with legal and regulatory limits, for members of the ExCo the severance payments are calculated according to the rules applicable to employees. However, this amount is capped: for members of the ExCo who have worked six years or less, the maximum payment has been set at 12 months' remuneration, for those who have worked between six and nine years, they are equal to 15 months' remuneration, and for those who have worked more than nine years, they are equal to 18 months' remuneration. In this context, remuneration is taken to be the fixed remuneration component for the current year and the variable component for the last full year preceding termination of office.

Relative importance of the different components of remuneration

- The variable component is split into a collective profit-related variable emolument and an individual variable emolument. For 2025,
  - a maximum of 745 987 euros applies for the profit-related variable component for the President of the ExCo and a maximum of 395 337 euros for the individual variable component;
  - the limits for these components are 335 237 and 150 648 euros, respectively, for the other members of the ExCo.
- The final amount is set by the Board on the advice of the Remuneration Committee, based on an assessment of the individual and collective achievements during the previous financial year.

Characteristics of performance-related bonuses in the form of shares, options, or any other rights to acquire shares

- The total amount of annual variable remuneration (i.e. both the profit-related and individual components) for members of the ExCo is paid over a period of six years, with 40% being paid in the first year and the rest spread equally over the next five years.
- Payment of these deferred amounts is subject to the clawback provisions outlined above.
- Of the total annual variable remuneration, 50% is awarded in the form of equity-related instruments called phantom stocks, the value of which is linked to the price of the KBC Group NV share (though not in the Czech Republic, where a specific non-cash instrument is used whose value changes in lockstep with ČSOB's results and the underlying factors determining the value of the phantom stocks). These stocks must be retained for one year after being allocated. The period over which they are allocated is also six years. The average price of the KBC share during the first three months of the year is used to calculate the number of phantom stocks to which each member of the ExCo is entitled. These stocks are then converted into cash a year later on the basis of the average price of the KBC share during the first three months of that year. They are subject to the allocation and acquisition conditions described under 'Clawback provisions'.

Pension arrangements, disability cover and death cover

- The members of the ExCo have a separate defined contribution plan that is funded entirely by KBC. When drawing up this plan, account was taken of the fact that the career of a member of the ExCo is shorter than that of an average employee. In the pension formula, therefore, the first ten years that an individual sits on the ExCo are the ones in which a significant part of the supplementary pension is built up. The contribution that KBC makes to the pension plan amounts to 32% of the fixed emolument during those first ten years, 7% for the next five years and 3% starting from the sixteenth year of plan membership. A minimum return of 0% (capped at 8.25%) is guaranteed on the contributions. During the first ten years, the size of the payment made into the pension fund is rather large, but declines to a fraction of what it had been previously starting from the eleventh year and even more markedly from the sixteenth year.
- The plan applies to all members of the ExCo who are resident in Belgium. Similar cover is provided for the other members of the ExCo under an insurance contract.
- The pension plan includes a death benefit, which equals four times the amount of the fixed emolument (or, if higher, the reserves that have been built at the time of death). Where applicable, there is also an orphan's pension, comprising a one-off benefit of 239 662 euros and an annuity of 7 773 euros per year.
- The invalidity benefit provided under the plan amounts to 922 989 euros per year.

Fixed and variable remuneration for 2025

- Figures for the fixed and variable remuneration components are given in the table.
- The Board decided that the members of the ExCo should be awarded collective profit-related variable remuneration for 2025 that equalled 95.9% of the maximum amount (93.5% for the CRO).

2025 score	Explanation	Score decided on
A Implementing strategy	In 2025, we continued implementing the 'S.T.E.M, the Ecosphere' strategy. All countries are fully engaged in implementing their roadmap to achieve their strategic goals. In 2025, we observed a sharp increase in the number of clients, bank-insurance clients and active clients. Despite this clear increase, the ambitious targets are not being adequately achieved. More and more processes are entirely 'straight-through', which also makes them scalable. We are also on target for sales through our digital channels. Significant progress was made again in the area of sustainability. The share of green property loans, green insurance policies and responsible investments increased again compared to 2024. However, the share of green vehicles is under pressure. The automotive sector is facing considerable challenges and the government is systematically phasing out support measures. Investments in renewable energy increased and the share of renewable energy in the total portfolio grew further to 73%.	96.9%
B Realising financial plans	2025 was an exceptionally strong year in which the financial plans were more than exceeded, leading to very strong results.	100.0%
C Strengthening the risk control environment	The majority of the KPIs were met (audit recommendations, liquidity, funding and capital planning, level of operating losses, etc.). Substantial efforts and significant progress were again made in a few areas, such as data quality, GDPR and anti-money laundering issues. In terms of data quality, processes are under control. The increasingly high supervisory expectations make it ever more challenging to continue to meet all requirements in a timely manner, which has an impact on implementation and requires additional efforts. All these efforts also contribute to responsible behaviour throughout the group, an important cornerstone of the sustainability strategy.	88.1%
D Stakeholder satisfaction	The already high level of employee satisfaction increased even further, leading to a strong sense of engagement. Our sustainability performance has remained strong, as the sustainability report also shows. KBC continues to be recognised as a frontrunner in this area in the financial sector, which among other things resulted in confirmation of the excellent sustainability ratings. Virtually all KBC entities met their NPS target. Employee satisfaction, NPS scores and reputation also benefit from good governance and responsible behaviour, to which considerable attention is paid.	97.5%
Total weighted score (percentage that is applied to the maximum profit-related variable emolument)	ExCo members excl. CRO ((96.9 x 40%) + (100 x 20%) + (88.1 x 20%) + (97.5 x 20%))	95.9%
	CRO ((96.9 x 40%) + (100 x 0%) + (88.1 x 40%) + (97.5 x 20%))	93.5%

- Half of the variable remuneration component is paid in cash and the other half is awarded in the form of phantom stocks. As regards the cash component, 40% will be paid in 2026 and the remaining 60% spread equally over the next five years (2027 to 2031, inclusive). The amounts awarded are included in the table below.
- Phantom stocks for 2025: The number of phantom stocks is calculated on the basis of the average price of the KBC share during the first quarter of 2026. Like the other variable components, 40% will be awarded in 2026 and the remaining 60% spread equally over the next five years. Given that phantom stocks are to be retained for one year, they are paid out in cash one year after being awarded, which means that payment is spread over 2027 to 2032. The amounts for which phantom stocks were awarded in this way for 2025 are given in the table below.

Amounts awarded in the form of phantom stocks (in EUR)	Total	Vesting in 2026	Vesting in 2027	Vesting in 2028	Vesting in 2029	Vesting in 2030	Vesting in 2031
Johan Thijs	553 268	221 307	66 392	66 392	66 392	66 392	66 392
Erik Luts	230 742	92 297	27 689	27 689	27 689	27 689	27 689
Christine Van Rijsseghem	218 461	87 384	26 215	26 215	26 215	26 215	26 215
David Moucheron	228 482	91 393	27 418	27 418	27 418	27 418	27 418
Peter Andronov	231 495	92 598	27 779	27 779	27 779	27 779	27 779
Aleš Blažek*	140 778	56 311	16 893	16 893	16 893	16 893	16 893
Bartel Puelinckx	223 209	89 284	26 785	26 785	26 785	26 785	26 785

* Specific instruments in the Czech Republic, as set out above.

Variable remuneration relating to previous years

- A portion of the (deferred) variable remuneration component awarded for 2020-2024 will be paid in 2026.
- A portion of the phantom stocks awarded for 2019-2023 was converted into cash at 79.72 euros per share in April 2025.
- The amounts paid are given in the table.

Severance payments in 2025

- None.

Other benefits

- Each member of the ExCo has a company car, the personal use of which is charged in accordance with the prevailing regulations. Other benefits which members of the ExCo receive include hospitalisation insurance, assistance insurance and accident insurance. The value of these benefits is given in the table. These figures do not include the flat-rate expenses allowance of 335 euros which each member of the ExCo receives each month.

Overview

- The tables below show the remuneration paid to a) the former members of the ExCo and b) the current members of the ExCo. Employment status of the members of the ExCo: self-employed.

Remuneration paid to former members of the ExCo of KBC Group NV, 2025	Daniel Falque	Hendrik Scheerlinck	John Hollows	Luc Popelier
	Paid	Paid	Paid	Paid
Base remuneration (fixed)	–	–	–	–
Individual remuneration for financial year (variable)				
– cash	–	–	–	–
– phantom stocks	–	–	–	–
Profit-related remuneration for financial year (variable)				
– cash	–	–	–	–
– phantom stocks	–	–	–	–
Remuneration for previous financial years				
– individual variable remuneration	10 025	11 193	17 439	45 443
– profit-related variable remuneration	33 352	33 352	50 328	124 020
– phantom stocks	81 872	83 307	104 044	239 479
Sub-total (variable remuneration)	125 249	127 852	171 812	408 942
Defined contribution pension plan (contribution) (excl. taxes)	–	–	–	–
Other benefits	–	–	–	–
Total	125 249	127 852	171 812	408 942
Ratio of fixed to variable remuneration (%)	–	–	–	–

Remuneration paid to the current members of the ExCo of KBC Group NV (2025)	Johan Thijs (CEO)		Peter Andronov		Aleš Blažek[1]		Erik Luts		David Moucheron		Bartel Puelinckx		Christine Van Rijsseghem	
	Awarded	Paid	Awarded	Paid	Awarded	Paid	Awarded	Paid	Awarded	Paid	Awarded	Paid	Awarded	Paid
Base remuneration (fixed)	2 279 730	2 279 730	1 069 602	1 069 602	775 799	775 799	1 069 602	1 069 602	1 069 602	1 069 602	1 069 602	1 069 602	1 069 602	1 069 602
Individual remuneration for financial year (variable)														
- cash	195 692	78 277	70 804	28 322	37 814	15 126	70 051	28 020	67 791	27 117	62 519	25 008	61 766	24 706
- phantom stocks	195 692	-	70 804	-	37 814	-	70 051	-	67 791	-	62 519	-	61 766	-
Profit-related remuneration for financial year (variable)														
- cash	357 576	143 031	160 690	64 276	102 964	41 185	160 690	64 276	160 690	64 276	160 690	64 276	156 695	62 678
- phantom stocks	357 576	-	160 690	-	102 964	-	160 690	-	160 690	-	160 690	-	156 695	-
Remuneration for previous financial years														
- individual variable remuneration	-	81 239	-	27 449	-	10 498	-	34 045	-	25 763	-	2 358	-	32 273
- profit-related variable remuneration	-	168 178	-	67 207	-	31 902	-	84 718	-	67 207	-	6 399	-	84 381
- phantom stocks	-	503 352	-	159 121	-	63 197	-	244 262	-	156 490	-	-	-	241 711
Sub-total (variable remuneration)	1 106 536	974 076	462 989	346 375	281 555	161 908	461 483	455 322	456 964	340 853	446 418	98 040	436 922	445 749
Defined contribution pension plan (contribution) (excl. taxes)[2]	830 428	830 428	269 201	269 201	269 201	269 201	367 040	367 040	394 521	394 521	404 346	404 346	383 032	383 032
Other benefits	15 202	15 202	8 650	8 650	6 694	6 694	8 952	8 952	8 377	8 377	8 749	8 749	8 905	8 905
Total	4 231 896	4 099 435	1 810 442	1 693 828	1 333 249	1 213 602	1 907 077	1 900 916	1 929 464	1 813 354	1 929 115	1 580 737	1 898 461	1 907 288
Ratio of fixed to variable remuneration (%)	74/26	76/24	74/26	80/20	79/21	87/13	76/24	76/24	76/24	81/19	77/23	94/6	77/23	77/23

1 The net remuneration paid to Aleš Blažek is the same as that for the other members of the ExCo.

2 The pension contribution also includes death cover and disability cover. The contributions for the death cover and disability cover explain the differences between the Exco members.

Top management remuneration in perspective

- To put developments in the remuneration of top management in perspective, we have provided an overview of the total remuneration earned by the current members of the ExCo, the average salary of KBC Group NV employees (in FTE), the lowest salary of a KBC Group NV employee (in FTE) and certain indicators of KBC's performance.
- The remuneration awarded to non-executive directors has not been included in the overview due to the fact that it has remained unchanged during the past five years.

Top management remuneration in perspective	2021	2022	(year-on-year change)	2023	(year-on-year change)	2024	(year-on-year change)	2025	(year-on-year change)
Remuneration of ExCo members (in EUR)									
Johan Thijs	2 421 147	3 067 231	+27%	3 620 237	+18%	4 107 170	+13%	4 231 896	+3%
Peter Andronov	1 506 087 (12/12)	1 602 089	+6%	1 720 579	+7%	1 775 433	+3%	1 810 442	+2%
Aleš Blažek	–	1 111 584 (12/12)	–	1 202 965	+8%	1 411 951	+17%[1]	1 333 249	-6%[1]
Erik Luts	1 534 287	1 643 993	+7%	1 793 078	+9%	1 837 225	+2%	1 907 077	+4%
David Moucheron	1 520 236 (12/12)	1 627 611	+7%	1 779 555	+9%	1 875 369	+5%	1 929 464	+3%
Bartel Puelinckx	–	–	–	–	–	1 862 536	-	1 929 115	+4%
Christine Van Rijsseghem	1 529 211	1 632 959	+7%	1 779 830	+9%	1 851 271	+4%	1 898 461	+3%
Average (excluding CEO[2])	1 522 517	1 541 991	+7%	1 677 673	+9%	1 768 964	+5%	1 801 301	+2%
Average salary of Belgian employees of KBC Group NV (in EUR)									
Average salary	94 312	109 106	+16%[3]	112 376	+3%	114 578	+2%	117 936	+3%
Lowest salary[6]	47 767	53 559	+12%	54 704	+2%	55 457	+1%	53 846	-3%
Ratio of highest to lowest salary	1/51	1/57		1/66		1/73		1/79	
Performance indicators									
Group's net result (in millions of EUR)	2 614	2 818[4]	+5%	3 402	+21%	3 415	+0%	3 568	+4%
Group's total income (in millions of EUR)	7 558	10 035[4]	+12%	11 224	+12%	11 167	-1%	12 200	+9%
Own greenhouse gas emissions (in tonnes of CO_2 per FTE)	1.02	1.49[5]	–	1.48	-1%	1.46	-1%	1.37	-7%
Volume of responsible investment funds (in billions of EUR)	31.7	32.3	+2%	40.7	+26%	50.8	+25%	64.4	+27%
Common equity ratio (fully loaded)	15.5%	15.3%	-1%	15.2%	-0%	15.0%	-1%	14,9%	-0%

1 The increase in 2024 is largely driven by compensation for the tax and social security contributions due in the Czech Republic on premiums paid (pension contribution). As this was a one-off payment, it resulted in a decrease in compensation in 2025.
2 This calculation was based on the ExCo's composition at the time.
3 The increase was impacted by the separation of KBC Global Services.
4 According to IFRS 17. Percentage increase from 2021 without considering IFRS 17.
5 Recalculated based on the disposal of KBC Ireland and the inclusion of the private use of our own or KBC-managed vehicle fleet.
6 The decrease in the lowest salary in 2025 is related to the recruitment of a new employee in a low pay bracket.

Remuneration from 2026

In October 2025, the Remuneration Committee benchmarked the remuneration of the members and the President of the ExCo against that of a group of peers who are sufficiently comparable in terms of remuneration. This benchmarking exercise revealed that the remuneration of the members and the President of the ExCo is no longer in line with our remuneration strategy and objective. Based on this outcome, the Remuneration Committee proposed to the Board that the remuneration be adjusted and realigned with the objective.

On the advice of the Remuneration Committee, the Board reaffirmed the remuneration strategy and objective. This means that the remuneration package of the members of the ExCo will be positioned between the 50th and 75th percentile of the peer group. The same applies to the remuneration package of the President of the ExCo, with the aim of being positioned in the top quartile. This will enable KBC to continue to attract and retain talent. Furthermore, the Board reaffirmed the principle of equal remuneration. This means that all members of the ExCo receive equal remuneration (with the exception of a limited difference in the calculation of the variable remuneration of the CRO due to regulatory restrictions).

To meet this objective, the Board decided to increase the remuneration of the members of the ExCo by 300 000 euros. The fixed emolument will be raised by 200 000 euros and the variable emolument will be raised by 100 000 euros, divided between the profit-related variable emolument and the individual variable emolument according to the current allocation key. The Board also decided to increase the remuneration of the President of the ExCo by 900 000 euros, comprising a fixed emolument of 550 000 euros and a variable emolument of 350 000 euros. The Board proposes that this variable emolument of 350 000 euros be paid out in the form of a retention bonus, given the leadership of the President of the ExCo and his crucial contribution to KBC's success.

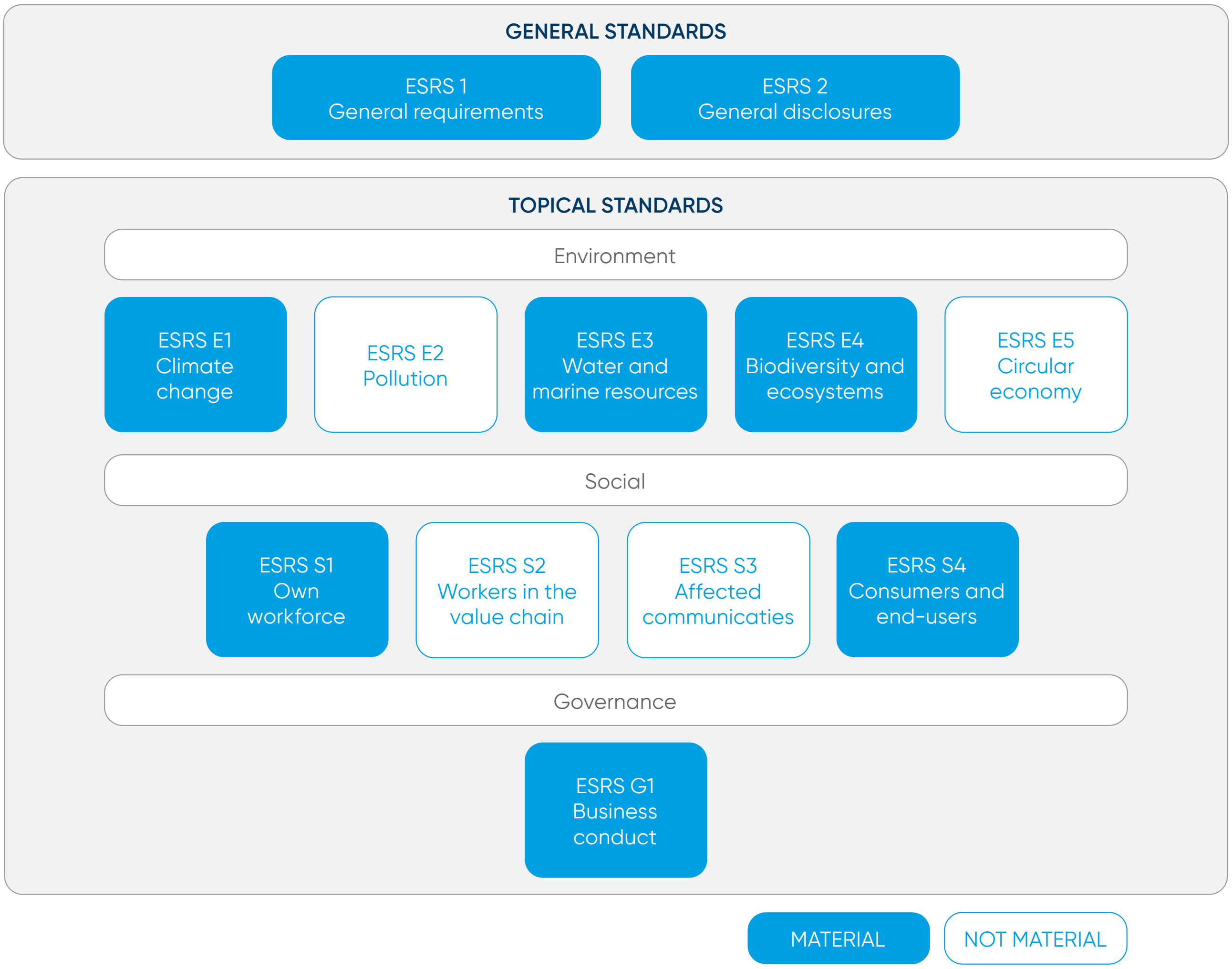
Finally, the Board decided to give the members of the ExCo (including the President of the ExCo) the option of converting all or part of the increase in their fixed salary into an additional pension contribution as from the 11th year of their membership of the ExCo as the standard pension contributions will then decrease from 32% of the fixed emolument to 7% of the fixed emolument. This option allows the members of the ExCo to continue to accrue pension at the higher rate. This option is included in the existing pension plan. In principle, all members of the ExCo (including the President of the ExCo) will exercise this option. Each member will be given the opportunity to opt out at the start. This will also be the case in the event of any material changes to the pension plan. In case of opt-out, the amount will be added back to the fixed base remuneration.

General information

General information
Environmental information
Social information
Governance information

The Sustainability statement provides clear and structured disclosures in compliance with the Corporate Sustainability Reporting Directive (CSRD). It details how we meet European regulatory requirements and presents mandatory information on what we consider to be our material sustainability-related impacts, risks and opportunities, and how we manage them through policies, actions and targets. The visual below provides an at-a-glance overview of the sustainability topics that are material or immaterial to KBC.

For a deeper look at our sustainability approach, strategy and achievements, please refer to our separate, voluntary Sustainability Report, which is available on our website.



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

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

Basis for preparation (1.1)

General basis for preparation of sustainability statements (1.1.1)

[BP-1]

The KBC 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).

On 15 January 2026, KBC acquired 365.bank in Slovakia and on 10 February 2026, the acquisition of Business Lease in the Czech Republic and Slovakia was finalised. As from financial year 2026, these subsidiaries will be integrated in the Sustainability statement as part of the consolidation scope. For more information about these acquisitions and their financial impact, we refer to Note 6.6 and Note 6.8 of the 'Consolidated financial statements' section.

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
ČSOB Pojišťovna a.s.	Pardubice - CZ	Insurance undertaking
K&H Bank Zrt.	Budapest - HU	Credit institution
KBC Insurance NV	Leuven - BE	Insurance undertaking
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.

Disclosures in relation to specific circumstances (1.1.2)

[BP-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 (excluding emissions on investments)	Data availability	We measure our GHG emissions (excluding investment emissions) at situation date 30 September 2025, which serves as an approximation of our emissions as at 31 December 2025. Given the relative portfolio stability, this is considered to give readers a sufficient level of accuracy. We are taking action to further move the situation date of the emissions to 31 December in the future.
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, sovereign bond portfolio of KBC Bank and own investments of KBC Insurance	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. For the imported component of sovereign exposure emissions, we rely on modelled estimates, as sovereign exposures do not disclose Scope 3 emissions.
GHG emissions – Scope 3 – insurance-associated emissions	Data availability	For our insurance-associated emissions we use the PCAF Global Standard Part C, which currently covers personal motor lines and commercial lines. For private vehicles we use exact data of the types of vehicles we insure wherever possible, but when this is not available, we approximate by using country-specific proxies. For our commercial lines portfolio, all emissions are calculated using the PCAF emission factor database.
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 and more specifically to the respective paragraphs on the composition of the Board and its committees, the ExCo, AC, RCC, RC and the NC
- For the disclosure of ESRS 2 GOV-3 (section 1.2.3) paragraph 29, we refer to the 'Corporate governance statement' section (Remuneration Report)

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)

[GOV-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, 31-12-2025	ExCo	RCC	AC	NC	RC	Board
Number of executive members	7	0	0	0	0	3
Number of non-executive members	–	7	3	7	3	15
of which number of independent members	–	4	2	4	2	5
Number of years on the body						
0-2 / 3-10 / more than 10 years	1 / 4 / 2	–	–	–	–	5 / 7 / 6
Average number of years	7	–	–	–	–	8
Representation of employees and other workers	0	0	0	0	0	0
Age						
31-40 / 41-50 / 51-60 / older than 60 years of age	0 / 0 / 5 / 2	–	–	–	–	1 / 1 / 10 / 6
Average age	58	–	–	–	–	57
Gender						
Women	1	5	2	4	1	7
Men	6	2	1	3	2	11
Nationality						
American	–	1	–	1	–	1
Belgian	5	3	1	4	2	14
Bulgarian	1	–	–	–	–	–
Czech	1	1	1	1	–	1
Norwegian	–	1	–	1	–	1
Spanish	–	1	1	–	1	1
Qualifications*						
Law	29%					28%
Economics/finance	29%					44%
MBA	14%					11%
Actuarial sciences/insurance	14%					6%
Other	14%					11%

* 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 'Corporate governance statement' section.

Responsibilities of the bodies regarding the management of impacts, risks and opportunities
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 2025, the ISB met eight 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 'Risk management' 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.

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 (including risk functions). 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.

Steering Committee Sustainability: discusses proposals to be submitted for decision by the ISB and/or implementation of such decisions. The committee is chaired by the Senior General Manager of Group Corporate Sustainability. It includes the Sustainability general managers of all core countries and representatives of certain head-office departments (including risk functions).

CSRD Steering Committee: oversees, manages and follows up the reporting in line with the European CSRD legislation. It is chaired by the Senior General Manager of Group Finance and includes the (Senior) General Managers of Group Corporate Sustainability, Group Risk and Credit Risk, Group Compliance and Corporate HR.

Data and Metrics Steering Committee: manages the challenges relating to sustainability-related data collection and reporting. It includes (Senior) General Managers of several group functions (including sustainability and risk functions), representatives from the core countries and is co-chaired by the Group CFO.

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 of external sustainability experts from the academic world and advises Group Corporate Sustainability on sustainability policies 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)

[GOV-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 and the Board. 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 2025.

Material sustainability matters addressed by the governance bodies in 2025		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)
[GOV-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’ section.

Statement on due diligence (1.2.4)

[GOV-4]

Throughout this document, we touch on various aspects of our due diligence process with regard to sustainability matters. The table below explains how and where our application of the main steps and aspects of the due diligence process 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: section 4.1.2 Metrics related to: - Climate change: sections 2.2.3.2, 2.2.3.3 and 2.2.3.4 - Own workforce: section 3.1.2 - Business conduct: section 4.1.2

Risk management and internal controls over sustainability reporting (1.2.5)

[GOV-5]

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 is in place to ensure continuous oversight and robust management of the reporting 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 preparation of the statement is subject to a strict governance and internal controls, including the four-eyes principle, as described above. We also refer to our Greenwashing framework (see section 2.2.2.2 and section 3.2.1.4).
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, through various mitigation measures, via several internal functions and processes as shown in the table. Furthermore, sustainability forms part of the audit universe for KBC's internal audit department. All sustainability matters – including governance, reporting and integration within core processes such as lending and insurance – are regularly included in internal audits, depending on the annual risk-based audit plan. For example, in 2025, two audits were conducted focusing on the data quality of ESG information used for CSRD reporting; one of these audits related to the Czech Republic Business Unit, while the other focused on the Belgium Business Unit. Additionally, one audit examined the data quality of ESG data within KBC Asset Management, specifically in relation to the management of Responsible Investment Funds, the preparation of fund documentation, and ESG reporting.

Strategy (1.3)

Strategy, business model and value chain (1.3.1)

[SBM-1]

Our strategy

KBC is an integrated bank-insurance group (banking, insurance and asset management), mainly active in Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria (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 (e.g., our network of branches, agencies 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)	2025	2024
Belgium	14 141	14 553
Czech Republic	11 597	11 432
Slovakia	3 309	3 279
Hungary	3 952	3 912
Bulgaria	6 400	6 338
Rest of the world	404	415
Total	39 803	39 929

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.

We have a dedicated sustainability strategy in place to properly take up our role in society and create value for our stakeholders.
At the heart of this sustainability strategy lies the responsibility to ensure financial resilience and to implement a strict risk management framework. In doing so, we ensure that we can do business sustainably into the future. Provided these criteria are met, our sustainability strategy consists of three main cornerstones:

- Maximising the positive impact of our products and services on society and the environment
- Minimising or completely avoiding any potential negative impacts
- Ensuring all our employees behave responsibly

These three cornerstones are found in two additional and crucially important elements:

- Local communities and economy: we respect the unique context of each core market and aim to support local communities and the economy in these markets
- Our people: our sustainability strategy is driven by our people. That is why we invest heavily in developing sustainable skills and vision across our workforce, encouraging all our employees to adopt a responsive, respectful and results-driven approach

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 prioritise work-life balance for our employees and design our products to enhance healthcare, quality of life and 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 direct thermal coal. We also have clear restrictions in our Energy Policy on other non-sustainable energy solutions, such as oil and gas.

SDG 8 Decent work and economic growth: we support entrepreneurs and invest in innovative businesses. We are committed to supporting 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 certain 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 business model

Our business model as a bank-insurer is built on the principle of creating sustainable value. As a bank 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. As an insurer, we support our clients in reducing their risks. 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. Our core activities 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 • (Re)insurance • Other financial services (such as factoring, operational leasing, fleet management, advisory services, etc.) • Other non-financial services (such as real estate, roadside assistance, employee benefits, support for start-ups, etc.)

Interests and views of stakeholders (1.3.2)

[SBM-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, 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 formal and informal meetings with workers representatives • Regular consultations with the occupational health and safety committees, health, safety and security advisers, and employee representatives • Regular meetings with employee resource groups (ERG) • Regular progression dialogues	• Work-life balance • Personal and professional development • Health and safety • Ethical conduct • Working conditions
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 for 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 and insurance 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 **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)

[SBM-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 (I), risks (R) and opportunities (O) 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, upstream and downstream value chain).

		Upstream			Own operations			Downstream		
Material sustainability matters		I	R	O	I	R	O	I	R	O
Climate change	Climate change mitigation	■						■	■	■
	Climate change adaptation								■	■
	Energy							■	■	■
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, funding and insuring 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. the downstream promoting of the transition to renewable energy) of today and tomorrow. Through our insurance activities, we have a potential positive impact by supporting the transition to alternative energy sources and mitigating the effects of climate change by developing specific insurance products and services and by implementing strict policies on the underlying subject of insurance. 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, insurance 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, liquidity and technical insurance 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 significantly increase the level of claims under the insurance policies we provide as well as 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, insurance and advisory products and services (including non-financial products and services). We particularly identified short-term opportunities in the ecosystems of housing and mobility, the transition to alternative energy sources (e.g., new technologies including energy storage) and new insurance products related to climate-related risks.

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. To help contain water-related risks, we introduced our first water policy in 2025, which sets clear expectations for sustainable use of water within our financing activities. At the same time, 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 is 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, investment and insurance 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 material impacts we have identified benefit all our employees equally and positively across the short, medium and long term. When it comes to working conditions – particularly secure employment, working time, fair wages, social dialogue, freedom of association, collective bargaining, work-life balance, and health and safety – KBC consistently goes beyond regulatory requirements in all its core markets on a broad range of employee rights and benefits.

KBC strives to foster a stimulating work environment where employees can develop their skills, express their ideas, and take responsibility as active corporate citizens. We also create a positive impact for our employees through fair and equal treatment and opportunities. In this regard, we highly value gender equality and structurally embed equal pay for work of equal value. Diversity and inclusion are key priorities, reflected in our Diversity and Inclusion Policy and reinforced by measures to prevent violence and harassment in the workplace. In addition, we create a positive impact as we invest heavily in talent and skills development. Through extensive training opportunities, we empower our employees to grow professionally and reach their full potential. KBC places the highest priority on data protection and the privacy of employees.

Reputational and litigation *risks* may arise in the short, medium or long term if employee privacy is not adequately protected or if personal data is compromised due to a cyberattack. Given the significant impact KBC has on employee privacy, it is essential to maintain robust safeguards to mitigate these risks. Our materiality assessment did not identify any additional *risks* directly related to our own workforce. Risks associated with incidents such as forced labour or child labour are considered highly unlikely, given 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 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 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. We protect our clients from the financial consequences of healthcare risks with the insurance products we provide and protect the confidentiality of their health information.
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 poorly managed or when KBC would engage with/contract suppliers involved in corruption and bribery.

Changes to material IROs
In 2025, we conducted an update of our double materiality assessment performed in 2024 (we refer to section 1.4.1.). This update did not reveal 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. This is described in section 2.2.2 for climate change, in section 2.4.2 for biodiversity, and in section 2.3.1 for water. 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 bank-insurer, the basis of our business model is client trust. Therefore, client centricity remains a cornerstone of the KBC strategy. We carefully consider consumer, investor, 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 strive to attract and retain highly skilled and dedicated professionals who uphold KBC's high standards across all business activities and internal operations. The daily contributions of our employees are essential to executing our strategy and creating sustainable value. Employee trust and satisfaction are critical to this process. Therefore, we focus on safeguarding the positive impacts we have on our employees throughout the entire employee lifecycle, which directly impacts recruitment, employee engagement, growth and retention. As part of this commitment, we ensure the protection of employee privacy and maintain a respectful and supportive work environment.

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 and insurance activities, such as operational expenses, net interest income, and insurance claims. 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 – for KBC as a whole and for our banking activities, and the Own Risk & Solvency Assessment – ORSA – for our insurance activities). 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 effect 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. The same holds for the capital that we calculate under Solvency II for the risks associated with natural catastrophe events (physical risks) in our insurance business.

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.

In reverse stress testing, as part of our capital adequacy assessment, several scenarios related to ESG risk are included in KBC's stress-testing mix. For example, to specifically assess the capital adequacy of our insurer, the impact of natural catastrophe events was assessed. Furthermore, we also included a simulation of a cyberattack and a dedicated social risk scenario, which assumes the materialisation of social issues and increased pressure on sovereign exposures. Looking at the individual results, our capital remains adequate. For more details, please refer to our Risk Report, which is available at www.kbc.com.

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 financial position, financial performance and 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)
[IRO-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 EFRAG's (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 EFRAG's 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 2025, we performed an update of the 2024 double materiality assessment. This was done by monitoring KBC's context in order to identify changes in existing material impacts, risks and opportunities. This context includes among others KBC's activities, our group structure, business relationships, the legal and regulatory environment in which we operate, stakeholder mapping, engagement with stakeholders, etc. Our 2025 update reconfirmed the outcome of our 2024 double materiality assessment. We aim to investigate on a yearly basis whether we need to modify the 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 bank-insurer, 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) as well as through our insurance activities.

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 a variety of tools, including 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 peer reports.
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, investment and insurance underwriting activities, i.e. our portfolio emissions accounted under Scope 3 Category 15 'Investments'. 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 bank-insurance 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 Agriculture, Building & Construction, and Energy.

Similarly, we used ENCORE to assess our indirect impact and dependency on water availability and pollution, by linking water-related pressures and ecosystem services to our loan portfolio. Based on that analysis, Agriculture, Food & Beverages, Building & Construction, and Chemicals were identified as priority sectors.

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, technical insurance 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 Enterprise 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 an SRIM to assess the impact of social risks (see below), and the management of governance risks is an integral part of compliance and operational risk management. The ERIM, SRIM and the underpinning of expert judgement are all 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, technical insurance 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 the Group, but separate maps are also in place for the banking, insurance 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. The flood risk analyses cover both bank and insurance 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.
- Circular economy, the ERIM considers current and potential future risks stemming from the transition to a circular economy. However, the assessment is still based primarily on expert judgement.

The financial materiality assessment of the social risks was predominantly based on our existing SRIM, which was developed in 2024. The SRIM is annually reviewed at the level of the group, but separate maps are also in place for the banking and insurance activities. Additionally, further breakdowns are made for our core countries, given that the materiality of social risks can differ across jurisdictions and locations. It is our main internal process for identifying and assessing the impact of social risks on our value chain, which encompasses:

- Estimating the risks for the financial and non-financial risk types
- Focusing on the short to medium term (0-5 years): allowing the incorporation of known and emerging trends without being hampered by the uncertainty and unpredictability of movements in the future
- Considering three potential risk drivers: changes in policy and regulation, external developments and changes in societal preferences regarding social factors
- Considering different stakeholders – employees, suppliers, clients and communities – throughout the different parts of KBC's value chain
- Assessing the following social risk factors, mostly from a high-level portfolio approach:
  - Working conditions: a decent work environment for our own workforce (employees) and workers in the value chain. More specifically, it concerns: secure employment, work-life balance, adequate wages, freedom of association and participation, and health and safety.

- Equal treatment and opportunities for all: equal and non-discriminatory access to opportunities in, for example, education, training, employment, etc. without being disadvantaged on the basis of criteria such as race, gender, ethnicity, nationality, marital status, sexual orientation, age, family status, disability or religion. More specifically, it concerns: gender equality and equal pay for work of equal value, training and skills development, employment and inclusion of people with disabilities, measures against violence and harassment in the workplace, and diversity.
- Human rights and protection: safeguarding the human rights of our own workforce (employees) and workers in the value chain, protection of communities and the wider society and protecting consumers and end-users. More specifically, it concerns: child and forced labour, adequate housing, privacy, rights of affected communities, information-related impacts, and the personal safety and social inclusion of consumers and/or end-users.

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, insurance contracts 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
The final outcome of the impact materiality and the financial materiality assessments was presented to and approved by the CSRD Steering Committee, the ExCo, the AC and the Board.

Prior to this approval, the following validation steps were taken:
- The outcome of the impact materiality and the financial materiality (both risks and opportunities) exercises was 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).
- With regard to the identification and assessment of impacts (not related to our own workforce), the intermediate results were discussed with the Group Corporate Sustainability department.
- For workforce-related impacts, the assessment outcome was validated by both the management team of Corporate HR and the HR managers of the core countries in the international HR community. As the 2025 update of the assessment did not change the 2024 results, the European Works Council’s 2024 acknowledgment remained valid.
- The outcome of the risk assessment was discussed with and approved by the management of the risk functions involved.

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

[IRO-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.

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
	S1-13	Training and skills development metrics	3.1.2.6
	S1-14	Health and safety metrics	3.1.2.7
	S1-16	Remuneration metrics (pay gap and total remuneration)	3.1.2.8
	S1-17	Incidents, complaints and severe human rights impacts	3.1.2.9
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 business conduct-related 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- SBM3 - E4 paragraph 16 (a)	Indicator number 7 Table #1 of Annex I		1.3.3
ESRS 2- SBM3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I		1.3.3
ESRS 2- SBM3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I		1.3.3
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	3.1.2.7
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	3.1.2.8
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		3.1.2.8
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		3.1.2.9
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	3.1.2.9
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 (EU) 2020/1818, Art 12.1	Not material
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

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

[EUT]

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
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

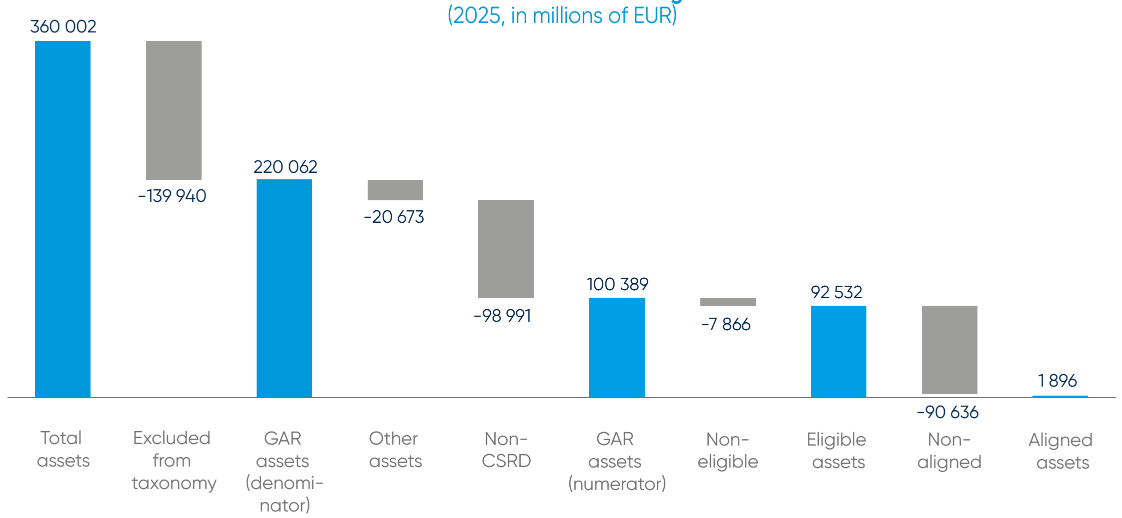
KBC is a large undertaking subject to the disclosure obligations described in the EU Taxonomy Disclosure Delegated Act (DDA). We report on our activities as credit institution, as (re)insurer and as asset manager. Various working groups, with representatives from our core countries, address different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

Data availability remains a challenge.
- Obtaining EU Taxonomy data from our counterparties continues to be a hurdle. Difficulties arise in identifying suitable data providers, aligning vendor data with our internal portfolio and accessing information from non-CSRD entities. These issues highlight the need for further harmonisation of and transparency in sustainability data.
- 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 www.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, insurers/reinsurers and asset managers. We have included them in the 'EU Taxonomy – detailed tables' section in the 'Additional information' section of this annual report. We apply the same reporting templates as in our 2024 Sustainability statement. The new KPI calculation, introduced by the Omnibus simplification package but not yet voted on on 31 December 2025, has not yet been applied in our tables. However, where applicable, we inform the reader by also disclosing figures based on the new Omnibus definition of the KPI (i.e. an aligned scope of the numerator and denominator and also the inclusion of taxonomy-aligned outstandings with non-CSRD counterparties). 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 sections below are limited to the data based on the counterparty's Turnover KPIs (if applicable).

EU Taxonomy – KBC as a credit institution
Reconciliation of Total assets – Aligned assets
(2025, in millions of EUR)



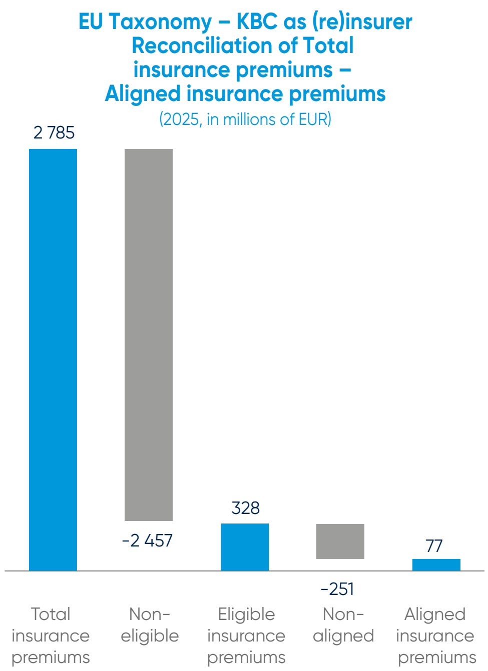
KBC as a credit institution
In this section, all assets are considered from the credit institutions in the group, i.e. those entities defined in Article 4.1.1. of Regulation (EU) No 575/2013 of the European Parliament and of the Council (prudential requirements for credit institutions). As defined in 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').

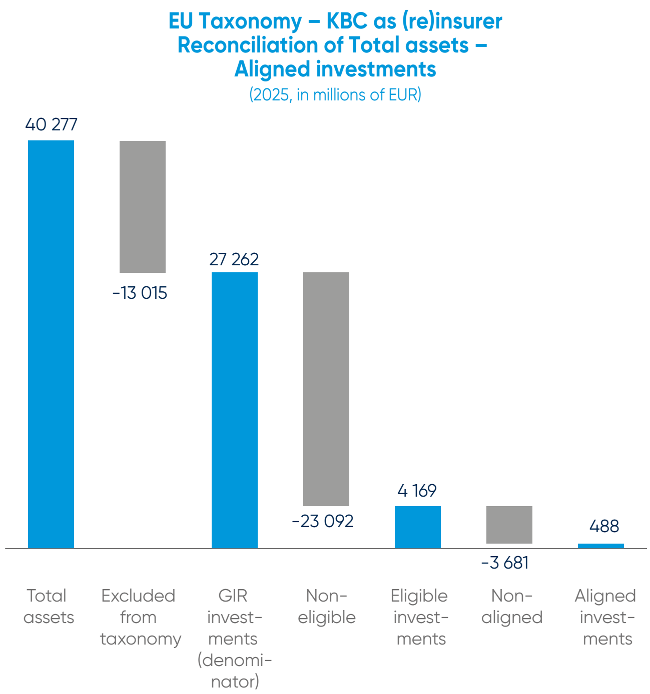
The mandatory eligibility percentage for the assets of our credit institutions is 42.0% (41.0% in 2024). It includes mortgage loans and car loans to households, as well as the eligible exposure to financial and non-financial counterparties (subject to CSRD). The alignment percentage (GAR, green asset ratio) is 0.9% (0.5% in 2024). This increase is attributable to improved identification of CSRD companies and their subsidiaries, as well as to higher outstandings with CSRD entities.

This percentage nevertheless remains low due to the limited availability of data and the asymmetric definitions of the GAR 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.

Applying the updated GAR definition as per the EU Omnibus Directive, we estimate our GAR at 4.0%. The alignment percentage for financial guarantees (off-balance) is 1.7% (1.4% in 2024).

KBC as (re)insurer
In this section, all activities from the insurance undertakings in the group are considered, i.e. those entities as defined in Article 13.1 of Directive 2009/138/EC, and from the reinsurance undertakings in the group, i.e. those entities as defined in Article 13.4 of the same Directive. The figures below are based on the insurance accounting scope of KBC (Note 6.5 of the 'Consolidated financial statements').
For (re)insurance, two KPIs are required: one KPI related to underwriting activities and one KPI related to investments.





Underwriting activities
The percentages related to underwriting activities are expressed relative to the gross written premiums of non-life insurance. The eligible premiums reflect the portion of the gross written premiums that is linked to the coverage of climate-related perils (within non-life insurance activities 'other motor insurance' – predominantly linked to hail and windstorm damage – and 'fire and other damage to property insurance' – predominantly linked to windstorms and floods). The eligibility percentage related to underwriting activities is 11.8% (12.5% in 2024). The increase in the alignment percentage to 2.8% (compared to 1.7% in 2024) is mainly driven by the taxonomy alignment of a home insurance product in the Czech Republic following a recent product update, in addition to the existing aligned premiums portfolio in Belgium (related to the corporate portfolio for fire and other property damage insurance). The more standardised underwriting in the mass retail segment, which typically does not include a risk assessment and underwriting process tailored to the specifics of an individual client, makes it more difficult to meet all of the technical screening criteria as outlined in the EU Taxonomy. The criteria related to providing incentives for risk reduction and embedding risk-based rewards for preventive measures into the product design are considered particularly challenging in this regard. In the years to come, we will continue our efforts to align our range of insurance products with the taxonomy criteria. All our insurance companies either have implemented or are in the process of implementing flood maps in insurance underwriting and are analysing ways to further embed forward-looking flood maps in relevant insurance risk management processes. In addition, we are exploring possibilities on how to incentivise policyholders to take preventive measures against climate-related perils. In the chart, we reconcile total insurance premiums with aligned premiums.

Investments
Investments comprise all direct and indirect investments of the insurers, including loans, advances and buildings. The mandatory eligibility percentage related to investments is 15.3% (14.8% in 2024). It includes the eligible exposure to financial and non-financial counterparties and a number of loans (including a mortgage loan portfolio acquired from KBC Bank). The alignment percentage (GIR, green investment ratio) is 1.8% (1.4% in 2024). The difference between the 2025 and 2024 figure is primarily due to increased data coverage from our data provider. When applying the new definition based on EU Omnibus, we estimate our KPI at 5.4%.

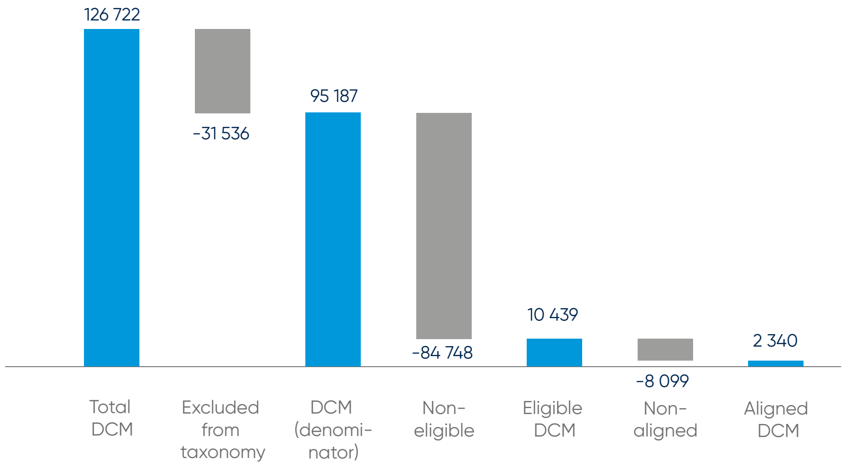
Investments are mainly managed by KBC Asset Management (AM), which has engaged an external data provider to deliver the taxonomy data. In the chart, we reconcile total assets with aligned investments. Amounts involving central banks and central governments are excluded.

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 11.0% (8.7% in 2024). The alignment percentage (KPI for asset managers) is 2.5% (1.8% in 2024). The difference between the 2025 and 2024 figure is mainly due to increased data coverage supplied by our data provider, and the increased proportion of RI funds also contributes to the improvement. When applying the new definition based on EU Omnibus, our alignment percentage is estimated at 8.4%.

In the chart, we reconcile total DCM with aligned DCM. Amounts involving central banks and central governments are excluded.

EU taxonomy – KBC as asset manager
Reconciliation of DCM (direct client money) – aligned DCM
(2025, in millions of EUR)



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	0.9%	1.0%
KBC as a (re)insurer	Combined	2.3%	2.4%
	Underwriting KPI	2.8%	2.8%
	Investment KPI	1.8%	2.3%
KBC as an asset manager	AM KPI	2.5%	3.3%
KBC as a financial conglomerate	Consolidated KPI	1.4%	1.5%

When applying the new definition based on EU Omnibus, our consolidated KPI is estimated at 3.9%.

Climate change (2.2)

Climate change strategy (2.2.1)

Transition plan for climate change mitigation (2.2.1.1)

[E1-1]

KBC's transition plan encompasses our clear and actionable strategy for climate change mitigation. This strategy is in line with our formal external commitment to support the Paris Agreement's long-term global goal of limiting the increase in global average temperature to well below 2 °C above pre-industrial levels and doing its utmost to limit the temperature increase to 1.5 °C above pre-industrial levels**.** While this strategic ambition means that KBC uses best endeavours to align its business with the goal of limiting global warming to 1.5 °C, no formal commitment is made to align its business with science-based 1.5 °C pathways, which advocate achieving net zero CO_2 emissions by 2050. While some of our GHG emission reduction targets are assessed as compatible with limiting global warming to 1.5 °C in line with the Paris Agreement, others align with well-below 2 °C pathways. Additionally, certain targets are not underpinned by science-based scenarios. All of this information is explicitly detailed in section 2.2.3.1, which provides an overview of all targets.

This plan consolidates our objectives, priorities and commitments within a single framework. It applies to all entities that fall under the financial consolidation scope and covers our banking, insurance and asset management business and our own investments. The transition plan is structured into five major building blocks:

- Ambition
- Governance
- Implementation strategy
- Engagement strategy
- Metrics and targets

Approved by the ExCo on 14 October 2025 and subsequently approved by the Board on 23 October 2025, the transition plan illustrates how our climate transition approach is embedded in and aligned with our overall business strategy, risk management and financial planning. It sets out our strategic priorities and details the concrete actions we are taking to support a low-carbon economy, along with the scope and Paris Agreement compatibility of our targets, without going into full implementation details.

For full details, please refer to the complete KBC Group Transition Plan for Climate Change Mitigation, which is available at www.kbc.com. More information on the progress and implementation of this transition plan is included in the following sections of this Sustainability statement, as well as in KBC's most recent Sustainability Report and Risk Report at www.kbc.com.

Our current climate transition planning approach includes climate-related targets for the emissions of our own operations as well as for some of the most material emissions that are associated with our financing or investment activities (see also section 2.2.3.1). Our GHG emission reduction targets per relevant category cover:

- 79% of our own carbon footprint (we refer to 2.2.3.1.1 for additional information on the scope of our target).
- 63% of the financed Scope 1 and 2 emissions of our loan portfolio. Our coverage reaches 21% when financed Scope 3 emissions are included, but incorporating them adds limited value because this scope carries far greater uncertainty, undermining effective target setting.
- 100% of the financed Scope 1 and 2 emissions associated with KBC Insurance's own investments. Our coverage reaches 4% when financed Scope 3 emissions are included, but the comment made above for financed Scope 3 emissions of the loan portfolio also applies here. Coverage is calculated using only portfolios that are directly linked to real-economy emissions. Therefore, listed corporate bonds and equity are included, while sovereign bonds are excluded.
- 0% of our insurance-associated emissions, as target setting practice for this category remains in its infancy and most insurers have yet to define Scope 3 underwriting targets.
- For our asset management activities, the target for our RI funds covers 52% of our financed Scope 1 and 2 emissions. Our coverage reaches 3% when financed Scope 3 emissions are included, but the comment made above for financed Scope 3 emissions of the loan portfolio also applies here. Coverage is calculated using only portfolios that are directly linked to real-economy emissions. Therefore, corporate bonds and equity are included, while sovereign bonds are excluded.

Full details of the scope and approach of our targets are available in section 2.2.3.1.2. This approach ensures that our efforts are focused where they can have the greatest impact.

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 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. Our annual financial planning incorporates climate scenarios and evolving climate risks, which inform our budgeting and strategic decisions (see also section 1.4.1). ESG risk management, including climate-related risks, is systematically embedded across all components of our Risk Management Framework (see section 2.2.2.2). These risks are systematically identified and managed throughout our processes, supported by scenario analysis using credible models from, among others, the IEA and NGFS. The implementation of our climate transition plan also involves active engagement with a diverse range of stakeholders, including but not limited to policymakers and our clients. Our goal is to amplify the positive impact beyond our operations by cultivating strong relationships and exchanging best practices (see also section 1.3.2).

Our targets are a concrete expression of our climate ambition. They are guided by internationally recognised methodologies and follow UNEP FI guidelines, which require using science-based decarbonisation scenarios aligned with the Paris Agreement. The overview of our targets as well as their level of compatibility with 1.5 °C is available in the annex to the KBC Group Transition Plan for Climate Change Mitigation and elsewhere in this document (see section 2.2.3.1).

All of our environmental targets have been reviewed and approved by the ISB and the ExCo, and endorsed by the Board. Progress on the implementation of our climate transition strategy and targets is monitored by and reported regularly to the ISB, and is reported to the Board and the ExCo twice a year via the dedicated Sustainability Dashboard. This dashboard provides measurable and verifiable parameters related to the key themes and the actions taken as part of our sustainability strategy and transition plan, ensuring transparency and accountability for all stakeholders.

KBC's main decarbonisation levers include reducing its own operational carbon footprint (targeting an 80% reduction by 2030 compared to 2015), steering lending and investment portfolios toward lower emission intensities through science-based targets for high-impact sectors, and promoting responsible investment policies. Key actions include financing renewable energy, energy-efficient buildings, and electric vehicles, while engaging with clients and stakeholders to accelerate the transition (see section 2.2.2.2). We continue to strengthen our climate strategy, marking the fourth consecutive year of measuring progress against the dedicated targets of our indirect climate impact. Recent measurements confirm that the transition is well underway: while several areas are advancing effectively, others encounter technological and economic challenges that require focused solutions and strict monitoring.

To our knowledge, no locked-in emissions have been detected for our own operations that would significantly jeopardise the achievement of our GHG emissions reduction targets. Our climate change lending targets form an important pillar in supporting decarbonisation efforts in some of the highest carbon-intensive activities in our loan portfolio. These targets also serve as a mechanism for identifying and managing exposure to stranded asset risk (i.e. the risk of assets losing their economic value ahead of their anticipated useful life). While we do not quantify potential locked-in GHG emissions at this moment, we continue to identify assets with potential stranded risk 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)

[E1-2]

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 at www.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. Reputational risk aspects are within scope of such advice, which in some cases is mandatory. Since not all scenarios can be covered by existing policies, the application of these policies in specific cases falls within the remit of the ExCo and other relevant decision bodies. This includes the possibility to accept minor deviations from the policy when such deviation is deemed to be in line with the spirit of the policy.

The framework is applicable group-wide to all of our core business activities (lending, insurance, 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 review 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 Policy

Our Environmental Policy sets out a series of general guidelines, such as:

- Limiting the negative impact of our own operations
- 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, insurance 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 group-wide 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, emission reduction 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 group-wide 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 Steering Committee Sustainability. 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 group-wide 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's 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.	
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 predetermined set of criteria. The Responsible Investing research team of KBC Asset Management defines these criteria, which are also discussed within 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 gambling, fur and specialty leather, adult entertainment and fossil fuels
- Investments in financial instruments linked to livestock and food prices

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.	
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)

[E1-3]

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

Emission sources within our own operations are measured carefully to calculate our own footprint and to follow up on our reduction target. An ISO 14001 environmental management system, implemented in all core countries, supports our efforts in this area.

New insights on, for example, target progress, consumption trends and impacts of previous actions can then lead to new groupwide or local actions, such as:

- Modernisation of the Central European Data Centre to reduce electricity/cooling consumption
- Additional installation of photovoltaic panels in Belgium and Slovakia

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 regular 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 and decarbonisation levers implemented for each sector and product line for which climate lending targets are in place are included in our transition plan and boil down to financing zero-/low-carbon activities or solutions (e.g., renewable energy projects, electric vehicles or low-to-zero-emission buildings), financing to support decarbonisation or transition efforts (e.g., renovation loans) and engaging with our clients. Exiting the relationship is only considered if none of these actions sufficiently contribute to our targets.

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

Scope	Key actions with regard to the yearly calculation of portfolio emissions are implemented across all lending activities (including operational and financial leasing) within KBC. Key actions with regard to the local implementation of loan portfolio decarbonisation are 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) Full set of actions is available in our transition plan.
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. For more details on key assumptions and external factors in our transition planning, please refer to our transition plan.

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 50% of DCM.
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 for Responsible Investing Funds, 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.

Continuous monitoring of GHG reduction target of KBC Insurance's investment portfolio

We calculate on a regular basis the weighted average GHG intensity of KBC Insurance's own investments. This is used to monitor our path towards the reduction target for KBC Insurance's own corporate investments.

Continuous monitoring of GHG reduction target of KBC Insurance's investment portfolio

Scope	Corporate Investments (corporate bonds and listed equity, excluding unit-linked investments) made by all insurance entities
Time horizons	Continuous monitoring
Quantitative and qualitative information	Included annually in this Sustainability statement, see sections 2.2.3.1.4 and 2.2.3.2.2
Climate change mitigation actions by decarbonisation lever	New investments in certain issuers or sectors are excluded by the Exclusion Policy for Responsible Investing Funds which is also applicable to all new own investments. In addition to exclusions, the portfolio managers can take into account the emission intensities and their impact.
Achieved GHG emission reductions	See section 2.2.3.1 (climate-related targets)
Expected GHG emission reductions	See section 2.2.3.1 (climate-related targets)
Ability to implement	The achievement of this target depends on the GHG intensity of our investments/the overall market and our ability to intervene given other constraints (e.g., accounting classifications).

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.

White Papers

Scope	The White Papers apply across all lending activities (including operational and financial leasing) and insurance activities within KBC. While the White Papers' main focus relates to climate change mitigation and adaptation, other environmental themes and just transition considerations are either integrated in sectoral papers or separated into thematic White Papers, depending on our research focus. For example, in 2025 two thematic White Papers were drafted on the area of water (more information can be found in section 2.3).
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 sectoral 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, 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 two bond issuances under the updated Green Bond Framework, one in 2024 (750 million euros), and one in 2025 (500 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 • Green Bond 5 of 500 million euros was issued on 26 August 2025 and will expire on 26 August 2036
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 and Social Bond Report, published at www.kbc.com.
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 Enterprise Risk Management Framework (ERMF) covers all (material) risks KBC is exposed to, including ESG risks (see the 'Risk Management' section in this report). The main building blocks of the ERMF 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, technical insurance 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 ERMF 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, market, insurance risk in our lending, investment and insurance 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 and the SRIM (see section 1.4.1 on financial materiality assessment)
  - 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 are continuously developing new and improved methodologies and tooling to assess and measure environmental risks, such as in-house built drought maps and enhanced flood risk assessment. 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 the insurer's investment portfolio) and PCAF (to estimate the greenhouse gas emissions of our loan, investment and insurance portfolios). These provide further insights into the impact of climate change on our business model, as well as the impact of our lending, investment and insurance 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 and property insurance portfolios 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/ORSA. 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.

A Greenwashing Compliance Framework describes what greenwashing is and explains the associated risks. It identifies where in the group's activities the risk of greenwashing can occur and provides levers and requirements for identifying, assessing, and mitigating greenwashing risks across all business operations.

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 and ensure that products/services are suitable for the client
- Safeguard the strategic fit of products/services
- Proactively 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. The managerial responsibility for ensuring responsible product offerings rests with the NAPP committees. The NAPP Chairman is a senior manager from Business appointed by the local Management Committee. The NAPP committees are installed to debate and decide whether products, services and changes in client-facing processes are ready and suitable for launch based on advice and, where appropriate, conditions imposed by a set of advisory functions such as Risk, Compliance, Legal and the Actuarial Function Holder (for insurance products). 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, formally logged, 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)

[E1-4]

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) and from our company-owned electric car fleet (including private use)
- Scope 3 (non-category 15): indirect emissions from business and commuter travel, and emissions from sources over which we have direct operational influence (such as paper and water consumption and waste generation)

Scope 3 Category 15 emissions include the indirect emissions related to our financing, investing and insurance 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)

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 have been endorsed by the Board.

Own carbon footprint	Base year	Unit	Base year value	2025	2024	Target year	Target value	Progress in line with target?
Reduce CO_2e emissions (market-based) from own operations	2015	tCO_2e	170 735	50 523	53 934	2030	34 147	Yes
% change			-	*-70%*	*-68%*		*-80%*	*Yes*
Renewable electricity in % of purchased electricity	-	%	100%	100%	100%	2030	100%	Yes
Offsetting the remaining CO_2e emissions	-	%	100%	100%	100%	Yearly, since 2021	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. All targets relating to our own carbon footprint include 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, more specifically from paper and water consumption (category 1), waste generated (category 5), business travel (category 6) and employee commuting (category 7), emission sources over which we have direct operational influence 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.

The targets for our own carbon footprint cover all entities included in our financial consolidation that operate within our bank-insurance business context, whereas our full GHG inventory (see section 2.2.3.3) 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 2025, there were no changes in the underlying measurement methodologies related to our own carbon footprint (see section 2.2.3.2.1 for more details). 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%). 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. The remaining CO_2e emissions are offset in order to reach carbon neutrality (see section 2.2.3.3 for more details).

Our objective to reach 100% renewable purchased electricity consumption in our own operations by 2030 underpins our GHG emissions reduction targets. To determine the share of renewable purchased 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 an external assurance by an independent third party on our disclosed target metrics since 2016. Despite some slowdown in the reduction rate over the past three 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. This is particularly the case for the real estate sector for which we see a slowdown of government action. In addition, we also reflect this in the engagement with our clients, especially in sectors with a limited number of highly emitting counterparties such as steel, cement and aluminium.

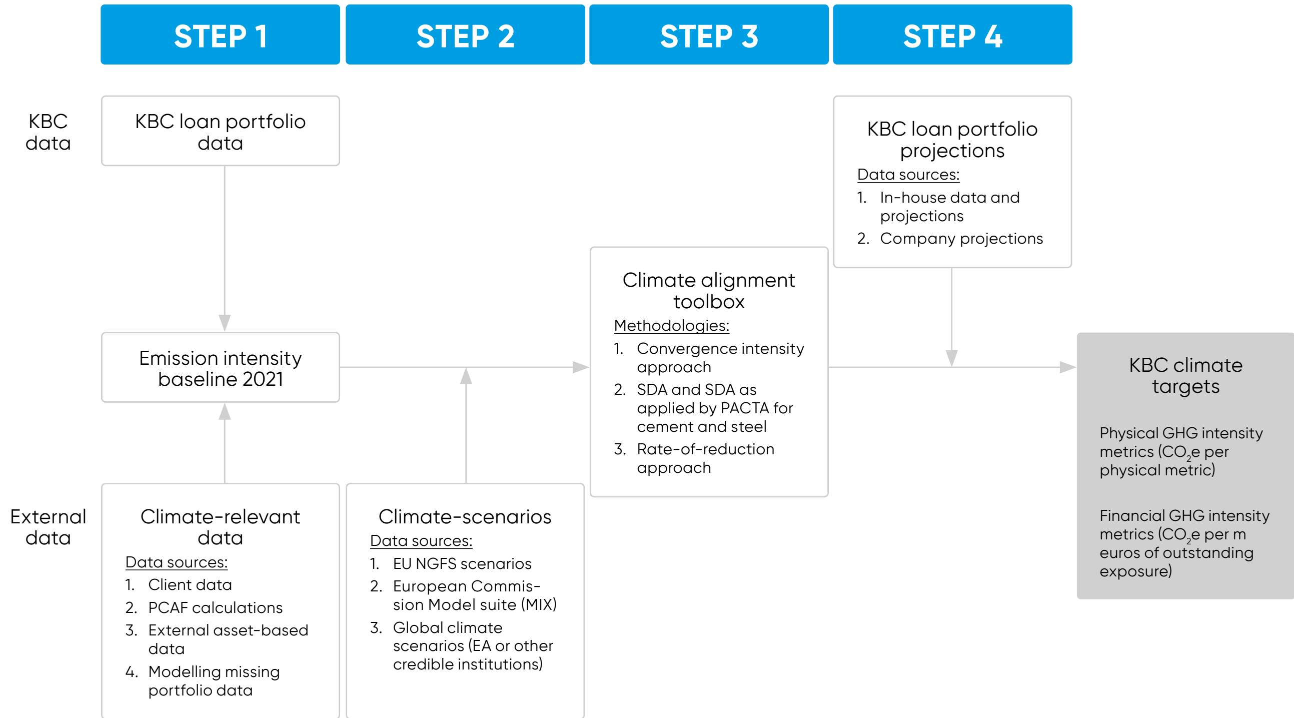
Overview of the climate-related targets for our loan and lease portfolios	Target based on granted or outstanding loan exposure	Base year	Unit	Base year value	2025	2024	2030 Target	2050 Target	Progress in line with target?[3]
Thermal coal									
Direct exposure	Granted	2021	m euros	16	0	0	0	0	Yes
Energy									
Share of renewables in total energy loan portfolio (excluding transmission and distribution)	Granted	2021	%	63%	73%	67%	75%	-	Yes
Electricity – GHG intensity[1]	Outstanding	2021	kg CO_2e / MWh	210	63	93	127	49	Yes
% change		2021	%	-	-70%	-56%	-39%	-77%	
Energy whole sector – GHG intensity[2]	Outstanding	2021	tCO_2e / m euros	453	152	265	300	82	Yes
% change		2021	%	-	-66%	-42%	-34%	-82%	
Real estate									
Residential real estate – GHG intensity[2]	Outstanding	2025	kg CO_2e / m^2	52	52	-[4]	39	7	No[5]
% change		2025	%	-	-	-	-26%	-86%	
Real estate (whole sector) – GHG intensity[2]	Outstanding	2025	tCO_2e / m euros	33	33	-[4]	25	11	No[5]
% change		2025	%	-	-	-	-23%	-66%	
Agriculture									
GHG intensity[2]	Outstanding	2021	tCO_2e / m euros	1 405	1 031	1 059	1 103	934	Yes
% change		2021	%	-	-27%	-25%	-21%	-34%	
Transport									
Passenger car loan and financial leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	139	115	124	81	0	Yes
% change		2021	%	-	-17%	-11%	-42%	-100%	
Light commercial vehicle loan and financial leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	208	203	205	145	33	No
% change		2021	%	-	-2%	-1%	-30%	-84%	
Passenger car operational leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	133	52	77	25	0	Yes
% change		2021	%	-	-61%	-42%	-81%	-100%	
Light commercial vehicle operational leasing – GHG intensity[1]	Outstanding	2021	g CO_2 / km	196	170	186	132	19	Yes
% change		2021	%	-	-13%	-5%	-33%	-90%	
Cement									
GHG intensity[2]	Granted	2021	tCO_2e / t cement	0.69	0.59	0.62	0.58	0.22	Yes
% change		2021	%	-	-14%	-9%	-16%	-68%	
Steel									
GHG intensity[2]	Granted	2021	tCO_2e / t steel	1.34	1.38	1.50	1.15	0.59	No
% change		2021	%	-	3%	12%	-14%	-56%	
Aluminium									
GHG intensity[2]	Granted	2021	tCO_2e/ t aluminium	0.59	0.24	0.21	Stay well below the global sectoral intensity climate benchmark		Yes
% change		2021	%	-	-59%	-63%			

1 Includes Scope 1 emissions
2 Includes Scope 1 and 2 emissions
3 We measure this by comparing the 2025 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 2025 benchmark value.
'No' reflects that the value is more than 5% above our 2025 benchmark value.
The table shows rounded figures, but the delta between 2025 measurements and benchmark values, as well as the resulting progress statement, are based on unrounded calculations.
4 For Real Estate KPIs, a new baseline was set for 2025. Since it is impracticable to restate our 2024 figures (see explanation further on in this section), there is no reporting on 2024 figures.
5 Internal forecasting shows that KBC's efforts to improve the EPC distribution of new origination and encourage energy renovation will not be sufficient to meet our targets due to the slow decarbonisation of the sector and the combined lack of incentives by local governments to renovate existing buildings and a lack of transparency on government plans to achieve their decarbonisation objectives.

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. The targets for our lending portfolio include specific sectors and products as outlined in the above table, whereas our financed emissions GHG inventory (category 15 Scope 3 emissions), as reported in section 2.2.3.2, covers all of the financed emissions associated with the loan portfolio, including sectors where no targets are set, subject to the considerations described in section 2.2.3.2.

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 two types of cases for which we defined 'partially science-based' targets for our loan portfolio.
The first case is for targets that are 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

The second case is related to the residential real estate target, for which the alignment is made toward a 2050 science-based target value. The 2030 intermediate target has been set by keeping the reduction ambition from our initial target constant, but applied to the new baseline (as explained further in this section). This means that the 2030 target is no longer aligned with the 2030 science-based scenario value from the original climate scenario used to define the target in 2021, although it continues to reflect our initial ambition and the remaining decarbonisation efforts still to be made to reach the long-term goal.

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 for 2025 (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	876 989[2]	3.1
	Electricity	$kgCO_2e$/MWh	Yes	NGFS (phase 2)	Below 2 °C	1.7 °C	SDA	No	357 600[3]	2.3
Real Estate	Commercial real estate and mortgages (whole sector excl. pure commercial development)	tCO_2e/millions of EUR outstanding	No	-	-	-	-	No	2 999 462[2]	4.2
	Mortgages and commercial residential real estate	$kgCO_2e/m^2$/ year	Partially	NGFS (phase 2)	Below 2 °C	1.7 °C	SDA	No	2 519 220[2]	4.2
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	238 605[3]	3.3
	Vehicle loans and financial lease – Light commercial vehicles		Yes						110 237[3]	3.5
	Vehicle operational lease – Passenger cars		Yes						47 065[3]	1.0
	Vehicle operational lease – Light commercial vehicles		Yes						13 848[3]	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	5 702 798[2]	4.8
Building and construction	Cement producers	tCO_2e/t cement	Yes	IEA	ETP 2020 SDS	1.7 °C	SDA	No	54 000[2]	1.9
Metals	Steel producers	tCO_2e/t steel	Yes	IEA	ETP 2020 SDS	1.7 °C	SDA	No	318 714[2]	1.9
	Aluminium producers	tCO_2e/t aluminium	Yes	TPI[4]	Below 2 °C	<2 °C	SDA	No	1 791[2]	2.5

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 Comprises Scope 1 and 2

3 Comprises Scope 1

4 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. In some sectors, targets are exceptionally based on granted loan exposure to improve decision-making and steering. This is the case for the cement, steel, and aluminium targets, which involve smaller portfolios where exposure is much more concentrated with a limited number of counterparties. It also applies to direct thermal coal, for which we do not allow any exposure at all. Finally, this principle is extended to the share of renewable energy as we want to get a clear view of the impact of our current decisions on the future decarbonisation of our energy portfolio.

For financial year 2025, a new target baseline was set for the two Real Estate KPIs. All other targets and corresponding metrics or underlying measurement methodologies related to our loan and lease portfolios remained the same. To ensure consistency and comparability of our reported figures, KBC has implemented a recalculation policy. The main factors driving the observed volatility, and ultimately necessitating the rebaselining, of our real estate progress indicators are:

- The update to the emission factors published by PCAF. In line with our commitment to accuracy and transparency, we have adopted the most recent emission factors to ensure our data reflects the latest available insights and keeps our disclosures relevant.
- A change from portfolio-level emission calculation to asset-level-based calculation, in line with PCAF's methodological recommendations.

Note that KBC cannot restate the 2024 value accounting for those two updates, as asset-level data required to conduct the second adjustment is not available for the historical portfolio. However, the 2030 intermediate target has been set by keeping the reduction ambition from our initial target constant (up to 2050), but applied to the new baseline. We monitor the progress on our targets on a regular basis and have received a limited assurance on our target metrics disclosed 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 70% since base year 2021. There are three main reasons for this large decrease. Firstly, we continued to finance new renewable energy assets. Secondly, more existing renewable energy assets became operational this year, which means that the attribution of their zero emissions is now included in the calculation. Thirdly, our exposure to fossil-fuel-based power production decreased over the past years, including through the accelerated wind-down of two of our international legacy files.
  The financed emission intensity of our overall energy portfolio decreased by 66% compared to our 2021 baseline. This decrease was driven by the above-mentioned reduction in financed emissions within our electricity portfolio. Several core countries are shifting their exposure in this White Paper 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 should remain unaffected. Lastly, the share of renewable financing increased significantly from 67% (last year) to 73% (this year) of our total energy portfolio excluding transmission and distribution. This was driven by a large increase in renewable energy loans, while the number of non-renewable loans remained stable in 2025. We are therefore on track towards the 2030 target, though some volatility is possible along the way as country transition plans are reviewed as indicated above.
- Real estate: between 2021 and 2024, the financed emission intensity (tCO_2e/mEUR lending) of the overall real estate portfolio decreased by 15%, while the emission intensity of KBC's residential real estate portfolio (tCO_2e/m^2) decreased by 10%. However, this progress cannot be compared to the new 2025 baseline as per the methodological adjustments described in the previous paragraph. It is to be noted that despite KBC's efforts to improve the EPC distribution of its new real estate origination and to foster renovation loans, the decarbonisation of the sector has not been as fast as expected due to multiple elements beyond KBC's control, such as the slower-than-expected shift to a low-carbon energy mix in the countries in which KBC operates, a combined lack of incentives by local governments to renovate existing buildings and a lack of transparency on government plans to achieve their decarbonisation objectives for real estate.
- Transport: 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 61% compared to our base year 2021. We observe different speeds of electric vehicle (EV) adoption across the countries in KBC. Nevertheless, the majority of all new vehicles financed within the operational car lease portfolio by KBC are EVs keeping us firmly on course to meet our 2030 target. In the light commercial vehicle portfolio this decrease is more gradual (-13% compared to base year 2021) and mainly due to slower adoption of electrified vans, reflecting the still limited availability of electrified vans and highlighting that additional governmental support for the adoption of electric LCVs will be important to achieve our targets.

- Agriculture: the financed emission intensity of the sector dropped significantly compared to our base year 2021 and is currently below the 2030 target. There are several factors that contributed to this evolution, such as the implementation effects of the PCAF Global Standard itself (namely an update and inflation adjustment of emission factors), portfolio evolutions and improvements in emission data quality. In 2025, continued improvements in data quality, along with the impact of inflation, were the primary factors driving the ongoing decrease.
- Cement: the cement sector is one of the hard-to-abate industries, but despite this we note a further 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 reflects the company's public commitment to decarbonising its cement production through a defined strategy that supports the achievement of its targets. The progress made in 2025 reflects this evolution.
- Steel: in 2025, the emission intensity of our steel loan portfolio improved to 1.38 tCO_2e per tonne of steel, down from 1.50 tCO_2e last year, reflecting better data quality and measurement accuracy. The portfolio remains relatively concentrated, with a few major corporate groups whose performance remains pivotal to overall results. While these groups are progressing at different paces, most have committed to a net-zero pathway supported by a technology roadmap and planned capital investments. The current portfolio composition has been defined under the constraint that KBC can meet its 2030 climate target provided that clients can meet their own climate commitments. However, recent delays in critical capital expenditures have been observed, which may impact the evolution of the overall emission intensity of our portfolio (in its current composition) until 2030. Through active client engagement and sustainability-linked investments, KBC closely monitors the implementation of the transition plans by its clients to ensure their activities remain consistent with our well-below 2 degree commitment.
- Aluminium: in 2025, our tCO_2e emissions per aluminium production went up slightly due to our engagement with a new client, but they still remain far lower than those of the global market. This evolution 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	2025	2024	2025 Target	2030 Target	Progress in line with target?
Share of RI funds in total DCM	2021	%	33%	51%	44%[1]	45%	55%	Yes
Share of RI funds in total annual fund production (gross sales)	2021	%	55%	55%	51%[1]	-	65%	Yes
Carbon intensity (Scope 1 + 2) of corporate investees in Responsible funds	2019	tCO_2e/ million USD revenue	196	57	55[2]	-	98	Yes
% change	2019	%	-	-71%	-72%[2]	-	-50%	Yes

1 Figures at end of fourth quarter 2024
2 Figures at end of third quarter 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 most 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.

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 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 2025, we measure the target based on year-end figures to ensure full alignment with the financial reporting cycle, whereas in 2024 the evaluation was still based on positions at the end of the third quarter. There are no other changes to the 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. Compared to 2024, both ratios showed an upward trend, driven by our sustained strategic focus on sustainable product offerings and the positioning of these products as the primary proposition for clients. We remain firmly on course to meet our 2030 objectives, and we have already achieved our interim 2025 target regarding the share of RI funds within the total DCM portfolio. 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 note that the carbon intensity of our RI funds remained broadly stable in 2025 compared to 2024 and thus continues to remain well below our 2030 target. This is mainly attributable to the fast implementation of the updated Investment Policy in 2021, which includes additional exclusion criteria regarding fossil fuels.

Own investments of KBC Insurance (2.2.3.1.4)
Similar to our asset management activities in the previous paragraph, we have a target for the carbon intensity of the own investments of KBC Insurance (excluding unit-linked investments). The target is set by KBC Insurance and approved by the ISB. This further underpins our climate-related ambitions as outlined in our Environmental Policy.

Climate-related targets for own investments of KBC Insurance	Base year	Unit	Base year value	2025	2024	2025 Target	2030 Target	Progress in line with target?
Carbon intensity (Scope 1 + 2) of listed equity and corporate bonds portfolio of KBC Insurance	2019	tCO_2e/ million USD revenue	112	27	27[1]	84	67	Yes
% change	2019	%	-	-76%	-75%[1]	-25%	-40%	Yes

1 Figures at end of third quarter 2024

The target for the own investments of KBC Insurance pertains to all insurance entities. Similar to the carbon intensity target for our asset management activities, the scope of the target covers the Scope 1 and Scope 2 emissions from listed 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).

Here too, the large number of investments as well as the restriction to investees' Scope 1 and Scope 2 emissions ensure that our baseline value remains representative. We further note that the carbon intensity is not based on conclusive scientific evidence.

From 2025, we measure the current progress versus our target based on year-end figures, to align with the financial reporting period. In 2024 the measurement was based on figures at the end of the third quarter. There are no other changes to the targets and associated metrics or underlying metrics relating to our investment portfolios.

The 2025 GHG intensity of KBC Insurance's listed equity and corporate bond portfolio remained stable versus 2024 and continues to be well on track. Similar to the targets related to our asset management activities, we met our 2025 interim objective, and the portfolio's GHG intensity is already significantly below the 2030 target. This progress is largely attributable to the rapid rollout of the updated Investment Policy in 2021.

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

[E1-6]

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, investment, and insurance underwriting 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. This year we conducted a new screening of the GHG emission Scope 3 categories. Based on the results, we decided to further investigate the potential expansion of our disclosures related to Category 1 – Purchased goods and services. In particular, outsourced services and cloud computing play a significant role. We therefore initiated a pilot project to collect data and calculate emissions using a spend-based approach. This pilot demonstrated that further methodological refinement, additional data collection, and strengthened quality assurance are required for robust emission calculations. Once these steps are completed, we will incorporate the expanded information into our disclosures.

For our existing non-Category 15 Scope 3 emissions, we only report emission sources over which we have direct operational influence 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 (included in reduction target because of direct influence)
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)	Emissions from waste generation and waste processing of all groupwide operations
Business travel (Category 6)	Emissions from business travel by not-own fleet (vehicles, public transport and air travel) across all groupwide operations
Employee commuting (Category 7)	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 insurance own investments (Scope 1, 2 and 3)
	Emissions from KBC's bank sovereign bond portfolio (Scope 1, 2 and 3)
Investments – optional (Category 15)	Emissions from KBC's insurance underwriting portfolio (Scope 1 and 2)
	Emissions from KBC's asset management activities (Scope 1, 2 and 3)

The table below provides an overview of our Scope 1, 2 and 3 GHG emissions, taking into account the specificity of our bank-insurance business model, which combines banking, insurance and asset management activities. 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 influence (i.e. business travel, commuter travel, paper and water consumption and waste generation).

Scope 3 Category 15 includes absolute emissions from our loan and investment portfolios. The loan portfolio is further broken down into emissions from White Paper sectors (defined in section 2.2.1.1) and other sectors. The investment activities refer to the indirect emissions of KBC Bank's sovereign bond portfolio, KBC Insurance's own investments (excluding unit-linked investments), and our asset management activities. In 2025, newly available absolute GHG data for the sovereign bond portfolio of KBC Bank and KBC Insurance's own investments have been incorporated into the Category 15 total, resulting in a substantial increase in our reported emissions. Absolute emissions from asset management activities are disclosed separately and excluded from this total, similar to emissions linked to our insurance underwriting portfolio, as both are optional categories under the GHG Protocol. To ensure transparency, 2024 figures are presented both as originally reported and recalculated using the updated scope. Unlike last year, intensity emissions for our investment portfolios are no longer included in the table below; these can be found in section 2.2.3.2.2.

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 not linked with investments 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.

GHG emissions	2025	2024[1]
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO_2e) *Own footprint target scope[2]*	36 625 *23 677*	40 717 *27 486*
Of which KBC Group consolidated	32 257	36 059
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control	4 368	4 658
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO_2e) *Own footprint target scope[2]*	30 706 *30 201*	35 361 *34 860*
Of which KBC Group consolidated	30 228	34 870
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control	478	491
Gross market-based Scope 2 GHG emissions (tCO_2e) *Own footprint target scope[2]*	5 402 *5 260*	4 626 *4 488*
Of which KBC Group consolidated	5 263	4 467
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control	140	159
Significant Scope 3 GHG emissions		
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)[3]	78 405 565	77 232 214
1 Purchased goods and services *Own footprint target scope[2]*	1 284 *1 268*	1 552 *1 531*
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 *Own footprint target scope[2]*	786 *763*	812 *805*
6 Business travelling *Own footprint target scope[2]*	4 096 *4 053*	4 506 *3 300*
7 Employee commuting *Own footprint target scope[2]*	16 062 *15 503*	16 794 *16 322*
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 category 15 Investments (of which White Paper sectors & product lines))		
14 Franchises	–	
15 Investments from banking activities[3]	78 383 337	77 208 550
From KBC's loan and lease portfolio[4]	48 520 533	45 801 394
Of which White Paper sectors & product lines[5]	28 556 661	26 822 564
Of which remaining sectors[6]	19 963 872	18 978 830
From KBC Bank's sovereign bond portfolio	29 862 804	31 406 616
KBC Group own GHG emissions + KBC Bank financed Scope 3 GHG emissions		
Total GHG emissions (location-based) (tCO_2e)	78 472 896	77 308 292
Total GHG emissions (market-based) (tCO_2e)	78 447 592	77 277 557
Investments from insurance activities	6 964 860	7 259 775
From KBC Insurance's Own investments[7]	6 964 860	7 259 775
Grand Total GHG emissions		
Grand Total GHG emissions (location-based) (tCO_2e)[3]	85 437 756	84 568 067
Grand Total GHG emissions (market-based) (tCO_2e)[3]	85 412 452	84 537 332
Insurance associated emissions (tCO_2e)[8]	613 792	N/A[9]
Asset management activities (tCO_2e)[10]	48 820 216	52 063 567

1 The 2024 column presents a like-for-like restatement of the reported 2024 figures, recalculated to reflect the expanded reporting boundaries introduced in 2025. In 2025, absolute GHG emissions data became available for our asset management activities, KBC Insurance's own investments and KBC Bank's sovereign bond portfolio, leading to an increase in the total emissions reported. To ensure full transparency, the 2024 figures as originally reported are mentioned in footnote 3.

2 Refer to section 2.2.3.1.1 of this report for more information on our own footprint target scope.

3 The 2024 figures have been restated. The original 2024 figures under the previous scope were: for Total Gross indirect (Scope 3) GHG emissions: 45 825 058 tCO_2e; for category 15 Investments: 45 801 394 tCO_2e; for Total GHG emissions (location-based): 45 901 136 tCO_2e, for Total GHG emissions (market-based) 45 870 401 tCO_2e.

4 The figure in the 2025 column represents the total financed Scope 1 (14 478 570 tCO_2e), Scope 2 (2 068 023 tCO_2e) and Scope 3 (31 973 940 tCO_2e) 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 4.6% of the outstanding loan book, no PCAF calculation could be made.

5 The figure in the 2025 column represents the total financed Scope 1 (12 188 632 tCO_2e), Scope 2 (765 518 tCO_2e) and Scope 3 (15 602 510 tCO_2e) 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 ('4.8'), Building & Construction ('1.9' for Cement, '5.0' for the remaining part), Energy ('2.2' for Oil & Gas, '4.4' for Transmission & Distribution, '3.0' for Electricity and '5.0' for Energy Traders), Real Estate ('4.2' for mortgages and '4.7' for Commercial Real Estate), Food & Beverages ('5.0'), Metals ('2.5' for Steel, '4.8' 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').

6 The figure in the 2025 column represents the total financed Scope 1 (2 289 938 tCO_2e), Scope 2 (1 302 504 tCO_2e) and Scope 3 (16 371 429 tCO_2e) 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.

7 The figures in the 2025 column represent the total GHG emissions from our Corporates (1 399 832 tCO_2e) and Sovereigns (5 565 028 tCO_2e). The corporate portfolio is the sum of Scope 1 (33 902 tCO_2e), Scope 2 (15 474 tCO_2e) and Scope 3 (1 350 455 tCO_2e) emissions. The figures in the 2024 column represent the total GHG emissions from our Corporates (1 292 993 tCO_2e) and Sovereigns (5 966 762 tCO_2e). The corporate portfolio is the sum of Scope 1 (50 901 tCO_2e), Scope 2 (20 339 tCO_2e) and Scope 3 (1 221 753 tCO_2e) emissions.

8 Calculations are made using the PCAF Global Standard Part C. The data quality score for Personal Motor Lines is 3.2 while the data quality score for commercial lines is 5. See section 2.2.3.2.3 of this report for more information.

9 The scope of our insurance-associated emissions has been enlarged from Belgium to all the countries of the group. In combination with methodology updates (see section 2.2.3.2.3) it is practically impossible to restate the 2024 figures. The original 2024 figures, limited to Belgium, amounted to 199 719 tCO_2e.

10 The figures in the 2025 column represent the total of GHG emissions from our Corporates (27 821 917) and Sovereigns (20 998 299). The corporate portfolio is the sum of scope 1 (1 379 860), scope 2 (487 855) and scope 3 (25 954 202) emissions. The figures in the 2024 column represent the total of GHG emissions from our Corporates (29 846 968) and Sovereigns (22 216 599). The corporate portfolio is the sum of scope 1 (1 685 544), scope 2 (595 275) and scope 3 (27 566 149) emissions.

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 98.5%. Emissions for small entities (<100 FTE) are estimated by extrapolating average transport emissions per FTE and average non-transport related emissions per square metre building space.

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 influence. Data is gathered for all operations in KBC.

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	Description	Unit	2025	2024
All activities	GHG intensity per FTE	tCO_2e / FTE	1.66	1.76
Financial activities (target scope) only	GHG intensity per FTE	tCO_2e / FTE	1.37	1.46

These metrics are calculated based on the total of Scope 1, Scope 2 (market-based) and Scope 3 own emissions, respectively for all activities of KBC (as shown in the GHG emissions table above) and for our own footprint target scope (see section 2.2.3.1.1). The metrics have not been validated by an external body other than the assurance provider.

For 2025, the share of contractual instruments used for the sale and purchase of energy (Scope 2) is 87.7%. The types of contractual instruments used for the sale and purchase of energy are as follows:
- Bundled contractual instruments (renewable energy contracts negotiated with suppliers): 85.7%
- Unbundled contractual instruments (Solar renewable energy certificates (SRECs), renewable thermal certificates from energy generated from wood – more specifically: forestry byproducts and waste): 2.0%

In 2025, we introduced renewable energy certificates for steam/heating/cooling, which is new compared to 2024.

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 2025, 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')

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 report consistency, data quality management, master data management and reconciliation processes. In 2025 we also integrated the last remaining target sector, i.e. Real Estate, into the same platform, and by doing so we switched from a tactical PCAF-inspired methodology (portfolio-based emissions calculation) to a strategic PCAF-aligned methodology (asset-based emissions calculation). As a consequence, the 2024 figures were not restated (for more information we refer to section 2.2.3.1.2).

<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
KBC prepared its financed emissions disclosures for the 2025 reporting year in accordance with Part A of the Second Edition of the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry, which remained the most recent version until 2 December 2025. Since then, a new edition has been released. We are currently assessing the implications of these updates. We use the second edition of the PCAF methodology to calculate the financed emissions metrics for all 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 foresee additional calculations to ensure we report the full Scope 1, 2 and 3 GHG emissions of our loan portfolio according to 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 2025. The PCAF emission factor database (which relies on Exiobase) includes Scope 1 and Scope 2 emissions, as well as upstream Scope 3 emissions, while excluding downstream emissions. Due to data availability and uncertainty, and to be consistent with the PCAF methodology and the available PCAF emission factors, we choose to be transparent on the scope of the reported Scope 3 emissions, which excludes downstream emissions. We apply the inflation correction formula recommended by PCAF to all our calculations where PCAF emission factors are used. For sectors where we use (loan-weighted or average) CO_2 emission intensity calculations to measure target progress, we also calculate financed emissions in parallel, based on the PCAF global standard. This ensures consistency and completeness in our reporting approach.

The PCAF methodology boils down to the following general formula:

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

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.

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 do a yearly update of 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. 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 portfolio 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 and targets 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 (investments to ensure we can meet our future obligations towards policyholders) and KBC Pensioenfonds 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.

We report on absolute GHG emissions and GHG intensity metrics for our asset management activities, covering both corporate and sovereign exposures. Absolute GHG emissions, introduced as a new metric in 2025 and detailed in section 2.2.3.2, cover Scope 1, Scope 2, and Scope 3 emissions for our investment portfolios, providing a comprehensive view of the climate impact. While Scope 1 and 2 emissions data is relatively robust, Scope 3 data remains less mature and subject to evolving methodologies, which may lead to variability in reported figures over time.

Furthermore, KBC discloses absolute GHG emissions on an unscaled basis, meaning absolute emissions are reported only for those investments where complete data from our data provider Trucost (a subsidiary of Standard & Poor's) is available. This coverage represents almost 90% of our total investment portfolio. In addition, Trucost sources approximately 13% of inputs from primary data disclosed by corporate investees (meaning that a significant share of the reported emissions is based on data modelled/estimated by the data provider).

In addition, GHG intensity metrics are also calculated for exposures to corporates and governments, providing insights into emissions relative to economic or investment scale. Corporate exposure intensity is determined as the weighted average of Scope 1 and 2 emissions proportionate to investment exposure. This computational approach is fully aligned with our target carbon intensity metrics specified in section 2.2.3.1.3. KBC reports GHG emission intensities on a fully scaled basis, assuming companies without data have the same emissions intensity as the portfolio average. This approach ensures comparability with targets and benchmarks and prevents understated intensity figures. For sovereign exposures, intensity is calculated as the sum of territorial and imported emissions divided by Gross Domestic Product (GDP) in constant USD (inflation-adjusted), offering insight into a country's emissions relative to its economic output. Our approach not to use GDP adjusted for Purchasing Power Parity (PPP) results in significantly higher emission intensities, estimated to be roughly 40% above PPP-based values. This also holds for absolute emissions.

GHG Emissions for our asset management activities	Description	Unit	2025[1]	2024[2]
Investments in corporates[3]	GHG intensity per USD revenue	tCO_2e/ million USD revenue	60	58
Investments in sovereigns	GHG intensity per USD of GDP	tCO_2e/ million USD of GDP	431	532

1 Figures at end of fourth quarter of 2025
2 Figures at end of third quarter of 2024
3 Includes Scope 1 and 2 emissions

The weighted average Scope 1 and Scope 2 GHG intensity of our corporate investment portfolio within asset management activities remained broadly stable in 2025 versus 2024. By contrast, the MSCI All Country World Index recorded a more pronounced decline in GHG intensity, decreasing from 136 tCO2e per million USD of revenue at the end of the third quarter of 2024 to 112 tCO2e per million USD of revenue at the end of 2025. This reduction is primarily driven by a lower GHG intensity contribution of high-emission utility companies. However, these issuers are already structurally excluded in our portfolios, reflecting the consistent application of our fossil fuel exclusion policy within our Responsible Investment funds and our thermal coal policy across all actively managed funds.

The weighted average GHG intensity of our sovereign investments declined in line with relevant market benchmarks, such as the JP Morgan EMU benchmark (which decreased from 365 tCO2e/million USD of GDP at the end of the third quarter of 2024 to 302 tCO2e/million USD of GDP at the end of 2025). This evolution is driven by a broad-based reduction in country-level emissions intensities and by using more qualitative information regarding LULUCF (land use, land use change and forestry) emissions, by switching from PRIMAP to Climate Watch (2023) as the primary source.

In addition, the GHG intensity of our aggregated sovereign portfolio is higher than that of the EMU benchmark. This is primarily attributable to a relatively higher exposure to emerging market sovereigns and to countries with relatively higher GHG-intensity scores, such as Belgium, Hungary and the Czech Republic.

Our 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. Additionally, for the calculation of our 2025 GHG emissions, we used Trucost input data dated September 2025 for our corporate exposures and input data dated August 2025 for our sovereign exposures.

Sovereign bond portfolio of KBC Bank
In 2024, we calculated the GHG emission intensity of KBC Bank's own sovereign bond portfolio for the first time, covering all entities of KBC Bank in our financial consolidation. From 2025 onwards, we also calculate absolute GHG emissions which are reported as part of our Scope 3 Category 15 emissions in the overview table at the beginning of section 2.2.3.2. For the calculation, we use Trucost data, which relies on International Monetary Fund data, for GDP and Climate Watch for GHG emissions. We use the same methodology as for the investments in sovereigns within our asset management activities. The intensity metric and the metric on absolute emissions cover the entire sovereign bond portfolio of KBC Bank. As we have full data coverage for these sovereign exposures, GHG intensities and absolute emissions can be calculated for the entire portfolio. Apart from the assurance provider, it has not been assured by an external party.

GHG Emissions for our sovereign bond portfolio of KBC Bank	Description	Unit	2025[1]	2024[2]
Investments in sovereigns	GHG intensity per USD of GDP	tCO_2e/ million USD of GDP	496	623

1 Figures at end of fourth quarter of 2025
2 Figures at end of third quarter of 2024

We note that the GHG intensity of the sovereign bond portfolio is higher than the EMU benchmark. This is driven by large exposures of KBC Bank in government bonds issued by our core countries, which have relatively higher GHG intensities. At the same time, the weighted GHG intensity decreased in line with market benchmarks, reflecting a general decline in country level intensities and the switch by our data provider Trucost from the PRIMAP database to the Climate Watch data platform (2023) as the primary source of sovereign emissions data.

Own investments of KBC Insurance
The calculation of the GHG emission intensities and absolute GHG emissions related to the own investments of KBC Insurance follows the same methodology as applied for the asset management activities and covers all entities within the financial consolidation scope of KBC Insurance. The scope of own investments comprises the listed equity portfolio and the corporate and sovereign bond portfolios, relating to the categories disclosed in Note 4.1 as 'equity instruments' and 'debt securities'. In line with our methodology, unit-linked assets presented in Note 4.1 under 'investment contracts (insurance)' are excluded from this scope. Further details on these financial asset categories are provided in Note 4.1 of the annual report.

Data coverage from Trucost for the own investments of KBC Insurance is 97%. Absolute GHG emissions are reported on an unscaled basis, while GHG intensities are calculated on a fully scaled basis by applying the portfolio average intensity to exposures without data, in line with the methodology used for our asset management activities.

For investments in corporates, we also refer to section 2.2.3.1.4 for more information on the corresponding target.
Furthermore, we note that the largest part of the government bond portfolio of KBC Insurance is invested in Belgian and Czech government bonds, in line with our geographical activity profile. Given the relatively high GHG-intensity scores for both countries, the GHG intensity of our government bond portfolio is higher than the EMU benchmark. The weighted GHG intensity of our sovereign investments decreased in line with market benchmarks. This development is driven by a general decline in the GHG intensity of the countries and by using more qualitative information regarding LULUCF (land use, land use change and forestry) emissions, by switching from PRIMAP to Climate Watch (2023) as primary source.

GHG Emissions for our own investments of KBC Insurance	Description	Unit	2025[2]	2024[3]
Investments in corporates[1]	GHG intensity per USD revenue	tCO_2e/ million USD revenue	27	27
Investments in sovereigns	GHG intensity per USD of GDP	tCO_2e/ million USD of GDP	426	522

1 Includes Scope 1 and 2 emissions
2 Figures at end of fourth quarter of 2025
3 Figures at end of third quarter of 2024

Insurance-associated emissions (2.2.3.2.3)
KBC calculates the GHG emissions linked to our insurance underwriting portfolio in line with the PCAF Standard Part C. In preparing our insurance-associated emissions disclosures for the reporting year 2025, KBC has applied the First Edition of the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry (Part C), which was the most recent version available until 2 December 2025. Since then, a new edition has been published. We are currently assessing the implications of these updates.

In its first edition, PCAF offers methodological guidance for measuring GHG emissions in two business segments: personal motor lines and commercial lines. Consequently, our disclosures are limited to these segments, which – in terms of gross written premium – represent a major part of our total non-life insurance portfolio.

In our personal motor lines, we include passenger cars, motorcycles, Light Commercial Vehicles (LCVs), and motorhomes. We followed the scope outlined in PCAF Standard Part C for commercial lines. Commercial lines cover all types of insurance contracts purchased by companies.

We cover the Scope 1 and 2 GHG emissions of the clients across all sectors. For both personal motor lines and commercial lines, we rely on standard emission factors.

The percentage of emissions calculated using primary data is 20%. Primary data encompasses the segment of the portfolio for which we have achieved data quality levels 1 or 2, as measured in accordance with the PCAF standard.

The basic formula we use follows the PCAF Standard:
$$Insurance - associated\ emissions = Attribution\ factor_i \times Emissions_i$$

For our personal motor lines, we enhanced our methodology by transitioning from country-specific attribution factors to globally weighted averages (which, on a like-for-like basis, has an impact of +47% for 2025). This update aligns with PCAF guidance and prevailing market practices, ensuring greater consistency and comparability across insurers operating in different regions. Emissions are estimated using data from all countries on vehicle engine type, WLTP (Worldwide Harmonised Light Vehicle Test Procedure) value, and, if available, the number of kilometres driven during the year. Scope 1 emissions cover direct fuel combustion, while Scope 2 emissions cover indirect electricity generation for electric vehicles. When internal data is unavailable, we use third-party estimates.

We base ourselves on the insurance-specific PCAF economic emission factor database to identify the allocated emissions of our insured commercial clients. We used NACE activity codes to determine the emissions of our commercial clients expressed in tonnes of CO_2e per million euros of turnover. The absolute insurance-associated emissions have not been assured by an external party other than the assurance provider.

In 2024, our disclosures were limited to insurance-related emissions in Belgium:

GHG emission metrics for our insurance underwriting activities in Belgium	Description	Unit	2024
Personal motor lines	Insurance-associated emissions of our personal motor lines	tCO_2e	99 386
Commercial lines	Insurance-associated emissions of our commercial lines	tCO_2e	100 333

Building on the insights from our initial exercise, we refined our selection and calculation processes and expanded our reporting to include insurance entities of our other core countries. Due to this broader scope – combined with a more conservative interpretation of the PCAF guidance for commercial lines, resulting in a wider inclusion of cover types in the calculations – and the updated attribution factors for personal motor lines, the 2024 figures are not directly comparable to those for 2025. A restatement of the 2024 figures is not feasible because the data needed to isolate methodological changes is no longer available.

GHG emission metrics for our insurance underwriting activities in all countries	Description	Unit	2025
Personal motor lines	Insurance-associated emissions of our personal motor lines	tCO_2e	451 069
Commercial lines	Insurance-associated emissions of our commercial lines	tCO_2e	162 723

The main limitations of our calculation methodologies for insurance-associated GHG emissions are related to the quality of the data we use. As explained above, we rely on third-party proxies or average calculations as a fallback option where no exact vehicle emission or mileage data is available for personal motor lines. For commercial lines, we currently lack GHG emissions data on our clients and hence rely on the economic activity-based emission factors provided by PCAF. Furthermore, we use a weighted average CO_2e emissions calculation to estimate the emissions related to the part of our portfolio where sector mapping is missing. We are analysing and considering our options to enhance our data gathering processes and improve the collection of GHG emissions and revenue data. We will also closely follow and align with the further development of the PCAF Standard for insurance-associated emissions, especially the inclusion of further relevant lines of business.

GHG intensity (2.2.3.2.4)

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)
- Carbon intensity metrics for our investment portfolios are reported alongside absolute GHG values in the methodology description for our asset management activities, KBC Insurance's own investments, and KBC Bank's sovereign bond portfolio (see section 2.2.3.2.2), and are measured relative to corporate revenue and sovereign GDP

As a financial institution active in banking, insurance 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)

[E1-7]

The portion of our own carbon 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 carbon footprint of the year before. The total amount of carbon credits planned to be cancelled in 2026 is therefore not based on existing contractual agreements.

Emission reductions or removals (tonnes of CO_2e)	
Amount of GHG emission reductions or removals from climate change mitigation projects outside our value chain we have financed in the reporting year 2025	54 000
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 2025	54 000
Amount of carbon credits planned to be cancelled in 2026	51 000

Since 2021, we have aimed to achieve net climate neutrality with respect to our own footprint target scope. 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 a target to reduce the CO_2e emissions from its own operations. Avoided emissions are not taken into account for this reduction as carbon offsets do not contribute to achieving this target. Each year, the remaining emissions (i.e. after actions to reduce emissions) are offset, hence achieving net carbon neutrality for our target scope. 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)

[E1-8]

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. Since then, the KBC Sustainability and Economics departments have reviewed the prices and the calculation process each year. Our ICP trajectory currently extends until 2050 and includes two major EU-relevant transition pathways, i.e. the well-below 2° (WB2D) and the Net Zero 2050 (NZ2050) pathway, both of which are based on the NGFS (Network for Greening the Financial System) climate scenarios. The NGFS carbon price data for these pathways is averaged over the available model outcomes, interpolated, adjusted to 2020 price levels and converted to euro, resulting in one uniform metric that can be used in internal management processes.

The increase in internal carbon prices between 2024 and 2025 is driven by updates to the NGFS climate scenarios reflecting higher physical risk impacts, delayed policy action, updated macroeconomic and country-level commitments, and reduced reliance on carbon removal technologies. These updates result in higher projected carbon prices under both WB2D and NZ2050 pathways, consistent with global transition expectations. We note that academic and institutional criticism has arisen regarding the damage function developed by Kotz et al. (2024), which in turn informs one iterative process for estimating transition risks such as carbon pricing. As the exclusion of the criticised scenario would lead to carbon price levels that are biased to the downside by excluding any impact of physical damages, we have opted to adopt the current NGFS modelling results as inputs for calculating our carbon price. This approach strikes a deliberate balance by prioritising the relevance of the ICP as a signalling instrument for strategic decision-making while acknowledging that climate scenario modelling is a still-evolving practice with important limitations. By 2030, our model suggests that the internal carbon prices will have increased by 46% and 99% for the WB2D and NZ2050 pathways, respectively.

Internal carbon pricing (ICP)	Unit	2025	2024
ICP calculated under WB2D pathway	EUR/tCO_2e	93	35
ICP calculated under NZ2050 pathway	EUR/tCO_2e	127	99

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 1.5% 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)

[E3-1]

Sustainability Policy Framework

In addition to our dedicated Water Policy, our Group Sustainability Policy Framework contains different policies which are indirectly related to water, such as the Biodiversity Policy, Mining Policy and Energy Policy, as explained in section 2.2.2.1 on climate-related policies. All of this is disclosed in the below sections.

Water Policy

As a first step in implementing insights from KBC's White Paper on water availability (see more in section 2.3.1.2) and as part of KBC's general commitment to managing indirect impacts on the environment, a newly established policy restricts material financing to projects and producers in certain water-intensive sectors operating in countries facing extreme water stress. Financing eligibility is determined via Equator Principles (project category, Environmental and Social Impact Assessment and associated Technical Advisor assessments), verified environmental certifications (ISO 14046, ISO 14001, EMAS) or country-specific regulations.

Water policy

Scope	The policy applies to large financing files of producers (excluding traders and retailers) in the agriculture, food & beverages, chemicals, and construction sectors operating in countries identified as experiencing extreme water stress[1]. These countries include: Kuwait, United Arab Emirates, Saudi Arabia, Libya, Qatar, Yemen, Uzbekistan, Bahrain, Turkmenistan, Egypt, Algeria, Syria, Pakistan, Sudan, Singapore, Oman, Israel, Jordan, Sri Lanka, Tunisia, Barbados, South Korea, Malta, and Iran. The policy covers production activities and excludes actors such as traders and retailers. For Singapore-based water-intensive industries, exemptions apply if compliance with national water-efficiency regulations is demonstrated. Affected stakeholder groups include producers operating in these high-water-stress regions, particularly those without environmental certifications or Equator Principles assessments.
Most senior level accountable	As with all sustainability policies within KBC, the ExCo holds ultimate responsibility for ratification and oversight of this policy. Nevertheless, its effective implementation is a shared responsibility of all relevant staff, both within the local entities and across the applicable group-level departments.
Reference to third-party agreements	This policy fits within KBC's formal adoption of the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations.
Consideration key stakeholders	The policy has been challenged by our Steering Committee Sustainability and the ISB, as well as the ESB, representing the interests of key stakeholders, and is publicly available for consultation by all stakeholders at www.kbc.com.

1 The list of countries is based on the most recently available World Bank 'World Development Indicators' data (see https://datatopics.worldbank.org/world-development-indicators/)

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 group-wide 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.

Areas of high water stress
KBC has sites located in areas of 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)

[E3-2]

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 sectoral 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. 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 (and, where relevant, insurance) activities on water consumption, withdrawals and discharges. For more information on the White Papers, we refer to section 2.2.2.2. In 2025, two thematic White Papers on water were created, one focusing on water availability and access, the other on water pollution. Both papers examined sectoral exposure and potential transition risks, using reference methodologies such as ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure; more information is available at www.encorenature.org/en) to guide the analysis. The scope was limited to areas most relevant to our business and excluded topics like flooding and drought, which are addressed separately in the context of climate-oriented sector-specific White Papers. Apart from these thematic White Papers, the domain of water was also included in our sector-specific Agriculture White Paper. One of the main action points that emerged from the White Papers is the establishment of a first Water Policy as explained in section 2.3.1.1.

Water and marine resources: metrics and targets (2.3.2)

Targets related to water and marine resources (2.3.2.1)

[E3-3]

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, insurance 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)

[E4-1]

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, insurance 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 degradation. 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, insuring, 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/ORSA, 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)

[E4-2]

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
- Unconventional oil and gas exploration

Biodiversity Policy

Climate change	Not directly addressed, however addressed indirectly through requirements for producers and traders of forest commodities, oil and gas exploration and cattle farming.
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 certified under an internationally recognised certification scheme. These certification schemes often include specific measures on traceability of these commodities. The Biodiversity Policy also refers to the EU Deforestation Regulation, which requires strict traceability for forest commodities that are placed on the European market.

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	KBC requires clients involved in the production or trade of forest commodities to demonstrate that they apply adequate social safeguards. This expectation applies in addition to ensuring environmentally sustainable production and is intended to address potential social impacts across the value chain.

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 (see 2.2.2.1), 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	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 RI funds with exposure to corporate issuers.
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)

[E4-3]

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)
- A high-level assessment of biodiversity impact and dependencies in our loan portfolio has been executed (see section 1.3.3.1)
- Within our internal stress testing, some biodiversity-related stresses were integrated, e.g., assessing the impact of increased insurance risk (Risk Life portfolio) in case of a spread of infectious diseases
- 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. In 2025, we included an in-depth analysis of nature-related impacts and dependencies in the agriculture and energy sectors in order to identify material impact drivers and ecosystem dependencies specific to these sectors.

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. However, biodiversity conservation is a selection criterion in selecting carbon credits (see section 2.2.3.3).

Biodiversity and ecosystems: metrics and targets (2.4.3)

Targets related to biodiversity and ecosystems (2.4.3.1)

[E4-4]

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.

Own workforce (3.1)

Own workforce: impact, risk and opportunity management (3.1.1)

Policies related to own workforce (3.1.1.1)

[S1-1]

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 at 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	The policy is applicable to all employees of KBC.
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	The policy is published externally at www.kbc.com and available internally for all employees. There is mandatory training for all employees, who are required to sign 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 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 at 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 of KBC Group 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 CEO, 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 Policy, applicable to all staff, ensures a fair, transparent and sustainable remuneration practice, fully aligned with our sustainability strategy, the interests of our stakeholders, and European and national legislation.

The key principles of the KBC Remuneration Policy are as follows:

- Fair and gender-neutral: all remuneration schemes are gender-neutral and guarantee equal pay for equal work or work of equal value, regardless of gender.
- Market-standard and legally compliant: remuneration is always at least in line with the local legal minimum and is regularly benchmarked against market practices to ensure competitiveness.
- Transparent and objective: the remuneration is based on job weight, skills and performance, and is supported by a transparent appraisal process.
- Alignment with stakeholder interests and risk management: remuneration schemes are aligned with the long-term interests of KBC, the group's risk appetite, and the interests of relevant stakeholders. They do not include incentives for excessive risk-taking and are compatible with the Risk Appetite.
- Governance and compliance: all remuneration practices comply with the KBC Group Compliance Rules and local legislation and are governed by a strict governance process involving HR, Risk, Compliance, and the relevant governing bodies.
- Fixed and variable: total remuneration consists of fixed and variable components. Variable remuneration is results- and appraisal-based and is awarded based on group results, business unit results, and individual performance. Non-financial criteria, such as adherence to values, risk awareness, and sustainability, play an important role.
- Maximum ratios: clear maximum ratios are set for the relationship between fixed and variable remuneration, depending on the job level.
- Sustainability linkage: for certain employee groups, including top management and the ExCo, part of the variable remuneration is explicitly linked to sustainability objectives.

Remuneration Policy

Most senior level accountable	The policy is approved by the Board. ExCo is accountable for implementation.
Reference to third-party agreements	Reporting on remuneration details is aligned with reporting required by local supervisors and the European Banking Authority.
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 at 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 assigned to the Workforce of the Future Management team within Corporate HR. This team 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	The policy is published externally at www.kbc.com and available internally for all employees.

Policy on Human Rights

We refer to section 4.1.1.1 for full details on the Human Rights policy.

KBC is committed to being a responsible employer by fully respecting and upholding the human rights of its employees throughout the group. We fully comply with all applicable legislation related to our own workforce, and on multiple points we go beyond the regulatory requirements and standards or conventions. To help us achieve this, we have implemented procedures aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. In particular, we respect the principles and rights set out in the eight fundamental conventions (including the Convention on Freedom of Association) identified in the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation. Although our policies relating to our own workforce do not explicitly address human trafficking, forced and compulsory labour, and child labour, we strictly adhere to all relevant legislation. These practices are unequivocally prohibited by law, and we are fully committed to ensuring compliance across all our operations throughout the group.
We have a workplace accident prevention policy in place in all our core countries.

Our employees are expected to respect human rights standards in their behaviour towards each other. These aspects are specifically included in the KBC Code of Conduct for employees and the KBC Diversity and Inclusion Policy. We promote a culture of responsible behaviour and foster an environment where whistleblowing is encouraged and safeguarded. Employees are protected when raising concerns through the Whistleblower Protection Policy (see above in this section 3.1.1.1).
Our employees are likewise expected to apply and respect human rights standards when conducting business. These principles are outlined in human resources policies and in the KBC Code of Conduct for employees (see above in this section 3.1.1.1). These include, among others, strict rules regarding the protection of clients' and stakeholders' personal data, as well as principles ensuring fair and equitable treatment of all individuals in our business relationships. By acting responsibly, our employees help us minimise potential human rights risks and negative impacts on clients, end-users, and business partners across the upstream and downstream value chain.

Several channels are in place to address adverse human rights impacts on our own workforce. These include the Workers' Council, a prevention advisory council or its equivalent in each country, HR mediators or their local equivalents and a whistleblower reporting tool.
For more detailed information on the channels available for our own workforce we refer to section 3.1.1.3.

Processes for engaging with own workers and workers' representatives about impacts (3.1.1.2)

[S1-2]

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 actively foster an inclusive workplace through various Employee Resource Groups (ERGs) that focus on key diversity and inclusion themes. Our groupwide ERG Diversity Rocks serves as an employee-led networking group that brings together individuals from diverse backgrounds to collaborate on initiatives related to gender and disability as well as LGBTQIA+ and generational and ethnic diversity. In addition to Diversity Rocks, we support several targeted networking groups such as Proud@CSOB and Proud@KBC (LGBTQIA+), JongKBC (generational diversity), International Community (nationality), and Wo.men at IT (gender), each contributing to a more inclusive culture within their specific domains. The strategic direction of Diversity Rocks is overseen by the Diversity Rocks Steering Committee, which serves as a formal diversity council chaired by a member of the Group Executive Committee.

As of January 2026, Diversity Rocks will be 'All Inclusive', a renewed Employee Resource Group that brings together different existing ERGs and aims to structurally capture bottom-up feedback in a uniform way.
In addition to our internal efforts, KBC employees also play leadership roles in external networking groups of Febelfin and Assuralia, including Wo.men in Finance and the Multicultural Network in Finance.

Processes to remediate negative impacts and channels for own workers to raise concerns (3.1.1.3)

[S1-3]

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
- Our website www.kbc.com
- 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)

[S1-4]

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 all our countries, we continuously benchmark our reward against local market practices in the financial sector to ensure fair and competitive remuneration.
- In Belgium, we conducted a reward survey in May 2025: the results of this survey confirm that the total reward package is broadly appreciated, which was also confirmed by the well-being survey conducted in June 2025. The survey shows our employees' clear appreciation of benefits that contribute to well-being, flexibility, and financial security such as flexible working hours, hospitalisation insurance, the pension plan, additional leave days, and meal vouchers.
- In Hungary, a voluntary initiative called 'Well-Being Champions' engages employees in identifying staff needs. Insights gathered by these volunteers are continuously integrated into the bank-wide well-being programme, which has been awarded bronze at the Hungarian HRKOMM Awards 2025 (HR Communications Awards). This award recognises outstanding HR-related communication campaigns, strategies and initiatives implemented by companies in Hungary.
- In September 2024 we launched Team Blue Challenges, the first part of which involved inviting colleagues to support non-profit organisations through volunteering. The second part, realised in 2025, focused on encouraging employees to take first aid courses and donate blood and plasma. This also allowed us to 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. Additionally, ČSOB Czech Republic has also signed the nationwide Charter Against Domestic Violence. In this context, ČSOB offers several support programmes to its employees, including psychological counselling and financial assistance.
- In Bulgaria, a first issue of a publication called 'Healthy! Compass for a Better Life' was released in 2024, providing up-to-date information on the opportunities available to employees to maintain their health and spirit. This programme continued in 2025.
- Slovakia introduced Microsoft 365 Copilot and embedded responsible AI practices to empower employees to reduce their routine workload, improve focus time, and enhance digital skills – creating space for meaningful work and personal growth. The ambition for 2026 is to evolve from assisted productivity to intelligent orchestration, scaling Copilot and piloting agentic AI to unlock new levels of efficiency and creativity, always anchored in trust and human oversight.

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 Enterprise Risk Management Framework (see section 2.2.2.2). On an annual basis, we identify and assess the most material social risks via SRIM (see section 1.4.1 on financial materiality assessment). 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)

[S1-5]

In 2025, KBC established a group-wide key target to promote gender balance. Gender inclusion is a focus area within our Group Diversity and Inclusion Policy. Therefore, KBC works towards a gender-balanced distribution of leadership at all levels.

As there are currently no binding legal requirements at the European or national level regarding gender balance in leadership positions within the private sector, KBC has voluntarily adopted the following threefold target, decided by the ExCo in 2025.
Our goal is to achieve at least 40% representation of the underrepresented gender in recruitment, talent pools, and promotions to leadership positions (except the ExCo and the Board). This benchmark draws on an analysis of definitions of the term 'gender balance' used within the Belgian financial sector and aligns with the definition endorsed by Febelfin, the Belgian financial sector federation.

The target is set annually and reviewed at group level. Our core countries and business units define the approach they deem necessary, adapted to the local culture and situation. The achievement of the gender balance targets is closely monitored and reported to the ExCo and the Board, and also reported externally.
Engagement and communication regarding gender balance towards employees and the Workers' Council is fully integrated in the general HR processes (we refer to 3.1.1.2 for more information).

In 2025, KBC met these targets with 58% in recruitment, 46% in talent pools and 51% in promotions to leadership positions. As the target was set for the first time in 2025, no progress can be reported.

Characteristics of our employees (3.1.2.2)

[S1-6]

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 section 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	2025	2024
Male	17 011	17 241
Female	22 792	22 688
Other*	–	–
Not disclosed*	–	–
Total headcount	39 803	39 929

* KBC does not register data related to other or not disclosed gender

Employee headcount by country (countries with at least 50 employees representing at least 10% of total number of employees)	2025	2024
Belgium	14 141	14 553
Czech Republic	11 597	11 432
Bulgaria	6 400	6 338

Employees by contract type and gender (FTE)			2025			2024
	Female	Male	Total*	Female	Male	Total*
Number of employees	21 105	16 386	37 490	20 979	16 609	37 588
Number of permanent employees	19 988	15 687	35 675	19 869	15 896	35 765
Number of temporary employees	1 025	651	1 675	1 017	665	1 683
Number of non-guaranteed hours employees	92	48	140	93	48	140
Number of full-time employees	17 465	15 217	32 682	17 321	15 443	32 764
Number of part-time employees	3 640	1 169	4 808	3 657	1 166	4 824

* KBC does not register data related to other or not disclosed gender

Employees by contract type and geography (FTE)							2025
	Belgium	Czech Republic	Slovakia	Hungary	Bulgaria	Rest of the world	Total
Number of employees	13 131	10 744	2 979	3 878	6 366	392	37 490
Number of full-time employees	9 728	10 048	2 898	3 721	5 919	368	32 682
Number of part-time employees	3 403	696	81	157	447	24	4 808

The proportion of full-time employees is similar to the previous reporting year in all countries.

Employee turnover[1] (headcount) and turnover rate[2]	2025	2024
Turnover in headcount	5 090	5 394
Turnover rate	12.8%	13.5%

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)

[S1-8]

In total, 89.8% of KBC's employees are covered by collective bargaining agreements, and 90.8% 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.
The coverage percentages across the different countries are consistent with the previous reporting year.

Collective bargaining coverage and social dialogue, 2025	Collective bargaining coverage for employees - EEA	Social dialogue; workplace representation - EEA
0-19%		
20-39%		
40-59%		
60-79%	Bulgaria	Bulgaria
80-100%	Belgium Czech Republic	Belgium Czech Republic

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)

[S1-9]

Employees at top management level[1] broken down by gender			2025			2024
	Female	Male	Total[2]	Female	Male	Total[2]
Number of employees at top management level	70	193	263	70	195[3]	265[3]
% of employees at top management level	26.6%	73.4%	100.0%	26.4%	73.6%	100.0%

1 Top management is defined as 'Top 300', a specific list of Senior Management Positions as approved by the ExCo, and not including ExCo members
2 KBC does not register data on other or not disclosed gender
3 Restatement of 2024 from 197 to 195 (Male) and from 267 to 265 (Total) figures following a discrepancy identified in the previous reporting period

Distribution of total employees by age group	2025	2024
% of employees under 30 years old	14.1%	13.5%
% of employees between 30 and 50 years old	54.5%	56.2%
% of employees over 50 years old	31.4%	30.3%

Adequate wages (3.1.2.5)

[S1-10]

We pay all our employees an adequate wage, at least in line with the minimum wages defined by the local legislation.

Training and Skills Development metrics (3.1.2.6)

[S1-13]

Average number of training hours per employee (headcount)*	2025	2024
Male	38.7	-
Female	39.0	-
Total	38.9	-

* No previous year data is available for this disclosure requirement

Health and safety metrics (3.1.2.7)

[S1-14]

Health and safety metrics	2025	2024
% of employees covered by a health and safety management system	100.0%	100.0%
Number of fatalities as a result of work-related injuries and work-related ill health (own employees)	0	0
Number of fatalities as a result of work-related injuries and work-related ill health (other workers working on our sites)	0	0
Number of work-related accidents	72	79
% of work-related accidents	1.1%	1.2%

Remuneration metrics (3.1.2.8)

[S1-16]

Remuneration metrics	2025	2024
Gender pay gap	30.2%	31.2%
Adjusted gender pay gap	3.2%	3.2%
Annual total remuneration ratio	94	93

Gender pay gap – contextual information

The gender pay gap is calculated on 98.1% of our employees because data collection in some smaller entities – mainly in the 'Rest of the World' category – is not proportionate and does not significantly impact the calculation result.

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, job level according to the Hay classification system, 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 3.2%. It is calculated on 95.5% of our employees, for the same reasons as mentioned above for the gender pay gap.

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 (3.1.2.9)

[S1-17]

Numbers of incidents of discrimination including harassment	2025	2024
Total number of incidents of discrimination, including harassment	39	12*
Of which justified incidents/complaints of discrimination, including harassment	5	4
Number of complaints filed through channels for people in own workforce to raise concerns (other work-related complaints)	4	9
Number of complaints filed through the National Contact Points for OECD	0	0

* The 2024 figure has been restated from 17 to 12 after identifying an inconsistency in the application of the regulatory guidance in one of our countries

The number of reported cases in 2025 is in line with our speak-up culture and is facilitated by the accessibility of our internal and publicly available whistleblowing tool.

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. In 2025, 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. In 2025, 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)

[S4-1]

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 presale 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 Strategy

In order to protect all our clients and shareholders, we consider our Information Security Strategy a key element of our Information Security Governance and policies. 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 industry practices (e.g., 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 KBC's Enterprise Risk Management Framework (ERMF). The Information Security Officers and Local Operational Risk Managers act as first Line of Defence, assisting the accountable manager in their business line in governing and managing operational risks. KBC's Information Security Officer is a delegated role of the Chief Innovation Officer (CIO), responsible for KBC's information and data security vision, for the information security policies at group level and for alignment of the group-wide vision and policies with the local CIOs. For the second Line of Defence, the Operational Resilience division of Group Risk 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 applies to KBC and all its subsidiaries and covers the full IT-security universe. It is published at www.kbc.com.

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.

Policy on Human Rights

The objective of the policy is to mitigate any potential negative human rights impact KBC may have on its core stakeholders, including the consumers and end-users to whom it provides financial services.

KBC is committed to treating its clients fairly and without discrimination in accordance with fair business and marketing practices, and to taking all reasonable steps to ensure the quality and reliability of the products and services we provide. We provide accurate, verifiable, clear and accessible information to enable consumers to make informed decisions. We ensure that our products and services meet all legal requirements, in particular those related to consumer, investor and insurance policyholder protection. Our product approval process (NAPP, see section 2.2.2) plays a pivotal role in the presale phase, ensuring compliance and quality assurance before market introduction. During the sales process, we carefully assess whether we offer

services and products that are appropriate and suitable for the client. Correct handling of complaints and the corresponding analysis to assess any need for improvement are essential parts of fair client treatment in post-sales processes.
We protect our consumers' privacy by ensuring that the practices relating to the collection and use of consumer data are lawful, transparent and fair, and we take all reasonable measures to ensure the security of personal data that we collect, store, process or disseminate and to observe the rules laid down in the General Data Protection Regulation (GDPR).

Our policies and procedures are in line with the UN Guiding Principles on Business and Human Rights (UNGP Framework) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. KBC is also a signatory of international standards such as the UNEP FI Principles for Responsible Banking, Sustainable Insurance and Responsible Investment, and the UN Global Compact Principles.

We refer to section 4.1.1.1 for a full description of the Policy on Human Rights.
Further details on our engagement with consumers and end-users can be found in section 3.2.1.2.
Measures through which we provide or enable remedy for human rights impacts are described in sections 3.2.1.3 and 3.2.1.4.
Monitoring compliance with these human rights commitments is embedded in our due diligence process (see section 1.2.4).

In the reporting year, no severe human rights issues or incidents related to consumers and end-users were identified. Additionally, no referrals concerning KBC were received by any of the OECD National Contact Points.
Through our consumer-related policies and the actions and processes outlined in this section, we safeguard the human rights and interests of KBC's consumers in line with regulations and our commitments.

Processes for engaging with consumers and end-users about impacts (3.2.1.2)

[S4-2]

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 conduct regular stakeholder engagements, one example being the roundtable held in Belgium, which in 2025 focused on client behaviour towards online safety. 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)

[S4-3]

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, relationship manager or insurance agent. 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.
This approach ensures the reliability and integrity of our channels for consumers seeking to raise concerns. 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. 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. The broad usage of our channels, the reports and analyses show that our clients are aware of and trust our complaints channels and processes.

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 and Ombudsman Insurance for insurance 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 refer to section 3.1.1.1 for a full description of the Whistleblower Policy.

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 insurance agents or other business relationships that 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)

[S4-4]

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. As described below, a proactive approach is embedded in our internal governance processes, through which we monitor potential negative impacts and risks on social topics, privacy, cybersecurity, marketing practices, etc. and which trigger appropriate action when required.

In the reporting year, we did not identify material actual negative impacts on our consumers and end-users that required remedial action.

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 Enterprise Risk Management Framework (ERMF)) for an overview of the continuous efforts that we make to integrate ESG risks (including social risks) into our ERMF 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 developed the SRIM (see section 1.4.1 on financial materiality assessment) 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 below.
- Several initiatives are taken to protect our clients' data, and governance is in place to ensure that GDPR is applied and the privacy of our clients is protected. Among other 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 through 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. The second Line of Defence executes assurance activities addressing cyber threats and cyber risk-related events (such as setting risk standards, defining and testing controls, and groupwide reporting on actions and events). See also the above-mentioned Information Security Strategy.

Management of cyber risk is integrated into the Enterprise Risk Management Framework, including the analysis, reporting, registration and follow-up of risk events. 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 to further strengthen our internal control environment and the way we manage risk.

KBC actively manages 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.
- Continuously enhancing its systems for improved monitoring of network and user activity, detection of anomalies and instant alerts to security teams when suspicious behaviour is detected.
- 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, ensuring 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 cyber fraud landscape to enhance client protection and safeguard stakeholder data and financial assets. Continuous analysis and adaptation of security measures support 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 group-wide 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 and the suitability of the offered product/services
- Safeguard the strategic fit of products/services
- Proactively 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, the Insurance Distribution Directive (IDD), 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. Each year, we review product development trends, highlighting how new products and changes align with our Corporate Strategy in areas such as digitalisation, simplification, sustainability and the Ecosphere.

Actions regarding opportunities

We pursue material opportunities linked to consumers and end-users via webinars, third-party services and direct interactions. Examples include advisory services on subsidies and sustainability-related legislation.

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, insurance and asset management products and services that are accessible to everyone in accordance with their needs
- Enhancing financial literacy and health by setting a social target in each core country based on local societal needs as determined by stakeholder engagement and market analysis
- Playing a role in the financial resilience of our consumers by, for example, protecting them from the financial consequences of healthcare risks with the insurance products we provide
- 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:

- Our material risks in the context of consumers and end-users are managed via the NAPP process. This process also allows us to address negative and advance positive impacts. The NAPP process is applied group-wide and involves several departments within the organisation (such as the Compliance department, Risk department, Legal department, Business departments, senior managers presiding over the NAPP).
- A Data Protection Officer (DPO) can be contacted by our consumers for issues related to the processing of their personal data. The DPO is supported by colleagues in the Compliance department to ensure that the reported issues are addressed adequately and on time. 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)

[S4-5]

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

Business conduct (4.1)

Business conduct: impact, risk and opportunity management (4.1.1)

Business conduct policies and corporate culture (4.1.1.1)

[G1-1]

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, for example, 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, fiscal prevention, anti-money laundering and countering the financing of terrorism, 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 2025, 99% 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
- Complying with anti-discrimination legislation
- Respecting the governance aspects of CRD, 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	The policy is 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
- Respectful behaviour and non-discrimination
- 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, including facilitation payments, 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
- 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: Procurement, Relationship Management, Sales & Business development, Marketing, Sponsorship, Lobbying, Real Estate, and departments involved in open banking and contracting third parties.

Anti-Corruption and Bribery Policy

Scope	The policy is 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	The policy is published externally at www.kbc.com and is 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:

- The scope of the content has been broadened to include immoral or unethical conduct and conduct that compromises the credibility and reputation of KBC 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	This group-wide policy is applicable to all credit and other financial institutions within KBC.
Most senior level accountable	The ExCo and in particular the Chief Risk Officer, who is a member of the ExCo, is accountable for implementation of the policy.
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	The policy is published externally at 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 above a certain threshold 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	The Dealing Code is a group-wide policy applicable to KBC and its subsidiaries, particularly to 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	The policy is published externally at 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	This is a group-wide policy, 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	The policy is published externally at www.kbc.com.

Policy on Human Rights

As a financial institution, KBC may cause or contribute to an adverse human rights impact on its employees or the consumers and end-users to whom it provides financial services. On the other hand, KBC may contribute to or be linked to an adverse human rights impact on third parties. This may happen through its suppliers and through client relationships with companies to which KBC provides financial services in the course of its activities related to lending, insurance, advisory services and asset management.

By integrating human rights in its due diligence processes, KBC fulfils its commitment to respecting human rights in relation to all its core stakeholders: client relationships, suppliers and employees. The Environmental and Social Heatmap enhances screening on social risk. The worst offenders of the UN Global Compact Principles are blacklisted across all of KBC's operations, indicating that KBC has zero tolerance for severe human rights impacts. Whenever high risks or actual impacts are identified, each case is thoroughly investigated and contextually understood. When needed, we decide not to engage in a new relationship or to end an existing relationship.
For more details on content, we refer to section 2.2.2.1 for due diligence in core activities and sector-specific policies, to section 3.1.1.1 for our own workforce, to section 3.2.1.1 for consumers and end-users, and to section 4.1.1.2 for suppliers.

KBC Group's Human Rights Policy refers to multiple specific policies and processes that address ESG-related topics in general and human rights in particular. We implement procedures that are aligned with the UN Guiding Principles on Business and Human Rights, the global standard for addressing negative human rights impacts linked to business activities. Procedures and policies are also aligned with the OECD Guidelines for Multinational Enterprises, which set the standard for responsible business conduct and respect for human rights within our operations.

In particular, KBC's approach is guided by the following internationally recognised principles and guidelines:

- The International Bill of Human Rights
- The principles and rights set out in the eight fundamental conventions (including the Convention on Freedom of Association) identified in the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation
- The UN Declaration on the Rights of Indigenous Peoples

KBC is a signatory of multiple international standards, including the UN Global Compact Principles. The UN Global Compact Principles asks companies to embrace, support and, within their sphere of influence, adopt a set of core values in the areas of human rights, labour standards, the environment and combating corruption. We embed these principles into our policies across our own operations and consider them in our assessments of clients and suppliers.
We comply with applicable legislation, such as labour laws, privacy legislation, the UK Modern Slavery act, and legislation on sustainability reporting.

As a means for raising concerns regarding human rights impacts (among others), the whistleblower tool as well as other reporting channels are available for both our own workforce and other stakeholders.

Policy on Human Rights

Scope	This is a group-wide policy, applicable to KBC and its subsidiaries.
Most senior level accountable	The ISB has approved the policy, in line with the delegation granted by the ExCo for this purpose.
Reference to third-party agreements	KBC is a signatory of the following international standards: • The UNEP FI Principles for Responsible Banking • The UNEP FI Principles for Sustainable Insurance • The UN Principles for Responsible Investment • The Equator Principles • The UN Global Compact Principles
Disclosure	The Policy on Human Rights and the specific policies to which it refers are published externally at 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 group-wide.
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	The policy is published externally at www.kbc.com and is 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 the social, ethical and environmental principles of KBC. Before entering into a contractual relationship with KBC, the supplier underwrites or agrees with the sustainability principles as laid down in the Sustainability Code of Conduct for Suppliers. The code informs our suppliers that KBC is entitled to conduct interim screenings to evaluate whether suppliers comply with the agreed sustainability principles, including human rights. 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	The policy applies to procurement activities group-wide. It is enforced towards 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	KBC considered that the sustainability principles it upholds must be consistently reflected in its business relationships with suppliers, ensuring alignment of the end-to-end value chain with the KBC standards that protect employees, consumers and end-users.
Disclosure	The policy is published externally at www.kbc.com and is available internally for all employees.

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 behaviour is summed up in the acronym 'PEARL+'. It was established in 2012 in the context of a Corporate Strategy update and decided by the ExCo. It is periodically refined to ensure alignment with evolving circumstances and emerging priorities in corporate culture. 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 (at the beginning of the annual report, not subject to external assurance) for more details on Pearl+.

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)

[G1-2]

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 the entire contract lifecycle. We consistently prioritise structured sourcing through formal tendering processes rather than ad hoc assignments.
Before engaging with a supplier, we apply due diligence principles as a first step in the procurement process. First of all, we have defined a blacklist of suppliers based on ESG factors, including human rights. Our blacklist is based on criteria such as UN Global Compact Principles' worst offenders and involvement in controversial weapons systems. Suppliers on this list are excluded from being selected as a candidate supplier. Furthermore, in preparation for a purchase, candidate suppliers are screened on a broader range of criteria, 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.

Agreements with suppliers are, wherever feasible, established via standardised framework contracts or contractual agreements to ensure clarity, consistency, and long-term value. While exceptions to the standard agreement may be considered in specific negotiation contexts, deviation remains subject to internal governance and must not compromise our sustainability principles. 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 regularly reviewed as part of the wider reviews of our procurement processes and tooling.

Vice versa, KBC is committed to being a reliable, responsible, and fair counterparty to its suppliers, and to fully honouring its contractual obligations. Our standard payment term is 30 calendar days. Depending on local market conditions, specific business practices (such as those applicable in leasing activities) or mutual agreements, deviations from this standard may be applied, provided that the legally required payment term is respected as a minimum. KBC also commits to ensuring timely payment to suppliers, either within the standard 30-day term or within the contractually agreed term where deviations apply. We monitor the timeliness of our payments to suppliers and report this to 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.

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 on the impacts and risks related to business conduct matters. When needed, specific initiatives are taken in response to the outcome of these continuous monitoring processes.

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 Enterprise Risk Management Framework (ERMF), for an overview of the continuous efforts that we make to integrate ESG risks (including governance risks) in our ERMF 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, investors and insurance policyholders, 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 ExCo 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)

[G1-3]

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 department. Incidents and outcomes of corruption- and bribery-related investigations (if any) are reported to local management or the ExCo, the Group 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)

[G1-4]

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)

[G1-6 - Justified Non-Disclosure in 2025]

KBC remains committed to transparent and responsible supplier management. As part of our double materiality assessment, the broader topic of supplier relationship management has been identified as material. For details on our policies and procedures, please refer to section 4.1.1.2.

For KBC, materiality lies in the continuity of critical outsourcing, dependency management, and contractual governance, rather than late-payment exposure. We therefore prioritise transparency in these areas, which are the most relevant to our operations and stakeholders.

We no longer disclose the specific datapoints on payment practices, which focus on the impact of payment terms and timeliness on suppliers, particularly addressing cashflow risk. Our materiality assessment did not reveal a material negative impact in this respect, as we maintain a strong track record of timely payments, with no significant incidents, sanctions, or legal proceedings related to late payments. Also, KBC applies uniform and fair payment terms and effective payment periods for all suppliers, including SMEs.

Statutory auditor's limited assurance report on the consolidated sustainability information of KBC Group NV

FREE TRANSLATION OF 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 Group 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 30, 2025, 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 Group 2025 as of December 31, 2025 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, 2027. We have performed our assurance engagement on the sustainability information of the Group for two consecutive financial years.

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
- 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 Group 2025.

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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

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 statutory 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.

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 ESRS;
- in compliance with the requirements of Article 8 of the Taxonomy Regulation regarding the publication of the information included in the section EU-taxonomy – detailed tables of the Annual report KBC Group 2025.

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.

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 statutory 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 to 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 Statutory auditor for the limited assurance engagement on the sustainability information" section of our report;
- obtained an understanding of the process 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, 31 March 2026

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor

Kenneth Vermeire	Steven Mulkens
Bedrijfsrevisor/ Réviseur d'Entreprises	Bedrijfsrevisor/ Réviseur d'Entreprises

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Consolidated financial statements

Abbreviations used

- AC = amortised cost
- BBA = building block approach
- CSM = contractual service margin
- FVO = fair value option (designated upon initial recognition at fair value through profit or loss)
- FVOCI = fair value through other comprehensive income
- FVPL = fair value through profit or loss
- HFT = held for trading
- IFIE = Insurance finance income and expense
- MFVPL = mandatorily measured at fair value through profit or loss
- OCI = other comprehensive income
- PAA = premium allocation approach
- POCI = purchased or originated credit impaired assets
- VFA = variable fee approach

Consolidated income statement

(in millions of EUR)	Note	2025	2024
Net interest income	3.1	6 065	5 574
Interest income	*3.1*	*17 349*	*19 746*
Interest expense	*3.1*	*-11 284*	*-14 172*
Insurance revenues before reinsurance	3.6	3 201	2 945
Non-life	*3.6*	*2 709*	*2 482*
Life	*3.6*	*492*	*463*
Dividend income	3.2	77	57
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued)	3.3	-163	-168
Net result from financial instruments at fair value through profit or loss	*3.3*	*170*	*173*
Insurance finance income and expense (for insurance contracts issued)	*3.6*	*-333*	*-341*
Net fee and commission income	3.4	2 789	2 578
Fee and commission income	*3.4*	*3 525*	*3 253*
Fee and commission expense	*3.4*	*-736*	*-675*
Net other income	3.5	230	181
TOTAL INCOME		**12 200**	**11 167**
Operating expenses (excluding directly attributable to insurance contracts)	3.7	-4 706	-4 565
Total operating expenses excluding bank and insurance tax	*3.7*	*-4 599*	*-4 474*
Bank and insurance tax	*3.7*	*-666*	*-623*
Less: operating expenses attributed to insurance service expenses	*3.7*	*559*	*532*
Insurance service expenses before reinsurance	3.6	-2 512	-2 475
Of which: insurance commissions paid	*3.6*	*-429*	*-383*
Non-life	*3.6*	*-2 235*	*-2 179*
Of which Non-life claim-related expenses	*3.6*	*-1 404*	*-1 414*
Life	*3.6*	*-276*	*-296*
Net result from reinsurance contracts held	3.6	-75	-17
Impairment	3.9	-334	-248
on financial assets at amortised cost and at fair value through OCI	*3.9*	*-273*	*-199*
on goodwill	*3.9*	*-7*	*0*
other	*3.9*	*-53*	*-49*
Share in the result of associates and joint ventures	3.10	6	80
RESULT BEFORE TAX		**4 580**	**3 941**
Income tax expense	3.11	-1 010	-527
Net post-tax result from discontinued operations	–	0	0
RESULT AFTER TAX	**–**	**3 570**	**3 414**
attributable to minority interests	–	1	-1
attributable to equity holders of the parent	**–**	**3 568**	**3 415**
Earnings per share (in EUR)			
Ordinary	3.12	8.70	8.33
Diluted	3.12	8.70	8.33

- 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 insurance results, see Note 3.6.
- For a breakdown of the operating expenses by nature, see Note 3.7.
- The impact of the most important acquisitions and disposals made in 2025 and 2024 is set out in Note 6.6.

Consolidated statement of comprehensive income

(in millions of EUR)	2025	2024
RESULT AFTER TAX	**3 570**	**3 414**
attributable to minority interests	1	-1
attributable to equity holders of the parent	3 568	3 415
ITEMS OF OCI THAT ARE OR MAY BE RECLASSIFIED TO PROFIT AND LOSS	**1 131**	**-370**
Net change in fair value reserve (FVOCI debt instruments)	5	-88
Changes in fair value	7	-118
Deferred tax on fair value changes	-1	35
Transfer from reserve to net result	-1	-5
Impairment	*1*	*-2*
Net gains/losses on disposal	*-2*	*-2*
Deferred taxes on income	*1*	*-1*
Net change in hedging reserve (cashflow hedges)	497	72
Changes in fair value	611	-8
Deferred tax on fair value changes	-152	10
Transfer from reserve to net result	39	70
Gross amount	*51*	*101*
Deferred taxes on income	*-12*	*-30*
Foreign operations – foreign currency translation differences	287	-227
Gross amount	287	-227
Deferred taxes on income	0	0
Hedge of net investments in foreign operations	-67	42
Changes in fair value	-91	48
Deferred tax on fair value changes	20	-12
Transfer from reserve to net result	3	6
Gross amount	*4*	*8*
Deferred taxes on income	*-1*	*-2*
Insurance finance income and expense for (re)insurance contracts issued and held	413	-166
Present value adjustments before tax	553	-225
Deferred tax on present value changes	-141	58
Transfer from reserve to net result	0	0
Gross amount	*0*	*0*
Deferred taxes on income	*0*	*0*
Net change in respect of associated companies and joint ventures	0	0
Gross amount	0	0
Deferred taxes on income	0	0
Other movements	-4	-2
ITEMS OF OCI THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS	**11**	**247**
Net change in fair value reserve (FVOCI equity instruments)	15	178
Changes in fair value	18	179
Deferred tax on fair value changes	-3	-1
Remeasurement of defined benefit liability, net of tax	-3	69
Remeasurements	-8	92
Deferred tax on remeasurements	6	-23
Net change in own credit risk	-1	0
Changes in fair value	-1	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 OTHER COMPREHENSIVE INCOME	**1 143**	**-123**
TOTAL COMPREHENSIVE INCOME	**4 712**	**3 292**
attributable to minority interests	3	-1
attributable to equity holders of the parent	4 709	3 292

- Changes in 2025:
  - The net change in the 'fair value reserve (FVOCI debt instruments)' came to +5 million euros, which was mainly accounted for by the unwinding effect of the negative outstanding reserve, largely offset by the higher interest rates of most government bonds held.
  - The net change in the hedging reserve (cashflow hedge) of +497 million euros was mainly attributable to the positive mark-to-market value of the net payer swap position due to higher long-term interest rates and the unwinding effect of the negative outstanding hedging reserve.
  - The net change in translation differences of +287 million euros was caused primarily by the appreciation of the Czech koruna and the Hungarian forint against the euro, partly offset by the depreciation of the US dollar against the euro. These exchange rate changes also resulted in a decrease of -67 million euros in the hedge of net investments in foreign entities. The hedging policy of foreign exchange participations is aimed at stabilising the group capital ratio (and not the equity).
  - The net change in insurance finance income and expense for (re)insurance contracts issued and held (+413 million euros) was mainly accounted for by the increase in the very long-term risk-free rate in euro.
  - The net change in the 'fair value reserve (FVOCI equity instruments)' of +15 million euros was mainly attributable to positive changes in fair value driven by higher stock markets, mostly offset by lower revaluations of unlisted shares.
  - The net change in defined benefit plans (-3 million euros) was mainly accounted for by the negative return on plan assets, mostly offset by the higher discount rate applied to the liabilities.
- Changes in 2024:
  - The net change in the 'fair value reserve (FVOCI debt instruments)' came to -88 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 reserve.
  - The net change in the hedging reserve (cashflow hedge) of +72 million euros was mainly attributable to the unwinding effect of the negative outstanding hedging reserve.
  - The net change in translation differences of -227 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 insurance finance income and expense for (re)insurance contracts issued and held (-166 million euros) was mainly accounted for by a transfer of individual pension agreements from the 'Risk and Savings' portfolio to the 'Hybrid products' portfolio (see Note 5.6), the decrease in the risk-free rate in euro and the unwinding effect of the outstanding positive insurance finance income and expense through OCI.
  - The net change in the 'fair value reserve (FVOCI equity instruments)' came to +178 million euros, which was largely attributable to positive changes in fair value driven by higher stock markets.
  - The net change in defined benefit plans (+69 million euros) was mainly accounted for by the impact of the lower inflation and the positive return on plan assets, partly offset by a slightly lower discount rate applied to the liabilities.

Consolidated balance sheet

(in millions of EUR)	Note	31-12-2025	31-12-2024
ASSETS			
Cash, cash balances with central banks and other demand deposits with credit institutions	–	34 005	46 834
Financial assets	4.0	356 699	318 540
Amortised cost	*4.0*	*296 420*	*265 875*
Fair value through OCI	*4.0*	*28 728*	*24 261*
Fair value through profit or loss	*4.0*	*31 336*	*28 132*
of which held for trading	*4.0*	*11 830*	*10 509*
Hedging derivatives	*4.0*	*215*	*271*
Reinsurance assets	5.6	110	119
Accumulated profit/loss on positions in portfolios hedged against interest rate risk	–	-2 676	-1 930
Tax assets	5.2	599	1 002
Current tax assets	*5.2*	*68*	*59*
Deferred tax assets	*5.2*	*530*	*942*
Non-current assets held for sale and disposal groups	–	328	1
Investments in associated companies and joint ventures	5.3	63	116
Property and equipment and investment property	5.4	3 940	3 981
Goodwill and other intangible assets	5.5	2 699	2 475
Other assets	5.1	1 604	1 911
TOTAL ASSETS		397 372	373 048
LIABILITIES AND EQUITY			
Financial liabilities	4.0	348 777	328 723
Amortised cost	*4.0*	*324 714*	*306 050*
Fair value through profit or loss	*4.0*	*23 743*	*22 356*
of which held for trading	*4.0*	*5 775*	*5 677*
Hedging derivatives	*4.0*	*320*	*316*
Insurance contract liabilities	5.6	17 423	17 111
Non-life	*5.6*	*3 314*	*3 186*
Life	*5.6*	*14 109*	*13 925*
Accumulated profit/loss on positions in portfolios hedged against interest rate risk	–	-288	-386
Tax liabilities	5.2	637	470
Current tax liabilities	*5.2*	*113*	*121*
Deferred tax liabilities	*5.2*	*524*	*349*
Liabilities associated with disposal groups	–	115	0
Provisions for risks and charges	5.7	138	141
Other liabilities	5.8	2 585	2 678
TOTAL LIABILITIES		369 387	348 737
Total equity	5.10	27 985	24 311
Parent shareholders' equity	5.10	25 404	22 447
Additional tier-1 instruments included in equity	5.10	2 500	1 864
Minority interests	–	81	0
TOTAL LIABILITIES AND EQUITY		397 372	373 048

- 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.
- The impact of the most important acquisitions and disposals made in 2025 and 2024 is set out in Note 6.6.

Consolidated statement of changes in equity

(in millions of EUR)	Issued and paid up share capital	Share premium	Treasury shares	Retained earnings	Total other reserves	Parent sharehol-ders' equity	Additional tier-1 instru-ments included in equity	Minority interests	Total equity
2025									
Balance at the beginning of the period	1 462	5 564	-1 300	15 724	997	22 447	1 864	0	24 311
Net result for the period	0	0	0	3 568	0	3 568	0	1	3 570
Other comprehensive income for the period	0	0	0	-4	1 144	1 141	0	2	1 143
Total comprehensive income	0	0	0	3 565	1 144	4 709	0	3	4 712
Dividends	0	0	0	-1 646	0	-1 646	0	0	-1 646
Coupon on additional tier-1 instruments (net of tax)	0	0	0	-114	0	-114	0	0	-114
Issue/repurchase of additional tier-1 instruments	0	0	0	-4	0	-4	636	0	632
Capital increase	0	12	0	0	0	13	0	0	13
Transfer from revaluation reserves to retained earnings upon realisation	0	0	0	65	-65	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0	0	0
Change in scope	0	0	0	0	0	0	0	77	77
Change in minority interests	0	0	0	0	0	0	0	1	1
Total change	0	12	0	1 866	1 079	2 957	636	81	3 674
Balance at the end of the period	1 462	5 576	-1 300	17 589	2 076	25 404	2 500	81	27 985
2024									
Balance at the beginning of the period	1 461	5 548	-497	14 332	1 166	22 010	2 250	0	24 260
Restatement related to previous years	–	–	–	-41	–	-41	–	–	-41
Restated balance at the beginning of the period	1 461	5 548	-497	14 290	1 166	21 968	2 250	0	24 219
Net result for the period	0	0	0	3 415	0	3 415	0	-1	3 414
Other comprehensive income for the period	0	0	0	-2	-121	-123	0	0	-123
Total comprehensive income	0	0	0	3 413	-121	3 292	0	-1	3 292
Dividends	0	0	0	-1 942	0	-1 942	0	0	-1 942
Coupon on additional tier-1 instruments (net of tax)	0	0	0	-84	0	-84	0	0	-84
Issue/repurchase of additional tier-1 instruments	0	0	0	-2	0	-2	-386	0	-388
Capital increase	1	16	0	0	0	17	0	0	17
Transfer from revaluation reserves to retained earnings upon realisation	0	0	0	47	-47	0	0	0	0
Purchase/sale of treasury shares	0	0	-803	0	0	-803	0	0	-803
Change in scope	0	0	0	0	0	0	0	0	0
Change in minority interests	0	0	0	0	0	0	0	1	1
Total change	1	16	-803	1 433	-168	478	-386	0	93
Balance at the end of the period	1 462	5 564	-1 300	15 724	997	22 447	1 864	0	24 311

Composition of the 'Total other reserves' column in the previous table (in millions of EUR)	31-12-2025	31-12-2024
Total	2 076	997
Fair value reserve (FVOCI debt instruments)	-679	-684
Fair value reserve (FVOCI equity instruments)	303	353
Hedging reserve (cashflow hedges)	-10	-507
Translation differences	-182	-468
Hedge of net investments in foreign operations	102	169
Remeasurement of defined benefit plans	500	503
Own credit risk through equity	-1	0
Insurance finance income and expense after reinsurance	2 045	1 633

- An explanation of the changes in the other 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 years' in 2024 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.
- For information on the dividend and capital allocation policy, see 'Stringent risk, capital and liquidity management framework' in the 'Our strategy' section.
- The 'Dividends' item in 2025 (1.6 billion euros) includes the final dividend of 3.15 euros per share (paid in May 2025) and the interim dividend of 1.00 euro per share (paid in November 2025). The 'Dividends' item in 2024 (1.9 billion euros) includes the total dividend of 3.15 euros per share and the exceptional interim dividend of 0.70 euros per share (both paid in May 2024) and the interim dividend of 1.00 euro per share (paid in November 2024).
- We propose to the General Meeting of Shareholders of May 2026 a total dividend of 5.10 euros per share entitled to dividend related to 2025. This amount comprises an interim dividend of 1 euro per share already paid in November 2025 and the remaining 4.10 euro per share payable in May 2026. Note that shares repurchased under the share buyback programme completed in 2024 are excluded from the calculation of the number of shares entitled to dividend (see also 'Abridged company annual accounts' elsewhere in this annual report).

Consolidated cashflow statement

(in millions of EUR)	Reference[1]	2025	2024
OPERATING ACTIVITIES			
Result before tax	Cons. income statement	4 580	3 941
Adjustments for:			
Result before tax from discontinued operations	*Cons. income statement*	*0*	*0*
Depreciation, impairment and amortisation of property and equipment, intangible fixed assets, investment property and securities	*3.9, 4.2, 5.4, 5.5*	*494*	*461*
Profit/Loss on the disposal of investments	–	*-46*	*-27*
Change in impairment on loans and advances	*3.9*	*272*	*201*
Change in insurance contract liabilities (before reinsurance)	*5.6*	*-357*	*-129*
Changes in reinsurance contracts held	*5.6*	*75*	*17*
Changes in other provisions	*5.7*	*-1*	*-2*
Other unrealised gains/losses	–	*948*	*475*
Income from associated companies and joint ventures	*3.10*	*-6*	*-80*
Cashflows from operating profit before tax and before changes in operating assets and liabilities	–	5 960	4 858
Changes in operating assets (excluding cash and cash equivalents)	–	-23 829	-20 001
Financial assets at amortised cost (excluding debt securities)	*4.1*	*-16 446*	*-9 404*
Financial assets at fair value through OCI	*4.1*	*-4 276*	*-5 670*
Financial assets at fair value through profit or loss	*4.1*	*-3 078*	*-4 690*
of which financial assets held for trading	*4.1*	*-1 315*	*-2 196*
Hedging derivatives	*4.1*	*57*	*23*
Reinsurance assets	–	*-73*	*-44*
Operating assets associated with disposals, and other assets	–	*-12*	*-217*
Changes in operating liabilities (excluding cash and cash equivalents)	–	22 755	25 691
Financial liabilities at amortised cost	*4.1*	*19 598*	*24 486*
Financial liabilities at fair value through profit or loss	*4.1*	*1 397*	*836*
of which financial liabilities held for trading	*4.1*	*98*	*-1 355*
Hedging derivatives	*4.1*	*613*	*-92*
Insurance contract liabilities	*5.6*	*1 159*	*280*
Operating liabilities associated with disposal groups, and other liabilities	–	*-14*	*180*
Income taxes paid	3.11	-685	-699
Net cash from or used in operating activities		4 201	9 848
INVESTING ACTIVITIES			
Purchase of debt securities at amortised cost	4.1	-10 360	-5 796
Proceeds from the repayment of debt securities at amortised cost	4.1	9 294	6 876
Acquisition of a subsidiary or a business unit, net of cash acquired (including increases in percentage interest held)	6.6	0	0
Proceeds from the disposal of a subsidiary or business unit, net of cash disposed of (including decreases in percentage interest held)	–	40	0
Purchase of shares in associated companies and joint ventures	–	1	-6
Share in the result of associates and joint ventures	–	0	0
Dividends received from associated companies and joint ventures	–	58	0
Purchase of investment property	5.4	-141	-149
Proceeds from the sale of investment property	5.4	33	16
Purchase of other intangible fixed assets	5.5	-431	-387
Proceeds from the sale of other intangible fixed assets	5.5	10	14
Purchase of property and equipment	5.4	-945	-995
Proceeds from the sale of property and equipment	5.4	287	341
Net cash from or used in investing activities		-2 154	-86

FINANCING ACTIVITIES			
Purchase or sale of treasury shares	Cons. statement of changes in equity	0	-803
Issue of promissory notes and other debt securities	4.1	3 578	3 394
Repayment of promissory notes and other debt securities	4.1	-4 470	-2 107
Issue of subordinated liabilities	4.1	497	1 500
Repayment of subordinated liabilities	4.1	-132	-1 276
Issue of share capital	Cons. statement of changes in equity	13	17
Issue of additional tier-1 instruments	Cons. statement of changes in equity	996	748
Call of additional tier-1 instruments	Cons. statement of changes in equity	-364	-1 136
Dividends paid	Cons. statement of changes in equity	-1 646	-1 942
Coupon on additional tier-1 instruments	Cons. statement of changes in equity	-114	-84
Net cash from or used in financing activities		-1 642	-1 689
CHANGE IN CASH AND CASH EQUIVALENTS			
Net increase or decrease in cash and cash equivalents	–	404	8 072
Cash and cash equivalents at the beginning of the period	–	61 407	53 961
Effects of exchange rate changes on opening cash and cash equivalents	–	1 006	-626
Cash and cash equivalents at the end of the period	–	62 817	61 407
ADDITIONAL INFORMATION			
Interest paid[2]	3.1	-11 284	-14 172
Interest received[2]	3.1	17 349	19 746
Dividends received (including equity method)	3.2	135	57
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash with central banks	Cons. balance sheet	1 733	1 419
Cash balances with central banks	Cons. balance sheet	31 493	44 879
Demand deposits with credit institutions	Cons. balance sheet	780	537
Term loans to banks at not more than three months (excluding reverse repos)	4.1	55	225
Reverse repos up to three months with credit institutions	4.1	32 003	20 804
Deposits from banks repayable on demand	4.1	-3 247	-6 456
Cash and cash equivalents belonging to disposal groups	–	0	0
Total	–	62 817	61 407
of which not available	–	*0*	*0*

1 The notes referred to do not always include exactly the amounts as included in the cashflow statement. This is because adjustments are made to those amounts in the context of acquisitions/disposals of subsidiaries, among other things, and the impact of exchange differences is eliminated as stipulated 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 2025, this item included the result before tax, growth in deposits from credit institutions, savings accounts, current accounts, certificates of deposit, repos and insurance liabilities, partly offset by higher loans and advances to customers, higher volumes of debt instruments and lower time deposits and savings certificates.
  - In 2024, this item included the result before tax, 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 loans and advances to customers and debt instruments.
- Net cash from or used in investing activities:
  - In 2025, this item included additional net purchases of debt securities at amortised cost and additional net investments in tangible and tangible fixed assets.
  - In 2024, this item included additional net investments in tangible and intangible fixed assets, partly offset by a decrease in debt securities at amortised cost.
- Net cash from or used in financing activities:
  - In 2025, this item included the dividend payment, the issue and repayment of promissory notes and other debt securities (KBC Ifima, KBC Group NV and KBC Bank NV accounted for the bulk of the figure), the issue and repayments of subordinated liabilities (KBC Ifima and KBC Group NV accounted for the bulk of the figure) and AT1.
  - In 2024, this item included the dividend payment, treasury share buybacks, the issue and repayment of promissory notes and other debt securities (KBC Ifima, KBC Group NV and KBC Bank NV accounted for the bulk of the figure). Furthermore, net cash related to financing activities was impacted by the issue of subordinated liabilities (KBC Group NV accounted for the bulk of the figure) and AT1.

1.0 Notes on the accounting policies

Note 1.1: Statement of compliance

The consolidated financial statements of KBC Group NV, including all the notes, were authorised for issue on 12 March 2026 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 2025:
- The IASB has published several limited amendments to existing IFRSs, with no impact for KBC.

The following IFRS standards were issued but not yet effective in 2025. 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.

The summary of material accounting policies includes the recognition and measurement principles for reimbursement assets. This new valuation rule applies to Significant Risk Transfer (SRT) transactions for which the first issuance of credit-linked notes took place in 2025 (see also Note 4.1).

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 'Risk management' section (under 'Credit risk'). All parts of that particular section which have been audited by the statutory auditor are specified in that section.

As a bank-insurance group, KBC presents banking and insurance information in its financial statements on an integrated basis. Information relating specifically to our banking business and to our insurance business is provided separately in the respective annual reports of KBC Bank and KBC Insurance under 'Information on KBC Bank' and 'Information on KBC Insurance' at www.kbc.com > Investor Relations.

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 approved 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.

Loan commitments are firm commitments to provide a credit under prespecified terms and conditions. Loan commitments are generally not reflected in the balance sheet before the credit is drawn. Loan commitments are in scope of the ECL model. Expenses or income related to provisions for loan commitments and financial guarantees are reported in P&L on the impairment line.

Classification of debt instruments and equity 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)
- 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

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 to move loans 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
- 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 and validation' 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.

Reimbursement assets in the context of Significant Risk Transfer (SRT) for financial guarantees received which are not considered integral to a debt instrument (i.e. not part of the contractual terms) are recognised on the balance sheet under 'Other assets'. The valuation of the reimbursement asset is the lowest of the expected credit loss (ECL) on the underlying credits and the losses covered by the financial guarantee received minus any first loss tranche retained by KBC minus claimed credit losses. It reduces the impairment losses on the debt instruments covered by the financial guarantee and is presented on the line 'Impairment on financial assets at amortised cost and at fair value through OCI' in the income statement. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the credit losses.

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. Cash equivalents comprises term loans to banks at not more than three months (excluding reverse repos), reverse repos up to three months with credit institutions and, as a deduction, deposits from banks repayable on demand. Cash and cash equivalents includes cash and cash equivalents held at disposal groups.

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
- 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 as an interest expense calculated by applying the effective interest rate method. Interest expenses accrued but not yet paid are included in the carrying amount of the financial liability.

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 only 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'.

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.

Insurance contracts

General

Scope

In order to qualify as an insurance contract, the associated insurance risk must be significant even if the insured event is extremely unlikely to occur, for example a catastrophic event such as an earthquake. Whether insurance risk is significant is assessed on initial recognition of each individual contract on a present value basis.
In general, the following types of contracts within KBC are in scope of IFRS 17: Non-life insurance contracts, reinsurance contracts (accepted & ceded), Life insurance contracts being the non-unit-linked contracts, the unit-linked contracts, the hybrid products and investment contracts with discretionary participating features if issued by a KBC insurance entity.
In general, the following types of contracts are out of scope of IFRS 17: investment contracts without discretionary participating features (IFRS 9), most unit-linked contracts of KBC Insurance Belgium (IFRS 9) as these insurance contracts do not contain significant insurance risk, credit cards including certain cover issued by a KBC bank entity (IFRS 15), and roadside assistance contracts (IFRS 15).
Distinct non-insurance components are separated from the insurance components in the contract and thus accounted for in accordance with the appropriate IFRS.

Level of aggregation

IFRS 17 calculations are performed at an aggregated level, rather than contract by contract, taking into account the following four dimensions:
- IFRS 17 portfolio (aggregation of contracts subject to similar risks and managed together)
- Annual cohort (year of inception of the policy)
- Profitability of the group of contracts (onerous, profitable, doubtful; assessed at inception)
- Set of contracts (aggregation of contracts with a homogeneous profitability expectation)

Aggregation by IFRS 17 portfolio

IFRS 17 portfolios are country-specific and driven by the local product mix (similar risks) and the way in which the local insurance business is managed (managed together). As a minimum, the portfolios are broken down as follows:
- Life
  - Unit-linked contracts (life insurance contracts with an investment component, whereby the policyholder bears the market risk and receives an income based on the return of the underlying assets)
  - Non unit-linked contracts (including pension savings with guaranteed interest and profit sharing, death insurance and term balance insurance)
  - Hybrid products
- Non-life insurance
  - Personal insurance
  - Liabilities – MTPL
  - Liabilities – other than MTPL
  - Property (including other) other than fully comprehensive
  - Fully comprehensive
  - Accepted reinsurance
- Ceded reinsurance

Aggregation by annual cohort

KBC applies annual cohorts (a cohort is a time bucket of contracts issued in the same year), aligned with the start and end of the financial year of KBC. On 23 November 2021, the EU published a Regulation endorsing IFRS 17 Insurance Contracts, including the amendments to the original IFRS 17 and a solution for the annual cohort requirement for certain types of insurance contracts, for use in the European Union. KBC will not apply the European optional exemption from the annual cohort requirement.

Aggregation by group of contracts: onerous, profitable or doubtful

BBA and VFA – Expected profitability on initial recognition
For contracts measured according to the Building Block Approach (BBA, see below) and the Variable Fee Approach (VFA, see below), the allocation to the onerous, profitable or doubtful group of contracts (GoC) is determined based on the presence of a Contractual Service Margin (CSM is the unearned profit in the group of contracts at inception) under different risk adjustment levels (i.e. compensation for uncertainty in the amount and timing of future cashflows):

- If CSM < 0 when risk adjustment is calculated at a 75% confidence level, onerous group of contracts
- If CSM > 0 when risk adjustment is calculated at a 75% confidence level AND
  - if CSM < 0 when the risk adjustment is calculated at a 90% confidence level, doubtful group of contracts
  - if CSM > 0 when the risk adjustment is calculated at a 90% confidence level, profitable group of contracts

PAA – Expected profitability on initial recognition
For the Premium Allocation Approach (PAA), facts and circumstances indicating that the group of contracts can be onerous are assessed by the IFRS 17 expected economic combined ratio of more than 100%. This ratio differs from the externally published combined ratio. The IFRS 17 expected economic combined ratio is calculated for a set of contracts on an annual basis. Consequently, the new business of a year is assigned to one specific group of contracts under IFRS 17. In exceptional cases, when qualitative information reveals facts and circumstances indicating a negative trend in the IFRS 17 expected economic ratio, a recalculation is performed during the financial year.

Aggregation by set of contracts

A set of contracts is an aggregation of contracts with a homogeneous profitability expectation. A set of contracts (SoC) is defined such that the conclusion on the expected profitability of the SoC and the associated classification (i.e. profitable, doubtful or onerous) equals the conclusion that would have been reached if the expected profitability assessment had been carried out at the level of the individual contract.

Recognition – derecognition

KBC recognises a group of insurance contracts (and accepted reinsurance contracts) it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due
- For a group of onerous contracts, when the group becomes onerous

If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received.
As time progresses in the cohort, new business can be added to a group of contracts if it meets the initial recognition criteria.
KBC recognises a group of ceded reinsurance contracts held from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held
- The date the entity recognises an onerous group of underlying insurance contracts, if the entity entered into the related ceded reinsurance contract in the group of reinsurance contracts held at or before that date

KBC delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
An insurance liability is derecognised from the balance sheet when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Valuation

IFRS 17 applies uniform measurement principles for insurance liabilities that take into account the insurance contract characteristics.

- The general model, the Building Block Approach (BBA), is applied to most Life products.
- The optional Premium Allocation Approach (PAA) is a simplified measurement model that can be used when meeting the PAA eligibility criteria and is applied to most Non-life products and reinsurance contracts.
- The Variable Fee Approach (VFA) is an adjusted Building Block Approach for Life insurance contracts where cashflows to be paid to the policyholder depend significantly (for more than 50%) on the return of the invested assets. This is a mandatory measurement model when fulfilling the VFA eligibility criteria and is applied to unit-linked products and some hybrid products of Central European entities.

Only one measurement model can be applied to each IFRS 17 portfolio.

The insurance liabilities represent all rights and obligations arising from insurance contracts issued and consist of two components, namely a Liability for Remaining Coverage (LRC) and a Liability for Incurred Claims (LIC).

Measurement of Life insurance liabilities

The Life insurance liabilities are mostly valued according to either the BBA or the VFA model:
- Valuation according to the BBA is applied to calculate the liability for non-unit-linked life insurance contracts and for some hybrid products.
- Valuation according to the VFA is applied in Central European entities to calculate the liability for unit-linked contracts and some hybrid products where the cashflows to be paid to the policyholder depend significantly on the return of the invested assets.

Valuation according to the Building Block Approach (BBA)

The insurance liability consists of the following four blocks:
- Actuarially estimated value of expected future cashflows
- Discounting to convert the estimation into a present value
- Risk adjustment as compensation for the uncertainty in the amount and timing of the expected future cashflows
- Contractual Service Margin (CSM), being the unearned profit that is released from the balance sheet in P&L over the term of the contract based on services provided, i.e. there are no day one gains

Estimation of expected future cashflows

The basic principle is that Solvency II cashflows are used to ensure consistency with IFRS 17. The IFRS 17 estimation of future cashflows deviates from Solvency II on the following points:
- Under Solvency II all expenses are included in the Best Estimate. Under IFRS 17 expenses are divided into directly attributable costs and non-directly attributable costs. Directly attributable costs are expenses directly related to insurance contracts. Only these directly attributable costs are included in the estimation of expected future cashflows.
- Under Solvency II contracts where the insurer is at risk, tacit renewals and contracts where the coverage period starts in the future are within the Solvency II contract boundary. Under IFRS 17 cashflows are within the contract boundary if they arise from rights and obligations that exist during the reporting period
  - in which the entity can compel the policyholder to pay the premiums; or
  - in which the entity has a substantive obligation to provide services.

Contracts under which the insurer provides cover, i.e. under which the insurer is at risk, are within the IFRS 17 contract boundaries. Tacit renewals for Non-life insurance contracts and contracts with a coverage period starting in the future are outside the IFRS 17 contract boundaries.
Level of aggregation of projected cashflows: the Solvency II aggregation levels are Lines of Business (LoBs) and risk buckets. The IFRS 17 unit of account is based on portfolios, cohorts and expected profitability.

Discounting – time value of money

A discount rate is created per currency, in line with the currency of the cashflows. The starting point for the creation of the curves are observable market prices of a set of assets with multiple durations. The inflation assumptions for the nominal cashflows and the discount rates are consistent. Inflation is taken into account in the projection of the cashflows. Notwithstanding the reference to ‘cashflows’, the standard allows the same discount curve to be applied to all cashflows in the same contract. This simplification is applied at KBC.

For cashflows that vary with underlying items, the discount rate is determined by means of a top-down approach. Cashflows that vary with underlying items are typically cashflows such as interest-rate guarantees on future premiums that are not fixed at inception of the contract, future profit sharing, future lapses, etc. A top-down approach is achieved by using a risk-free rate (i.e. interest rate swap) adjusted with a spread based on a reference portfolio of assets. Such a portfolio is based on the current asset mix an entity holds. In addition, the discount curve must only reflect the characteristics of the insurance liabilities. The risk-taking curve is adjusted to exclude the part not related to the insurance liabilities.

Per currency, a Last Liquid Point (LLP) is set at the level of KBC that is consistent for all entities. The LLPs per currency are defined by taking the last available tenor for the risk-free rate in the relevant currency. For long-term Life insurance contracts, the cashflows are modelled over a duration of 110 years. The Ultimate Forward Rate (UFR) is the rate of the 110-year tenor to which the discount curve must converge. This UFR is defined as the sum of an expected real rate and an expected inflation rate.

For cashflows that do not vary with underlying items, KBC chooses to apply the bottom-up approach. The bottom-up approach is determined by adding an illiquidity premium on top of a risk-free rate, so that the discount curve reflects the illiquidity characteristics of the insurance contract liabilities. This approach is used for Non-life liabilities for incurred claims. The illiquidity premium is the premium demanded by the policyholder because the insurance contract liabilities cannot be easily converted into cash at fair market value.

Risk adjustment of Life insurance liabilities

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cashflows that arises from non-financial risk. It is a buffer on top of the Best Estimate future cashflows which represents a 50% probability of being able to fulfil future obligations and thus also a 50% probability of not being able to meet future obligations for outstanding contracts.
Life insurance liabilities are characterised by (long-term) cashflows based on biometric parameters. The risk adjustment is defined as the difference between the Value at Risk (VaR) and the best estimate of future cashflows as part of the fulfilment cashflows. The VaR is calculated at a 75% confidence level on a one-year time horizon. Non-financial risks included in the VaR model are mortality risk, longevity risk, morbidity/disability risk, lapse risk, expense risk and revision risk. The correlations between the different risk types are in line with the correlation matrix of Solvency II.
The diversification benefits between life and non-life insurance contracts are not considered in the calculation, also not at entity level. The risk adjustment is calculated at the level of a series of contracts. There is no diversification effect at this level either.

Contractual service margin

The contractual service margin (CSM) represents the unearned profit the insurer will recognise in P&L as services are provided under the insurance contracts. The CSM is recognised in the balance sheet as part of the insurance liability on initial recognition in order to avoid a day one gain. The CSM on the balance sheet is released gradually over time, on the basis of services provided in the period, and should be zero at the end of the coverage period for a group of contracts.
The CSM release pattern is based on coverage units in the GoC. The number of coverage units is the quantity of services provided by the insurer under the contracts in that GoC, determined by considering for each contract the quantity of the benefits provided to the policyholder under a contract and its expected coverage period. The CSM amount recognised in P&L is the amount of coverage units allocated to the current period for the insurance coverage provided in the current period. The number of coverage units is reassessed at the end of each reporting period to reflect the most up-to-date assumptions of the contract.
KBC has opted to reflect the time value of money on coverage units. By discounting the coverage units, a more stable allocation of the CSM to P&L is achieved. For contracts providing multiple services, i.e. insurance coverage, investment return services and investment management services, KBC works with so-called ‘multivariate coverage units’, taking the following into consideration:

- Coverage units are determined based on the individual benefit components separately
- Weights are assigned to each component to reflect an appropriate level of service to be provided

Such weightings appropriately reflect the release of CSM based on the quantity of the benefits provided for each service. Analogous to coverage units, these weights are also reassessed at the end of each reporting period.
Coverage units cannot be negative. They have a positive sign and are floored to zero. In case of zero coverage units in a given period, no CSM is allocated to P&L as no services have been provided in the period. This is possible in some cases, for instance where contracts provide for ‘waiting periods’. In such cases, the contract has been signed by the policyholder but there is a mandatory waiting period for the client to be able to benefit from insurance coverage.

Valuation according to the Variable Fee Approach (VFA)

Under the VFA, the CSM mainly reflects the fee that KBC expects to earn on the market value of the Assets under Management (AUM), also referred to as ‘underlying items’. The CSM is determined as the net of the fair value of the underlying items and the total entity obligation to the policyholder. The change in the variable fee that impacts the CSM is determined as the net of:

- The change in the fair value of the underlying items
- The change in the total entity obligation to the policyholder

KBC applies the simplification of a combined amount rather than the different CSM unlocking adjustments separately.
Under the VFA, the difference in measurement from BBA lies in the subsequent measurement of direct participating contracts. All changes in fulfilment cashflows are absorbed by the CSM, until the CSM becomes negative and a loss is recognised in P&L.

In Belgium, the insurance company has discretion over the amount of profit sharing allocated to policyholders. The policyholder does not have an ‘enforceable right’ to participate in the returns of the insurance company, which means that the VFA eligibility criteria are not fulfilled and the BBA is applied.

Measurement of Non-life insurance liabilities

Valuation according to the PAA is applied for the liability for most Non-life products. The PAA Liability for Remaining Coverage (LRC) reflects the premium receipts and the acquisition cashflows adjusted for amounts recognised in the income statement on a pro rata temporis basis. When an insured claim arises, a Liability for Incurred Claims (LIC) is recognised, which is similar to the BBA LIC (see below). In the case of onerous contracts, an additional liability to cover expected future losses is added to the LRC on the balance sheet and a loss is recognised immediately in P&L.

Valuation according to the Premium Allocation Approach

The PAA LRC reflects only premiums received and acquisition cashflows. As such, to appropriately present the insurance liability on a cash basis, an adjustment is performed by netting insurance payables and receivables against the LRC value.
Under the PAA, KBC will not make use of the option to expense acquisition costs when incurred. At the end of each reporting period, acquisition cashflows are amortised (i.e. recorded as an insurance service expense) and some of the premium receipts are earned (i.e. recorded as insurance revenues). Both components of the LRC are allocated to P&L on the basis of passage of time or the expected timing of incurred claims and benefits, if that pattern better reflects the release from risk.

Measurement of the Liability for Incurred Claims (LIC) for claims outstanding

The Liability for Incurred Claims is measured separately. A discounted best estimate of future cash outflows subject to a risk adjustment as a safety margin is provisioned on the balance sheet. No CSM is included in the LIC as there is no future coverage in scope of the liabilities for incurred claims, i.e. it contains fulfilment cashflows related to past service.
A provision for the internal cost of settling claims is included, which is calculated as a percentage based on past experience. The risk adjustment for Non-life insurance liabilities is only calculated for claims incurred. Consequently, only reserve risk is taken into account. Comparable with Life insurance liabilities, a Value at Risk method (VaR) is used, but here it is calculated at a 90% confidence level on a one-year time horizon.

Subsequent measurement

BBA/VFA – Liability for Remaining Coverage

At the end of each reporting period, subsequent to initial recognition, KBC updates its estimates and assumptions to reflect the most up-to-date situation. As a result of these updates, the carrying amount of fulfilment cashflows will vary from one period to another.
Subsequent measurement under BBA/VFA for the LRC is driven by:
- Experience adjustments – either absorbed by the CSM (i.e. related to future service) or recorded in the insurance result (i.e. related to current or past service) – and portfolio rollforward
- Non-economic parameter updates to the fulfilment cashflows
- Economic parameter updates to the fulfilment cashflows
- CSM release

PAA – Liability for Remaining Coverage

Under the PAA, the LRC is unwound on a pro rata temporis basis to obtain the so-called 'earned premiums', i.e. the premium reserve and the deferred acquisition commission reserve. At the end of each reporting period, acquisition cashflows are amortised (i.e. recorded as an insurance service expense) and some of the premium receipts are earned (i.e. recorded as insurance revenues). Both components of the LRC are allocated to P&L on the basis of passage of time or the expected timing of incurred claims and benefits, if that pattern better reflects the release from risk.

BBA/VFA/PAA – Liability for Incurred Claims

Any changes to the Liability for Incurred Claims are recorded in the income statement. Depending on the driver of such changes, they are recorded in:
- Insurance service expenses. Main drivers: updates of fulfilment cashflows, i.e. higher or lower total expected claim payments, changes in the statistical percentage of internal claims handling expenses, etc.
- Insurance finance income and expense. Main drivers: a change in the discount rate, interest from deposits at the ceding company

Other matters

KBC has opted for a year-to-date approach, i.e. a recalculation of previously reported quarters, with the impact of the recalculation being included in the current period.
KBC chooses to disaggregate insurance finance income and expense (IFIE) between P&L and OCI. This means recognising in P&L the interest expense on the insurance liability over the reporting period, with this interest expense being calculated using the locked-in rate (i.e. the rate curve applicable at the inception of the IFRS 17 contract) and recognising in OCI the impact of changes in the market interest rate over the reporting period, with the exception of:
- Insurance contracts measured under BBA where changes in financial risk have a significant impact on the amounts due to policyholders (future interest-rate guarantees, profit-sharing), for which the allocation to the income statement is derived from the amounts expected to be credited to policyholders (expected crediting rate)
- Insurance contracts measured under VFA, for which the current period book yield approach is used; the amount in IFIE corresponds to the financial result presented in the income statement of the underlying items to ensure that the total net financial result equals 0 (also referred to as the 'mirroring approach')

The liability position of insurance contracts and the asset position of reinsurance contracts is presented in the balance sheet on a received basis. Ceded reinsurance contracts (i.e. reinsurance contracts held) are required to be accounted for and presented separately from the underlying contracts to which they relate.
Upon the acquisition of another insurance company or a portfolio transfer, the consideration received or paid partly consists of the Value of Business In-force (VBI). Insurance contracts acquired in a business combination are measured in the same way as insurance contracts issued by the entity except that the fulfilment cashflows are recognised at the acquisition date.

Leasing

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 obligations 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.
A distinction is made between service revenues the client consumes simultaneously when receiving the benefits, where the performance obligation is met over time, and service revenues where the performance obligation is met at a specific 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, based on tax law that is enacted or substantively enacted by the reporting date.

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’.

Investment property

Investment property is defined as a property built, purchased or acquired by KBC under a 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 consideration transferred consists of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. It includes contingent consideration. The consideration transferred in a business combination is measured at fair value. 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 consideration transferred and the amount of minority interests over the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, generally measured at fair value. In order to complete the acquisition accounting and determine the goodwill, KBC applies a measurement period of maximum one year from the acquisition date. 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 in 'Net result from financial instruments at fair value through profit or loss' of the income statement. 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 party related 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, 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 Group NV) and their close relatives. These related parties also include companies in which members of the Board of Directors also serve as directors.

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
- Is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations
- 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
- 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 31-12-2025		Exchange rate average in 2025	
	1 EUR = … … currency	Change relative to 31-12-2024 (positive: appreciation relative to EUR) (negative: depreciation relative to EUR)	1 EUR = … … currency	Change relative to average in 2024 (positive: appreciation relative to EUR) (negative: depreciation relative to EUR)
CZK	24.237	+4%	24.693	+2%
HUF	385.15	+7%	397.69	-0%

* 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, 6.1 and 6.6.

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 'Our value creation' in 'Our business model'
- See 'What are our main challenges?' in 'Our business model'
- See 'Our role in society' in 'Our strategy'
- See 'Our business units' for each country under 'Our role in society'
- 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 the 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. Any funding cost in respect of leveraging at KBC Group NV level is also recognised under 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 coordinates 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.

Note 2.2: Results by segment

2025 (in millions of EUR)	Belgium Business Unit	Czech Republic Business Unit	International Markets Business Unit	*Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
Net interest income	3 584	1 408	1 344	*599*	*287*	*458*	-271	6 065
Insurance revenues before reinsurance	1 910	677	603	*220*	*117*	*266*	11	3 201
Non-life	*1 603*	*567*	*527*	*196*	*92*	*240*	*11*	*2 709*
Life	*307*	*110*	*76*	*24*	*26*	*26*	*0*	*492*
Dividend income	72	1	1	*0*	*0*	*1*	3	77
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued)	-337	96	56	*43*	*15*	*-1*	22	-163
Net fee and commission income	1 810	376	606	*345*	*91*	*170*	-3	2 789
Net other income	233	5	17	*1*	*9*	*7*	-25	230
TOTAL INCOME	7 273	2 562	2 627	*1 208*	*519*	*899*	-263	12 200
Operating expenses (excluding directly attributable to insurance contracts)[a]	-2 605	-870	-1 054	*-543*	*-255*	*-256*	-178	-4 706
Total operating expenses excluding bank and insurance tax	*-2 571*	*-965*	*-887*	*-333*	*-273*	*-281*	*-177*	*-4 599*
Bank and insurance tax	*-356*	*-24*	*-283*	*-259*	*-10*	*-14*	*-4*	*-666*
Less: operating expenses attributed to insurance service expenses	*322*	*119*	*116*	*49*	*29*	*38*	*3*	*559*
Insurance service expenses before reinsurance	-1 487	-523	-498	*-199*	*-100*	*-199*	-3	-2 512
Of which insurance commissions paid	*-258*	*-93*	*-76*	*-15*	*-16*	*-46*	*-1*	*-429*
Non-life	*-1 317*	*-466*	*-450*	*-185*	*-82*	*-183*	*-3*	*-2 235*
Of which Non-life claim-related expenses	*-875*	*-278*	*-251*	*-93*	*-49*	*-108*	*0*	*-1 404*
Life	*-171*	*-57*	*-48*	*-14*	*-19*	*-16*	*0*	*-276*
Net result from reinsurance contracts held	-51	-22	-16	*0*	*-6*	*-10*	14	-75
Impairment	-192	-51	-99	*-20*	*-21*	*-58*	8	-334
on financial assets at amortised cost and at fair value through OCI	*-175*	*-44*	*-64*	*-6*	*-7*	*-51*	*10*	*-273*
Share in the result of associates and joint ventures	7	-1	1	*0*	*0*	*1*	0	6
RESULT BEFORE TAX	2 944	1 095	962	*447*	*137*	*377*	-421	4 580
Income tax expense	-793	-171	-148	*-63*	*-30*	*-55*	103	-1 010
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	2 151	923	814	*384*	*107*	*322*	-318	3 570
attributable to minority interests	0	1	0	*0*	*0*	*0*	0	1
attributable to equity holders of the parent	**2 151**	**922**	**814**	***384***	***107***	***322***	**-318**	**3 568**
[a] Of which non-cash expenses	-50	-122	-128	*-73*	*-26*	*-28*	-99	-399
Depreciation and amortisation of fixed assets	*-53*	*-120*	*-128*	*-73*	*-26*	*-29*	*-100*	*-402*
Other	*3*	*-2*	*0*	*0*	*0*	*1*	*0*	*3*
Acquisitions of non-current assets*	759	353	216	*110*	*69*	*37*	189	1 518

* Non-current assets held for sale and disposal groups, investment property, property and equipment, investments in associated companies, and goodwill and other intangible assets.

2024 (in millions of EUR)	Belgium Business Unit	Czech Republic Business Unit	International Markets Business Unit	*Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
Net interest income	3 305	1 298	1 290	*571*	*276*	*443*	-319	5 574
Insurance revenues before reinsurance	1 805	585	541	*203*	*108*	*229*	14	2 945
Non-life	*1 501*	*485*	*481*	*184*	*87*	*210*	*14*	*2 482*
Life	*303*	*100*	*60*	*20*	*21*	*19*	*0*	*463*
Dividend income	50	1	1	*0*	*0*	*1*	4	57
Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued)	-343	72	55	*52*	*5*	*-2*	48	-168
Net fee and commission income	1 684	352	546	*302*	*88*	*156*	-4	2 578
Net other income	201	3	-6	*-24*	*9*	*9*	-17	181
TOTAL INCOME	6 702	2 312	2 427	*1 104*	*485*	*837*	-273	11 167
Operating expenses (excluding directly attributable to insurance contracts)[a]	-2 496	-854	-1 041	*-493*	*-267*	*-280*	-175	-4 565
Total operating expenses excluding bank and insurance tax	*-2 514*	*-924*	*-857*	*-302*	*-261*	*-294*	*-178*	*-4 474*
Bank and insurance tax	*-285*	*-40*	*-300*	*-245*	*-34*	*-21*	*1*	*-623*
Less: operating expenses attributed to insurance service expenses	*303*	*110*	*117*	*54*	*28*	*35*	*2*	*532*
Insurance service expenses before reinsurance	-1 449	-531	-493	*-206*	*-113*	*-175*	-2	-2 475
Of which insurance commissions paid	*-242*	*-73*	*-68*	*-13*	*-13*	*-41*	*-1*	*-383*
Non-life	*-1 247*	*-477*	*-454*	*-192*	*-99*	*-163*	*-2*	*-2 179*
Of which Non-life claim-related expenses	*-837*	*-318*	*-260*	*-97*	*-67*	*-95*	*1*	*-1 414*
Life	*-203*	*-54*	*-39*	*-13*	*-14*	*-12*	*0*	*-296*
Net result from reinsurance contracts held	-63	61	1	*8*	*3*	*-10*	-17	-17
Impairment	-260	31	-7	*-6*	*17*	*-18*	-12	-248
on financial assets at amortised cost and at fair value through OCI	*-246*	*34*	*25*	*23*	*18*	*-16*	*-12*	*-199*
Share in the result of associates and joint ventures	80	0	0	*0*	*0*	*0*	0	80
RESULT BEFORE TAX	2 513	1 019	888	*407*	*125*	*355*	-479	3 941
Income tax expense	-667	-161	-137	*-62*	*-24*	*-51*	439	-527
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	1 846	858	751	*345*	*101*	*304*	-40	3 414
attributable to minority interests	-1	0	0	*0*	*0*	*0*	0	-1
attributable to equity holders of the parent	**1 846**	**858**	**751**	***345***	***101***	***304***	**-40**	**3 415**
[a] Of which non-cash expenses	-54	-118	-119	*-62*	*-25*	*-31*	-89	-380
Depreciation and amortisation of fixed assets	*-53*	*-120*	*-119*	*-62*	*-25*	*-32*	*-90*	*-382*
Other	*-1*	*2*	*0*	*0*	*0*	*0*	*0*	*1*
Acquisitions of non-current assets*	829	320	225	*125*	*54*	*45*	157	1 530

* Non-current assets held for sale and disposal groups, investment property, property and equipment, investments in associated companies, and goodwill and other intangible assets.

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	*Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
BALANCE SHEET AT 31-12-2025								
Deposits from customers and debt securities (excluding repos)	174 008	56 800	36 231	*10 920*	*9 736*	*15 575*	21 730	288 769
Demand deposits (incl. special deposits and other deposits)	*63 401*	*25 220*	*26 932*	*7 467*	*5 864*	*13 601*	*0*	*115 552*
Time deposits	*21 813*	*8 220*	*7 183*	*2 624*	*2 629*	*1 930*	*0*	*37 216*
Savings accounts	*62 588*	*20 812*	*1 687*	*770*	*873*	*44*	*0*	*85 088*
Savings certificates	*12*	*0*	*0*	*0*	*0*	*0*	*0*	*12*
Debt securities	*26 194*	*2 548*	*429*	*58*	*371*	*0*	*21 730*	*50 901*
Loans and advances to customers (excluding reverse repos)	130 585	43 984	34 043	*8 118*	*13 000*	*12 925*	0	208 612
Term loans	*69 897*	*14 240*	*13 211*	*3 420*	*4 053*	*5 738*	*0*	*97 348*
Mortgage loans	*48 536*	*22 259*	*13 564*	*2 474*	*7 225*	*3 865*	*0*	*84 358*
Other	*12 151*	*7 485*	*7 269*	*2 224*	*1 723*	*3 321*	*0*	*26 905*
Liabilities under investment contracts	16 998	0	0	*0*	*0*	*0*	0	16 998
Insurance contract liabilities	14 713	1 277	1 412	*479*	*256*	*677*	21	17 423
Non-life	*2 423*	*446*	*424*	*141*	*79*	*204*	*21*	*3 314*
Life	*12 289*	*831*	*989*	*338*	*177*	*473*	*0*	*14 109*
BALANCE SHEET AT 31-12-2024								
Deposits from customers and debt securities (excluding repos)	164 483	52 709	32 832	9 607	9 360	13 865	21 063	271 087
Demand deposits (incl. special deposits and other deposits)	*61 493*	*24 234*	*24 363*	*6 570*	*5 670*	*12 123*	*0*	*110 090*
Time deposits	*27 584*	*8 821*	*6 562*	*2 320*	*2 499*	*1 742*	*0*	*42 966*
Savings accounts	*55 297*	*17 636*	*1 507*	*684*	*823*	*0*	*0*	*74 440*
Savings certificates	*1 250*	*0*	*0*	*0*	*0*	*0*	*0*	*1 250*
Debt securities	*18 858*	*2 018*	*400*	*33*	*367*	*0*	*21 063*	*42 340*
Loans and advances to customers (excluding reverse repos)	123 887	38 338	29 842	6 857	11 887	11 098	0	192 067
Term loans	*65 606*	*13 433*	*11 716*	*3 103*	*3 499*	*5 113*	*0*	*90 755*
Mortgage loans	*46 297*	*20 028*	*11 735*	*1 937*	*6 729*	*3 068*	*0*	*78 059*
Other	*11 984*	*4 877*	*6 391*	*1 817*	*1 659*	*2 916*	*0*	*23 253*
Liabilities under investment contracts	15 671	0	0	0	0	0	0	15 671
Insurance contract liabilities	14 562	1 248	1 281	428	249	605	19	17 111
Non-life	*2 371*	*413*	*382*	*119*	*75*	*188*	*19*	*3 186*
Life	*12 191*	*835*	*899*	*308*	*174*	*417*	*0*	*13 925*

3.0 Notes to the income statement

Note 3.1: Net interest income

(in millions of EUR)	2025	2024
Total	6 065	5 574
Interest income	17 349	19 746
Interest income on financial instruments calculated using the effective interest rate method		
Financial assets at amortised cost	*9 595*	*9 803*
Financial assets at fair value through OCI	*737*	*507*
Hedging derivatives	*5 055*	*6 011*
Financial liabilities (negative interest rate)	*2*	*5*
Other	*949*	*1 580*
Interest income on other financial instruments		
Financial assets MFVPL other than held for trading	*96*	*70*
Financial assets held for trading	*915*	*1 770*
Of which economic hedges	*684*	*1 566*
Other financial assets at fair value through profit or loss	*0*	*0*
Interest expense	-11 284	-14 172
Interest expense on financial instruments calculated using the effective interest rate method		
Financial liabilities at amortised cost	*-5 516*	*-6 565*
Hedging derivatives	*-5 083*	*-5 903*
Financial assets (negative interest rate)	*-1*	*-1*
Other	*-5*	*-5*
Interest expense on other financial instruments		
Financial liabilities held for trading	*-650*	*-1 641*
Of which economic hedges	*-606*	*-1 596*
Other financial liabilities at fair value through profit or loss	*-38*	*-62*
Net interest expense relating to defined benefit plans	*10*	*5*

- ‘Interest income on financial instruments calculated using the effective interest rate method, Other’ 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 and, therefore, so is the net interest income.
- Over the past few years, several central banks in our core countries decided to adjust the Minimum Reserve Requirement (MRR) and the compensation paid for these reserves. This had a negative impact on our net interest income of around 164 million euros in 2025 (190 million euros in 2024).

Note 3.2: Dividend income

(in millions of EUR)	2025	2024
Total	77	57
Equity instruments MFVPL other than held for trading	0	2
Equity instruments held for trading	29	15
Equity instruments at FVOCI	48	39

Note 3.3: Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued)

(in millions of EUR)	2025	2024
Total	-163	-168
Total broken down by type and IFRS portfolio		
Net result from financial instruments at fair value through profit or loss (incl. exchange rate revaluations)	170	173
Financial instruments MFVPL other than held for trading	*564*	*1 679*
Trading instruments (including interest on non-ALM trading derivatives and fair value changes in all trading derivatives)	*328*	*202*
Other financial instruments at fair value through profit or loss	*-510*	*-1 598*
Exchange rate revaluations	*-108*	*108*
Fair value adjustments in hedge accounting	*-104*	*-219*
Insurance finance income and expense (for insurance contracts issued)	-333	-341
Hedge accounting broken down by type of hedge		
Fair value micro-hedges	-5	11
Changes in the fair value of the hedged items	*-468*	*-269*
Changes in the fair value of the hedging derivatives	*462*	*281*
Cashflow hedges	41	0
Changes in the fair value of the hedging derivatives, ineffective portion	*41*	*0*
Hedges of net investments in foreign operations, ineffective portion	0	0
Portfolio hedge of interest rate risk	10	2
Changes in the fair value of the hedged items	*-772*	*469*
Changes in the fair value of the hedging derivatives	*781*	*-467*
Discontinuation of hedge accounting for fair value hedges	-57	-131
Discontinuation of hedge accounting in the event of cashflow hedges	-92	-101
Total broken down by driver		
Dealing room	246	294
Change in the value of derivatives used for asset/liability management purposes and other	-132	-189
Market value adjustments (xVA)	-3	-24
Investment result for unit-linked insurance contracts under IFRS 17 and Insurance finance income and expense	-274	-249

- ‘Net result from financial instruments at fair value through profit or loss’ and ‘Insurance finance income and expense (for insurance contracts issued)’ are shown on the same line. This way, the change in fair value of liabilities of unit-linked contracts under IFRS 17 (variable fee approach) recognised under ‘Insurance finance income and expense’ is offset by the change in fair value of the underlying unit-linked assets, which is recognised under ‘Net result from financial instruments at fair value through profit or loss’. The remaining amount primarily comprises interest accretion in ‘Insurance finance income and expense’ (see Note 3.6).
- Net result from financial instruments at fair value through profit or loss (incl. exchange rate revaluations): the decrease in net result from ‘Financial instruments MVPL other than held for trading’ is primarily attributable to the measurement of assets under unit-linked investment contracts. The measurement of liabilities under the same investment contracts also explains the less negative ‘Net result from financial instruments at fair value through profit or loss’.
- 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. Note that (unrealised) foreign exchange gains/losses on insurance contract liabilities are recognised under ‘Insurance finance income and expense (for insurance contracts issued)’.
- 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)	2025	2024
Total	2 789	2 578
Fee and commission income	3 525	3 253
Fee and commission expense	-736	-675
Breakdown by type		
Asset management services	1 548	1 421
Fee and commission income	*1 597*	*1 478*
Fee and commission expense	*-48*	*-57*
Banking services	1 187	1 108
Fee and commission income	*1 869*	*1 721*
Fee and commission expense	*-683*	*-613*
Other	54	49
Fee and commission income	*59*	*54*
Fee and commission expense	*-5*	*-5*

- ‘Asset management services’ contains management fees, entry fees and distribution fees for investment funds and unit-linked life insurance under IFRS 9. ‘Banking services’ contains credit- and guarantee-related fees, fees paid on the Significant Risk Transfer (SRT, see Note 4.1), payment transaction fees, network income, securities-related fees, distribution fees paid for banking products and fees for other banking services. Distribution fees paid for insurance products (Life and Non-life under IFRS 17) are recognised in the income statement under ‘Insurance service expenses before reinsurance’ (see Note 3.6). ‘Other’ comprises distribution fees of third-party insurers (not under IFRS 17) 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: Net other income

(in millions of EUR)	2025	2024
Total	230	181
of which gains or losses on		
Sale of financial assets measured at amortised cost	*-30*	*-36*
Sale of FVOCI debt instruments	*2*	*2*
Repurchase of financial liabilities measured at amortised cost	*-4*	*0*
Other, including:	261	215
Income from operational leasing activities	*669*	*643*
Expenses from operational leasing activities	*-535*	*-523*
Income from Groep VAB	*195*	*190*
Expenses from Groep VAB	*-152*	*-143*
Legal disputes	*0*	*-28*

- Legal disputes: in 2024, this item mainly concerned Hungary.

Note 3.6: Insurance results

Note 3.6.1: Insurance profitability – P&L

- Unlike the group's income statement, the figures below include intragroup transactions between bank and insurance entities of the group (the results for insurance contracts concluded between the group's bank and insurance entities, interest that insurance companies receive on their deposits with bank entities, commissions that insurance entities pay to bank branches for sales of insurance, etc.) in order to give a more accurate view of the profitability of the insurance business.
- Of the items in Note 3.6.1, only 'Insurance revenues', 'Insurance service expenses', 'Insurance finance income and expense' and 'Net result from reinsurance contracts held' are presented on separate lines in the income statement (with a minor adjustment related to intercompany transaction eliminations between bank and insurance entities). As part of our integrated bank-insurance concept, all the other insurance items – together with the group's banking activities – are included in the income statement and related notes.

(in millions of EUR)	Life	*Of which Life direct participation (VFA)*	Non-life	Non-technical	Total
2025					
Insurance service result	216	*13*	484	–	700
Insurance revenues before reinsurance	*493*	*29*	*2 721*	–	*3 214*
Insurance service expenses	*-276*	*-16*	*-2 237*	–	*-2 514*
Of which Non-life claim-related expenses	–	–	*-1 406*	–	*-1 406*
Investment result and insurance finance income and expense	133	*0*	66	21	220
Investment result	418	*59*	114	21	553
Net interest income	*337*	*0*	*106*	*9*	*452*
Dividend income	*20*	*0*	*7*	*8*	*36*
Net result from financial instruments at fair value through profit or loss	*58*	*59*	*-1*	*3*	*60*
Net other income	*3*	*0*	*2*	*2*	*6*
Impairment	*0*	*0*	*0*	*0*	*0*
Insurance finance income and expense, before reinsurance	-285	*-59*	-48	–	-333
Interest accretion	*-227*	–	*-49*	–	*-275*
Effect of changes in financial assumptions and foreign exchange differences	*0*	*0*	*1*	–	*1*
Changes in fair value of liabilities of IFRS 17 unit-linked contracts	*-59*	*-59*	–	–	*-59*
Net insurance and investment result before reinsurance	**349**	***13***	**550**	**21**	**920**
Net result from reinsurance contracts held	-3	–	-72	–	-75
Premiums paid to the reinsurer	*-37*	–	*-107*	–	*-144*
Fee and commission income	*0*	–	*9*	–	*9*
Amounts recoverable from the reinsurer	*35*	–	*28*	–	*62*
Total reinsurance finance income and expense	*0*	–	*-1*	–	*-2*
Net insurance and investment result after reinsurance	**346**	***13***	**478**	**21**	**845**
Non-directly attributable income or expenses	30	*-2*	-59	20	-9
Net fee and commission income	*84*	*0*	*-2*	*33*	*115*
Net other income	–	–	–	*75*	*75*
Operating expenses (incl. bank and insurance tax)	*-53*	*-2*	*-57*	*-80*	*-190*
Impairment – other	*0*	*0*	*0*	*-8*	*-9*
Share in the result of associates and joint ventures	–	–	–	*0*	*0*
Income tax expense	–	–	–	-191	-191
Result after tax	**376**	***11***	**419**	**-150**	**645**
attributable to minority interests	–	–	–	–	–
attributable to equity holders of the parent	**–**	**–**	**–**	**–**	**645**

(in millions of EUR)	Life	Of which Life direct participation (VFA)	Non-life	Non-technical	Total
2024					
Insurance service result	168	10	310	–	478
Insurance revenues before reinsurance	*463*	*24*	*2 492*	–	*2 955*
Insurance service expenses	*-296*	*-14*	*-2 181*	–	*-2 477*
Of which Non-life claim-related expenses	–	–	*-1 416*	–	*-1 416*
Investment result and insurance finance income and expense	150	2	55	8	213
Investment result	446	92	100	8	554
Net interest income	*325*	*0*	*91*	*1*	*417*
Dividend income	*22*	*0*	*4*	*7*	*34*
Net result from financial instruments at fair value through profit or loss	*92*	*92*	*0*	*0*	*92*
Net other income	*4*	*0*	*4*	*1*	*9*
Impairment	*2*	*0*	*1*	*0*	*2*
Insurance finance income and expense, before reinsurance	-296	-91	-45	–	-341
Interest accretion	*-204*	–	*-46*	–	*-250*
Effect of changes in financial assumptions and foreign exchange differences	*-2*	*0*	*1*	–	*-1*
Changes in fair value of liabilities of IFRS 17 unit-linked contracts	*-91*	*-91*	–	–	*-91*
Net insurance and investment result before reinsurance	**317**	**12**	**365**	**8**	**691**
Net result from reinsurance contracts held	-4	–	-13	–	-17
Premiums paid to the reinsurer	*-36*	–	*-121*	–	*-157*
Fee and commission income	*9*	–	*11*	–	*20*
Amounts recoverable from the reinsurer	*23*	–	*99*	–	*122*
Total reinsurance finance income and expense	*0*	–	*-1*	–	*-2*
Net insurance and investment result after reinsurance	**313**	**12**	**352**	**8**	**674**
Non-directly attributable income or expenses	23	-2	-56	16	-17
Net fee and commission income	*75*	*0*	*-2*	*28*	*102*
Net other income	–	–	–	*80*	*80*
Operating expenses (incl. bank and insurance tax)	*-51*	*-2*	*-53*	*-91*	*-196*
Impairment – other	*-1*	*0*	*-1*	*0*	*-3*
Share in the result of associates and joint ventures	–	–	–	*0*	*0*
Income tax expense	–	–	–	-142	-142
Result after tax	**336**	**10**	**296**	**-117**	**515**
attributable to minority interests	–	–	–	–	–
attributable to equity holders of the parent	**–**	**–**	**–**	**–**	**515**

- The column 'of which Life direct participation (VFA)' relates to results of long-term unit-linked contracts in Central and Eastern Europe, measured under IFRS 17.
- 'Insurance finance income and expense, before reinsurance' includes:
  - Interest accretion on the IFRS 17 insurance liabilities, which is offset by the investment result on the corresponding assets backing these liabilities
  - Changes in the fair value of underlying liabilities of insurance contracts measured under the VFA, which represents the change in the fair value of unit-linked liabilities, measured under IFRS 17 (Variable Fee Approach), with the offsetting impact in the change in the fair value of underlying unit-linked assets in 'Net result from financial instruments at fair value through P&L' (see also Note 3.3)
- 'Non-technical' includes the results from non-insurance subsidiaries, such as VAB Group and ADD. They have been included in the note for the 'insurance business' given that they are KBC Insurance subsidiaries (but as they cannot be recognised under 'Life' or 'Non-life', they are included under 'Non-technical'). 'Non-technical' also includes the investment income from equity (i.e. mainly interest income from bonds) and income tax.
- In 2025, the Non-life insurance service result was positively impacted by robust growth in insurance revenues (+229 million euros) in all countries, but most distinctly in Belgium and the Czech Republic, driven by both volume growth and rate increases. In addition, there was a slightly positive impact from lower Non-life claim-related expenses (+10 million euros). This was partly due to a lower impact of storms, primarily in the Czech Republic (storm Boris in 2024) and Belgium, amounting to -21 million euros before reinsurance or -16 million euros after reinsurance. Furthermore, the sector-wide update of claims inflation on bodily injury claims had a negative impact last year. However, this was largely offset by a higher level

of exceptionally large and standard claims (mainly driven by portfolio growth), additionally resulting in a strong increase in acquisition commissions (-50 million euros). The Life insurance result was positively impacted by a more favourable experience result, primarily in Belgium, and a more favourable settlement of past claims, again driven by Belgium.

Note 3.6.2: Insurance profitability – other comprehensive income (OCI)

(in millions of EUR)	Life	*Of which Life direct participation (VFA)*	Non-life	Non-technical	Total
2025					
Investment result (OCI) on financial assets at FVOCI	-85	*0*	-3	26	-61
Change in Insurance finance income and expense – OCI, before reinsurance	460	*0*	107	–	567
Effect of changes in interest rates and other financial assumptions in OCI, incl. foreign exchange differences	*460*	*0*	*107*	–	*567*
Changes in fair value of underlying liabilities of contracts measured under VFA – OCI	*0*	*0*	–	–	*0*
Net insurance and investment result before reinsurance – OCI	**375**	***0***	**104**	**26**	**506**
Change in reinsurance finance income and expense – OCI	0	–	-14	–	-14
Deferred taxes	–	–	–	-111	-111
Net insurance and investment result after reinsurance, after tax – OCI	**375**	***0***	**90**	**-84**	**381**
2024					
Investment result (OCI) on financial assets at FVOCI	74	*0*	-1	30	103
Change in Insurance finance income and expense – OCI, before reinsurance	-199	*0*	-26	–	-225
Effect of changes in interest rates and other financial assumptions in OCI, incl. foreign exchange differences	*-199*	*0*	*-26*	–	*-224*
Changes in fair value of underlying liabilities of contracts measured under VFA – OCI	*0*	*0*	–	–	*0*
Net insurance and investment result before reinsurance – OCI	**-125**	***0***	**-26**	**30**	**-122**
Change in reinsurance finance income and expense – OCI	0	–	0	–	0
Deferred taxes	–	–	–	75	75
Net insurance and investment result after reinsurance, after tax – OCI	**-125**	***0***	**-26**	**104**	**-47**

- For more information on the investment result and the change in insurance finance income and expense: see 'Other comprehensive income'.
- In addition to the investment result of the financial assets recognised in profit or loss (Note 3.6.1) and in OCI (Note 3.6.2), results realised on FVOCI equity instruments are recognised directly in equity (see 'Transfer from revaluation reserves to retained earnings upon realisation' in 'Consolidated statement of changes in equity'). The corresponding figures for 2025 and 2024 were 58 million euros and 40 million euros, respectively, at insurance level of the 65 million euros and 47 million euros at group level.

Note 3.6.3: Insurance revenues (Life and Non-life) by component

(in millions of EUR)	2025			2024		
	Total	Life	Non-life	Total	Life	Non-life
Insurance revenues for BBA and VFA contracts	509	460	49	472	432	39
Amounts related to changes in liabilities for remaining coverage	474	426	48	447	408	38
Expected claims and other insurance service expenses	*286*	*254*	*32*	*262*	*232*	*29*
Change in risk adjustment for risk expired (non-financial risk)	*19*	*16*	*3*	*14*	*13*	*2*
CSM recognised for services provided	*169*	*156*	*13*	*170*	*163*	*7*
Recovery of insurance acquisition cashflows	35	34	1	25	24	1
Insurance revenues for contracts measured using the PAA	2 704	33	2 672	2 483	31	2 452
Total insurance revenues	3 214	493	2 721	2 955	463	2 492

Note 3.6.4: Life insurance sales

(in millions of EUR)	2025	2024
Total	3 576	2 906
IFRS 17 – non-unit-linked	1 496	1 214
IFRS 17 – unit-linked	171	158
IFRS 17 – hybrid	274	197
Non-IFRS 17	1 635	1 337

- Non-IFRS 17 sales figures mainly refer to investment contracts without discretionary participation features (DPF), measured under IFRS 9. They concern the unit-linked insurance contracts in Belgium, for which margins are reported under 'Net fee and commission income'.
- Hybrid products: see Note 5.6.1.
- Sales of life insurance products in 2025 went up by 23% compared to 2024, largely driven by growth in unit-linked insurance contracts in Belgium (Non-IFRS 17) and non-unit-linked insurance contracts (IFRS 17), also primarily in Belgium.

Note 3.6.5: Non-life insurance profitability by product (P&L)

(in millions of EUR)	Insurance revenues	Insurance service expenses	Insurance finance income and expense before reinsurance in P&L	Total before reinsurance	Net result from reinsurance contracts held	Total after reinsurance
2025						
Personal insurance	349	-274	-10	65	–	–
Motor Third-Party Liability (MTPL)	631	-601	-20	10	–	–
Liabilities other than MTPL	167	-168	-7	-8	–	–
Casco	540	-482	-2	56	–	–
Property incl. other than casco	1 017	-708	-10	299	–	–
Total primary business	2 705	-2 234	-49	422	-23	399
Accepted reinsurance	16	-3	1	14	-49	-35
Total	2 721	-2 237	-48	436	-72	364
2024						
Personal insurance	308	-243	-8	57	–	–
Motor Third-Party Liability (MTPL)	594	-578	-19	-3	–	–
Liabilities other than MTPL	154	-139	-6	9	–	–
Casco	467	-430	-2	35	–	–
Property incl. other than casco	952	-789	-11	152	–	–
Total primary business	2 474	-2 179	-46	249	-7	242
Accepted reinsurance	18	-3	1	16	-6	10
Total	2 492	-2 181	-45	265	-13	252

Note 3.7: Operating expenses

(in millions of EUR)	2025	2024
Total	-5 265	-5 097
Staff expenses	-2 801	-2 708
General administrative expenses		
ICT	*-647*	*-641*
Facility expenses	*-246*	*-250*
Marketing and communications	*-120*	*-111*
Professional service fees	*-149*	*-142*
Bank and insurance tax	*-666*	*-623*
Other	*-234*	*-240*
Depreciation and amortisation of fixed assets	-402	-382

- The table above contains the sum of 'Total operating expenses excluding bank and insurance tax' and 'Bank and insurance tax' from the income statement.
- The total expenses went up by 3% in 2025 compared to 2024.
  - This amount includes 666 million euros in bank and insurance tax, a 7% increase year-on-year.
  - Expenses excluding bank and insurance tax increased by 3% to 4 599 million euros. This was mainly attributable to higher staff expenses (mostly indexation and wage drift) and, to a lesser extent, to higher ICT costs, marketing costs, professional service fees and depreciation and amortisation, partly offset by slightly lower facility expenses.
- These operating expenses also include Insurance service expenses that are allocated as 'directly attributable to insurance contracts'. For 2025, they are comprised of approximately 41% staff expenses, 55% general administrative expenses and 4% depreciation and amortisation of fixed assets.
- 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 are provided in Note 6.4.
- Information on the capital increase reserved for KBC group employees can be found in the 'Company annual accounts and additional information' section. In 2025, this resulted in the recognition of a limited employee benefit (2 million euros) as the issue price in 2025 was lower than the market price. Information regarding the price of the KBC share can be found in the 'Report of the Board of Directors' section.
- Staff expenses include, among other things, variable remuneration paid to Key Identified Staff through a combined mechanism in which 50% is awarded in cash and 50% in phantom stocks, with payments taking place immediately and partly spread over a maximum period of six years. See the 'Corporate governance statement' section for more information on phantom stocks.

  In April 2025, 103 551 phantom stocks were awarded at the average price of the first quarter. The cost is 18 million euros of the total staff expenses (11 million euros in 2024), consisting of a revaluation of the outstanding phantom stocks and a cost estimate of the phantom stocks still to be awarded in April 2026 (earned in 2025). The cost increase is attributable to the sharp increase of the KBC share price throughout 2025.

  At 31 December 2025, a provision has been recorded for the outstanding phantom stocks, equal to the number of outstanding units multiplied by the average of the KBC share price during the last quarter.

	Number of phantom stocks	Price per phantom stock (in EUR)	Value at 31-12-2025 (in millions of EUR)	Number of phantom stocks to be granted in					
				2026	2027	2028	2029	2030	2031
Total commitment	243 698	105.38	26	98 848	50 626	42 337	31 244	16 222	4 421
Of which awarded to the members of the Executive Committee	*70 360*	*105.38*	*7*	*24 973*	*14 426*	*12 167*	*9 685*	*6 347*	*2 762*
Social security contributions	–	–	4	–	–	–	–	–	–
Total commitment	–	–	29	–	–	–	–	–	–

Note 3.8: Personnel

(number)	2025	2024
Total average number of persons employed (in full-time equivalents)	37 979	38 074
By legal entity		
KBC Bank	27 619	27 872
KBC Insurance	3 981	4 120
KBC Group NV (holding company) and KBC Global Services NV (cost-sharing structure)	6 379	6 082
By employee classification		
Blue-collar staff	223	417
White-collar staff	37 493	37 400
Senior management	263	257

- 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*)	2025	2024
Total	-334	-248
Impairment on financial assets at AC and at FVOCI (impairment on loans)	-273	-199
By IFRS category		
Financial assets at amortised cost	*-272*	*-201*
Financial assets at fair value through OCI	*-1*	*2*
By product		
Loans and advances	*-278*	*-224*
Debt securities	*-1*	*4*
Off-balance-sheet commitments and financial guarantees	*6*	*21*
By type		
Stage 1 (12-month ECL)	*-28*	*-30*
Stage 2 (lifetime ECL)	*15*	*162*
Stage 3 (lifetime ECL)	*-259*	*-283*
Purchased or originated credit impaired assets	*-1*	*-49*
By business unit/country		
Belgium	*-175*	*-246*
Czech Republic	*-44*	*34*
International Markets	*-64*	*25*
Slovakia	*-7*	*18*
Hungary	*-6*	*23*
Bulgaria	*-51*	*-16*
Group Centre	*10*	*-12*
Impairment on goodwill	-7	0
Impairment on other	-53	-49
Intangible fixed assets (other than goodwill)	-32	-36
Property and equipment (including investment property)	-6	-2
Associated companies and joint ventures	0	0
Other	-16	-11

* Positive figures indicate a reversal and hence a positive impact on results

- Impairment on loans:
  - In 2025, this item included a partial reversal of 17 million euros related to the reserves allocated to geopolitical and macroeconomic uncertainties (see below) and a net impairment increase of 290 million euros related to the loan book (of which a charge of 52 million euros related to lowering the back-stop shortfall for non-performing loans in Belgium, see also the 'Capital management' section).
  - 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 333 million euros for loans in the loan portfolio (of which 72 million euros related to lowering the backstop shortfall for old non-performing loans in Belgium – see also the 'Capital management' section).
  - The impact of the extreme weather conditions, including flooding and storms, in 2025 and 2024 on (impairment on) loans was insignificant.
- Impairment on goodwill in 2025 included a provision of 7 million euros related to goodwill in the Belgium Business Unit.
- Impairment on other:
  - In 2025, this item included impairment of software and modification losses related to the extension of the interest cap regulation in Hungary and to the mortgage loan support scheme in Slovakia.
  - In 2024, this item included impairment of software and modification losses related to the extension 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 'Risk management' 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 2025, 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 2025. 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 2025)*	**2025**	**2026**	**2027**
Real GDP growth			
Belgium	1.0%	1.1%	1.3%
Czech Republic	2.5%	2.0%	2.2%
Hungary	0.4%	2.3%	3.0%
Slovakia	0.7%	0.9%	1.8%
Bulgaria	3.1%	2.7%	2.8%
Unemployment rate			
Belgium	6.4%	6.2%	6.0%
Czech Republic	3.2%	3.2%	3.0%
Hungary	4.4%	4.0%	3.7%
Slovakia	5.4%	5.7%	5.7%
Bulgaria	3.8%	3.7%	3.6%
House price index			
Belgium	2.6%	3.1%	3.5%
Czech Republic	10.0%	6.4%	3.3%
Hungary	13.0%	7.5%	4.0%
Slovakia	10.4%	5.0%	4.5%
Bulgaria	14.7%	8.5%	6.5%

* 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 2025' 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 2025 were 60% for the 'base' scenario, 20% for the optimistic 'up' scenario and 20% for the pessimistic 'down' scenario (60%, 20% and 20%, respectively, in 2024). 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 year-end 2025 and year-end 2024) shows that the 'base' scenario generates an ECL of 0.85 billion euros (0.81 billion euros in 2024), which is 0.02 billion euros lower than for the 'down' scenario and 0.01 billion euros higher than for the 'up' scenario (the same as in 2024). The assessed scenario-weighted collective ECL results (that were recognised) amounted to 0.85 billion euros (0.81 billion euros in 2024). These amounts include the ECL related to geopolitical and macroeconomic uncertainties.

Collectively assessed ECL by country (2025, in billions of EUR)	100% base-case scenario	100% optimistic scenario	100% pessimistic scenario
Total	0.85	0.84	0.87
Belgium	0.26	0.26	0.27
Czech Republic	0.31	0.31	0.31
Slovakia	0.08	0.08	0.09
Hungary	0.05	0.05	0.06
Bulgaria	0.15	0.15	0.16

- The management of ESG risks is an integral part of the Credit Risk Management Framework (CRMF; see 'Risk management' 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.
- Climate-related risks are currently not explicitly considered separately in our ECL models, mainly due to the above-mentioned limitations regarding the measurability and availability of ESG-related data. However, KBC is gradually incorporating these risks in the ECL process. This is reflected, for example, 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. Additionally, management has the ability to overrule the expected credit losses and to capture the growing insights into ESG and climate-related risks.
- Reserve for geopolitical and macroeconomic uncertainties: the outstanding balance of the ECL for geopolitical and macroeconomic uncertainties came to 100 million euros at year-end 2025; the corresponding figure at year-end 2024 was 117 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 or (°) indirectly exposed to ongoing military conflict, such as the one in Ukraine. The net decrease in 2025 is primarily attributable to the improved micro- and macroeconomic outlook, partly offset by the inclusion of a stressed scenario.

Note 3.10: Share in the result of associates and joint ventures

(in millions of EUR)	2025	2024
Total	6	80
Of which		
IGLUU s.r.o.	*-1*	*0*
Immoscoop 2.0 BV	*0*	*0*
Isabel NV	*3*	*78*
Bancontact Payconiq Company NV	*1*	*1*
Batopin NV	*3*	*1*
Cash Service Company AD	*1*	*–*

- Impairment on (goodwill on) associated companies and joint ventures is included in ‘Impairment’ (see Note 3.9). The share in the result of associates 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)	2025	2024
Total	-1 010	-527
By type		
Current taxes on income	-666	-699
Deferred taxes on income	-344	173
Tax components		
Result before tax	4 580	3 941
Income tax at the Belgian statutory rate	25.00%	25.00%
Income tax calculated	-1 145	-985
Plus/minus tax effects attributable to		
differences in tax rates, Belgium – abroad	*181*	*168*
tax-free income	*113*	*64*
adjustments related to prior years	*-1*	*-8*
adjustments to deferred taxes due to change in tax rate	*0*	*0*
unused tax losses and unused tax credits to reduce current tax expense	*5*	*4*
unused tax losses and unused tax credits to reduce deferred tax expense	*1*	*3*
reversal of previously recognised deferred tax assets due to tax losses	*-4*	*-13*
liquidation of Exicon (formerly KBC Bank Ireland)	*–*	*318*
other (including non-deductible expenses)	*-160*	*-78*

- For information on tax assets and tax liabilities, see Note 5.2.
- Taxes in 2024 were positively impacted by the 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).
- 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 2025 and 2024, 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 2025 results, the additional top-up tax will be around 23 million euros (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), which was finalised on 1 October 2025, 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. For more information, see also Note 5.2.
- Public Country-by-Country Reporting will be drawn up in the first half of 2026 and published on www.kbc.com.

Note 3.12: Earnings per share

(in millions of EUR)	2025	2024
Result after tax, attributable to equity holders of the parent	3 568	3 415
Coupon on AT1 instruments	-117	-84
Net result used to determine basic earnings per share	3 452	3 332
Weighted average number of ordinary shares outstanding (millions of units)	397	400
Basic earnings per share (EUR)	8.70	8.33

- Diluted earnings per share are currently almost the same as basic earnings per share.
- Number of ordinary shares outstanding is after deduction of treasury shares repurchased (see 2023-2024 share buyback programme).

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[1] (FVO)	Hedging derivatives	Total
FINANCIAL ASSETS, 31-12-2025							
Loans and advances to credit institutions (excl. reverse repos)	3 059	0	0	0	0	0	3 060
of which loans and advances to banks repayable on demand and term loans to banks at not more than three months							*55*
Loans and advances to customers (excluding reverse repos)	207 244	0	1 368	0	0	0	208 612
Trade receivables	*3 094*	*0*	*0*	*0*	*0*	*0*	*3 094*
Consumer credit	*9 114*	*0*	*781*	*0*	*0*	*0*	*9 895*
Mortgage loans	*83 771*	*0*	*587*	*0*	*0*	*0*	*84 358*
Term loans	*97 348*	*0*	*0*	*0*	*0*	*0*	*97 348*
Finance lease	*8 467*	*0*	*0*	*0*	*0*	*0*	*8 467*
Current account advances	*4 822*	*0*	*0*	*0*	*0*	*0*	*4 822*
Other	*629*	*0*	*0*	*0*	*0*	*0*	*629*
Reverse repos[2]	33 083	0	0	8	0	0	33 090
with credit institutions	*33 017*	*0*	*0*	*8*	*0*	*0*	*33 025*
with customers	*66*	*0*	*0*	*0*	*0*	*0*	*66*
Equity instruments	0	1 869	9	1 155	0	0	3 034
Assets under unit-linked investment contracts	0	0	18 005	0	0	0	18 005
Debt securities issued by	51 752	26 859	123	7 212	0	0	85 946
Public bodies	*45 016*	*22 426*	*0*	*3 805*	*0*	*0*	*71 247*
Credit institutions	*4 874*	*2 642*	*0*	*3 362*	*0*	*0*	*10 879*
Corporates	*1 862*	*1 790*	*123*	*45*	*0*	*0*	*3 821*
Derivatives	0	0	0	3 456	0	215	3 671
Other[3]	1 282	0	0	0	0	0	1 282
Total	296 420	28 728	19 506	11 830	0	215	356 699
FINANCIAL ASSETS, 31-12-2024							
Loans and advances to credit institutions (excl. reverse repos)	2 438	0	0	1	0	0	2 439
of which loans and advances to banks repayable on demand and term loans to banks at not more than three months							*225*
Loans and advances to customers (excluding reverse repos)	191 124	0	943	0	0	0	192 067
Trade receivables	*2 887*	*0*	*0*	*0*	*0*	*0*	*2 887*
Consumer credit	*6 316*	*0*	*633*	*0*	*0*	*0*	*6 949*
Mortgage loans	*77 750*	*0*	*309*	*0*	*0*	*0*	*78 059*
Term loans	*90 754*	*0*	*1*	*0*	*0*	*0*	*90 755*
Finance lease	*7 919*	*0*	*0*	*0*	*0*	*0*	*7 919*
Current account advances	*4 790*	*0*	*0*	*0*	*0*	*0*	*4 790*
Other	*708*	*0*	*0*	*0*	*0*	*0*	*708*
Reverse repos[2]	21 083	0	0	0	0	0	21 083
with credit institutions	*20 922*	*0*	*0*	*0*	*0*	*0*	*20 922*
with customers	*162*	*0*	*0*	*0*	*0*	*0*	*162*
Equity instruments	0	1 722	10	902	0	0	2 633
Assets under unit-linked investment contracts	0	0	16 602	0	0	0	16 602
Debt securities issued by	50 075	22 539	70	5 021	0	0	77 705
Public bodies	*41 955*	*18 165*	*0*	*3 360*	*0*	*0*	*63 480*
Credit institutions	*5 982*	*2 510*	*0*	*1 593*	*0*	*0*	*10 085*
Corporates	*2 139*	*1 864*	*70*	*68*	*0*	*0*	*4 140*
Derivatives	0	0	0	4 584	0	271	4 856
Other[3]	1 154	0	0	0	0	0	1 154
Total	265 875	24 261	17 624	10 509	0	271	318 540

(in millions of EUR)	Measured at amortised cost (AC)	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL LIABILITIES, 31-12-2025					
Deposits from credit institutions (excl. repos)	12 571	0	0	0	12 571
of which deposits from banks repayable on demand					*3 247*
Deposits from customers and debt securities (excl. repos)	287 748	23	997	0	288 769
Demand deposits (incl. special deposits and other deposits)	*115 552*	*0*	*0*	*0*	*115 552*
Time deposits	*37 027*	*23*	*166*	*0*	*37 216*
Savings accounts	*85 088*	*0*	*0*	*0*	*85 088*
Savings certificates	*12*	*0*	*0*	*0*	*12*
Subtotal deposits from customers	*237 679*	*23*	*166*	*0*	*237 868*
Certificates of deposit	*23 561*	*0*	*5*	*0*	*23 567*
Non-convertible bonds	*23 130*	*0*	*826*	*0*	*23 956*
Non-convertible subordinated liabilities	*3 378*	*0*	*0*	*0*	*3 378*
Repos[4]	22 053	108	0	0	22 161
with credit institutions	*7 059*	*0*	*0*	*0*	*7 059*
with customers	*14 994*	*108*	*0*	*0*	*15 102*
Liabilities under investment contracts	27	0	16 971	0	16 998
Derivatives	0	4 425	0	320	4 745
Short positions	0	1 219	0	0	1 219
In equity instruments	*0*	*12*	*0*	*0*	*12*
In debt securities	*0*	*1 207*	*0*	*0*	*1 207*
Other[5]	2 314	0	0	0	2 315
Total	324 714	5 775	17 968	320	348 777
FINANCIAL LIABILITIES, 31-12-2024					
Deposits from credit institutions (excl. repos)	12 852	0	0	0	12 852
of which deposits from banks repayable on demand					*6 456*
Deposits from customers and debt securities (excl. repos)	270 030	22	1 035	0	271 087
Demand deposits (incl. special deposits and other deposits)	*110 090*	*0*	*0*	*0*	*110 090*
Time deposits	*42 781*	*22*	*163*	*0*	*42 966*
Savings accounts	*74 440*	*0*	*0*	*0*	*74 440*
Savings certificates	*1 250*	*0*	*0*	*0*	*1 250*
Subtotal deposits from customers	*228 562*	*22*	*163*	*0*	*228 747*
Certificates of deposit	*14 376*	*0*	*5*	*0*	*14 382*
Non-convertible bonds	*24 185*	*0*	*745*	*0*	*24 930*
Non-convertible subordinated liabilities	*2 907*	*0*	*121*	*0*	*3 028*
Repos[4]	20 985	94	0	0	21 079
with credit institutions	*18 587*	*94*	*0*	*0*	*18 681*
with customers	*2 398*	*0*	*0*	*0*	*2 398*
Liabilities under investment contracts	27	0	15 644	0	15 671
Derivatives	0	4 679	0	316	4 995
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]	2 157	0	0	0	2 157
Total	306 050	5 677	16 680	316	328 723

1 The carrying value comes close to the maximum credit exposure.
2 The amount of the reverse repos (before offsetting) 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 (before offsetting) 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 (excl. repos)'
  - These also include loans whose interest payments are linked to ESG targets of the client ('Sustainability-linked loans'). These are described in our 2025 Sustainability Report, in table 5.5 (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 our 2025 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 our 2025 Sustainability Report, in table 5.2 (this has not been audited).
  - 'Consumer credit' as at 31 December 2025 includes a reclassification from term loans for 1.6 billion euros relating to loans in the Czech Republic (not retroactively adjusted).
  - 'Other' includes cash deposits held as collateral as security provided for mainly outstanding derivatives with a negative market value.
- 'Non-convertible bonds' and 'Non-convertible subordinated liabilities' 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 2025, these items also include four green bonds issued by KBC (for 500, 750, 750 and 500 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.
- Non-convertible bonds in 2025 also include credit-linked notes issued by KBC in 2025 (273 million euros) in the context of the SRT transactions, see also Note 4.3. A credit-linked note is an unsecured debt certificate of which the contractual cash flows are linked to the credit performance of a reference portfolio of corporate loans, with the principal amount outstanding being subject to loss absorption in the event of specified credit events.
- More information on major new debt issues or redemptions is provided under the 'Consolidated cashflow statement'.
- Transferred financial assets that continue to be recognised in their entirety: KBC regularly lends and/or sells debt 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. KBC is unable to use, sell or pledge the transferred assets for the duration of the transaction and remains exposed to interest rate risk and credit risk on these assets. The counterparty's recourse is not limited to the transferred assets. Vice versa, KBC regularly purchases financial assets with the commitment to sell them back at a later date (reverse repo transactions). These transactions are accounted for as a loan or advance, and the underlying asset is not recognised in the financial statements but is accounted for as a collateral held. In certain cases, KBC is allowed to resell or repledge the collateral held. The fair value of collateral held and sold or repledged is disclosed in Note 6.1. Collateralised transactions, such as repo and reverse repo transactions, are conducted in accordance with standard terms which are customary in the market.

Transferred financial assets that continue to be recognised in their entirety (carrying value, in millions of EUR)	**31-12-2025**	**31-12-2024**
Transferred financial assets that continue to be recognised in their entirety: repo transactions and securities lent out	26 274	27 079
Held for trading	*858*	*1 549*
Fair value through OCI	*3 731*	*4 866*
Amortised cost	*21 685*	*20 664*
Associated financial liability	11 640	18 623
Held for trading	*392*	*1 147*
Fair value through OCI	*1 695*	*3 439*
Amortised cost	*9 553*	*14 037*

- 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 repo transactions comprise both the associated financial liability from the transferred assets that continue to be recognised in their entirety and the associated financial liability from collateral received that is sold or repledged. The decline in Associated financial liability in 2025 was mainly driven by repo transactions, which, due to offsetting, do not necessarily follow the same evolution as the Transferred financial assets.
- 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
31-12-2025			
Financial assets at amortised cost: Loans and advances*	245 878	-2 492	243 386
Stage 1 (12-month ECL)	225 157	-196	224 960
Stage 2 (lifetime ECL)	16 827	-320	16 507
Stage 3 (lifetime ECL)	3 420	-1 837	1 582
Purchased or originated credit impaired assets (POCI)	475	-139	336
Financial assets at amortised cost: Debt securities	51 761	-9	51 752
Stage 1 (12-month ECL)	51 716	-7	51 709
Stage 2 (lifetime ECL)	41	0	40
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	26 863	-5	26 859
Stage 1 (12-month ECL)	26 854	-5	26 850
Stage 2 (lifetime ECL)	9	0	9
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0
31-12-2024			
Financial assets at amortised cost: Loans and advances*	217 093	-2 448	214 645
Stage 1 (12-month ECL)	197 031	-176	196 855
Stage 2 (lifetime ECL)	16 177	-331	15 847
Stage 3 (lifetime ECL)	3 472	-1 803	1 669
Purchased or originated credit impaired assets (POCI)	414	-138	276
Financial assets at amortised cost: Debt securities	50 084	-8	50 075
Stage 1 (12-month ECL)	49 979	-6	49 973
Stage 2 (lifetime ECL)	100	-1	99
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	22 543	-4	22 539
Stage 1 (12-month ECL)	22 543	-4	22 539
Stage 2 (lifetime ECL)	0	0	0
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 corresponds to the sum of the 'Loans and advances to credit institutions (excl. reverse repos)', 'Loans and advances to customers (excl. reverse repos)' and 'Reverse repos' in Note 4.1 (in the 'Measured at amortised cost' column).

- Carrying value (before impairment) of loans and advances at amortised cost: increase of 28.8 billion euros in 2025, due primarily to:
  - An organic net increase in the loan portfolio (mainly mortgage loans and term loans)
  - An increase in reverse repos to credit institutions
- Carrying value (before impairment) of debt securities: increase of 6 billion euros in 2025, entirely in 'Stage 1'.
  This involves an increase of 7.3 billion euros in (issues by) public bodies, partly offset by -1.0 billion euros for credit institutions and -0.3 billion euros for corporates. This related primarily to additional investments.
- In 2025, 'Stage 2' and 'Stage 3' financial assets with a net carrying value of 596 million euros have been subject to modifications in 2025 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 540 million euros in 2025. The corresponding figures for 2024 were 474 million euros and 683 million euros, respectively. Modification gains or losses are recognised under impairment (see Note 3.9).
- In 2025, financial assets at amortised cost with a gross carrying value of 42 million euros were written off, but were still subject to enforcement activities; the corresponding figure for 2024 was 55 million euros.
- For a breakdown of the financial instruments by remaining maturity of less than or more than one year, we refer to the 'Risk management' section.

Note 4.2.2: Impairment details for 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	Subject to lifetime ECL (purchased or originated credit impaired)	Total
2025					
Impairment on 1 January	176	331	1 803	138	2 448
Movements with an impact on results[1]	19	-12	305	1	312
Transfer of financial assets					
Stage 1 (12-month ECL)	*-24*	*109*	*96*	*0*	*182*
Stage 2 (lifetime ECL)	*4*	*-80*	*74*	*0*	*-2*
Stage 3 'non-performing' (lifetime ECL)	*0*	*5*	*-24*	*0*	*-19*
New financial assets[2]	*78*	*12*	*1*	*0*	*91*
Changes in risk parameters during the reporting period	*-25*	*-9*	*215*	*2*	*183*
Changes in the model or methodology	*-4*	*-15*	*-18*	*0*	*-38*
Derecognised financial assets[3]	*-10*	*-34*	*-47*	*0*	*-91*
Other	*0*	*-1*	*7*	*0*	*7*
Movements without an impact on results	2	1	-270	0	-268
Derecognised financial assets[3]	*0*	*-2*	*-257*	*-2*	*-261*
Changes in the scope of consolidation	*0*	*0*	*0*	*0*	*0*
Transfers under IFRS 5	*0*	*0*	*0*	*0*	*0*
Other	*2*	*3*	*-13*	*1*	*-7*
Impairment on 31 December	196	320	1 837	139	2 492
2024					
Impairment on 1 January	146	490	1 750	88	2 474
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 'non-performing' (lifetime ECL)	*0*	*12*	*-31*	*-1*	*-20*
New financial assets[2]	*56*	*14*	*6*	*0*	*76*
Changes in risk parameters during the reporting period	*-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[3]	*-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 on 31 December	176	331	1 803	138	2 448

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. New financial assets (except POCI) start in 'Stage 1', but can end up in 'Stage 2' or 'Stage 3' at year-end due to credit deterioration.
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 8 million euros at year-end 2024 to 9 million euros at year-end 2025) and on debt securities at fair value through OCI (from 4 million euros at year-end 2024 to 5 million euros at year-end 2025) are very limited.
- The total impairment is spread over the following counterparties: households (17%), companies (82%), and other (1%); 17%, 82% and 1%, respectively, in 2024. Of these, 64% is determined on an individual basis and 36% is determined collectively; 66% and 34%, respectively, in 2024.
- 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 'Risk management' 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 enhancements received (B)	Net (A-B)
31-12-2025			
Subject to impairment	390 294	160 452	229 842
of which Stage 3 'non-performing' (AC and FVOCI)	*1 969*	*1 498*	*471*
Debt securities	78 611	17	78 594
Loans and advances (excl. reverse repos)	210 303	113 945	96 358
Reverse repos	33 083	33 083	0
Other financial assets	1 282	0	1 282
Off-balance-sheet commitments	67 016	13 408	53 608
Irrevocable	*46 013*	*7 650*	*38 362*
Revocable	*21 003*	*5 757*	*15 246*
Not subject to impairment	12 382	2 708	9 673
Debt securities	7 335	0	7 335
Loans and advances (excl. reverse repos)	1 368	1 116	253
of which designated upon initial recognition at fair value through profit or loss (FVO)	*0*	*0*	*0*
Reverse repos	8	8	0
Derivatives	3 671	1 585	2 085
Other financial assets	0	0	0
Off-balance-sheet commitments	0	0	0
Total	402 676	163 161	239 515
31-12-2024			
Subject to impairment	349 640	139 298	210 342
of which Stage 3 'non-performing' (AC and FVOCI)	*1 981*	*1 467*	*514*
Debt securities	72 615	32	72 583
Loans and advances (excl. reverse repos)	193 562	106 128	87 434
Reverse repos	21 083	21 054	29
Other financial assets	1 154	0	1 154
Off-balance-sheet commitments	61 226	12 085	49 142
Irrevocable	*41 578*	*7 006*	*34 572*
Revocable	*19 648*	*5 078*	*14 570*
Not subject to impairment	10 890	4 871	6 019
Debt securities	5 090	0	5 090
Loans and advances (excl. reverse repos)	943	840	103
of which designated upon initial recognition at fair value through profit or loss (FVO)	*0*	*0*	*0*
Reverse repos	0	0	0
Derivatives	4 856	4 031	825
Other financial assets	0	0	0
Off-balance-sheet commitments	0	0	0
Total	360 530	144 169	216 361

- 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, financial guarantees granted and other irrevocable commitments.
- The main types of collateral and other credit enhancements on loans and advances received relate to mortgages on real estate (mainly collateral for mortgage loans, 82 billion euros at year-end 2025), securities lent out (mainly as a collateral for reverse repos, 35 billion euros), off-balance-sheet financial guarantees received (11 billion euros) and collateral of movable property (16 billion euros). 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 2025. The credit enhancements received for reverse repos are securities collateral (mainly debt securities). KBC also used credit-linked notes to transfer credit losses to third parties (see also Note 4.1). Such potential transfer of credit losses is not recognised under 'Collateral and other credit enhancements received' in the above table, but is part of the valuation of these debt instruments and the associated reimbursement assets.
- 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 'Risk management' 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	
31-12-2025							
FINANCIAL ASSETS							
Derivatives	19 005	15 334	3 671	1 774	1 490	0	407
Derivatives (excluding central clearing houses)	*3 642*	*0*	*3 642*	*1 774*	*1 490*	*0*	*378*
*Derivatives with central clearing houses**	*15 363*	*15 334*	*28*	*0*	*0*	*0*	*28*
Reverse repos, securities borrowing and similar arrangements	45 749	12 659	33 090	1 506	0	31 584	0
Reverse repos	*45 749*	*12 659*	*33 090*	*1 506*	*0*	*31 584*	*0*
Securities borrowing	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	64 754	27 993	36 761	3 280	1 490	31 585	407
FINANCIAL LIABILITIES							
Derivatives	16 797	12 052	4 745	1 762	492	1 237	1 254
Derivatives (excluding central clearing houses)	*4 707*	*0*	*4 707*	*1 762*	*492*	*1 237*	*1 216*
*Derivatives with central clearing houses**	*12 090*	*12 052*	*38*	*0*	*0*	*0*	*38*
Repos, securities lending and similar arrangements	34 823	12 661	22 161	1 506	0	20 645	10
Repos	*34 823*	*12 661*	*22 161*	*1 506*	*0*	*20 645*	*10*
Securities lending	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	51 619	24 713	26 906	3 268	492	21 882	1 264
31-12-2024							
FINANCIAL ASSETS							
Derivatives	20 538	15 682	4 856	2 459	1 797	0	600
Derivatives (excluding central clearing houses)	*4 812*	*0*	*4 812*	*2 459*	*1 797*	*0*	*557*
*Derivatives with central clearing houses**	*15 725*	*15 682*	*44*	*0*	*0*	*0*	*44*
Reverse repos, securities borrowing and similar arrangements	29 933	8 850	21 083	14	0	21 067	3
Reverse repos	*29 933*	*8 850*	*21 083*	*14*	*0*	*21 067*	*3*
Securities borrowing	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	50 471	24 531	25 939	2 472	1 797	21 067	603
FINANCIAL LIABILITIES							
Derivatives	19 214	14 219	4 995	2 459	540	78	1 918
Derivatives (excluding central clearing houses)	*4 943*	*0*	*4 943*	*2 459*	*540*	*78*	*1 865*
*Derivatives with central clearing houses**	*14 271*	*14 219*	*52*	*0*	*0*	*0*	*52*
Repos, securities lending and similar arrangements	29 934	8 855	21 079	14	0	21 055	11
Repos	*29 934*	*8 855*	*21 079*	*14*	*0*	*21 055*	*11*
Securities lending	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial instruments	0	0	0	0	0	0	0
Total	49 148	23 074	26 074	2 473	540	21 133	1 928

* For central clearing houses, the offsetting procedure refers to the amount of offsetting between derivatives and related cash collateral. Cash collateral with central clearing houses amounted to 3 282 million euros at year-end 2025 and 1 462 million euros at year-end 2024.

- 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 instruments that are not measured at fair value in the balance sheet	Financial assets at amortised cost					Financial liabilities at amortised cost				
(in millions of EUR)	Carrying value	Fair value				Carrying value	Fair value			
	Total	Total	*Stage 1*	*Stage 2*	*Stage 3*	Total	Total	*Stage 1*	*Stage 2*	*Stage 3*
31-12-2025										
FINANCIAL ASSETS										
Loans and advances to credit institutions (including reverse repos)	36 076	36 052	*3*	*33 074*	*2 976*	–	–	–	–	–
Loans and advances to customers (including reverse repos)	207 310	200 944	*54*	*175*	*200 715*	–	–	–	–	–
Debt securities	51 752	50 267	*48 084*	*1 861*	*322*	–	–	–	–	–
Other	1 282	1 281	*0*	*1 281*	*0*	–	–	–	–	–
Adjustment for fair value hedges for a portfolio of interest rate risk	-2 676	–	–	–	–	–	–	–	–	–
Total	293 744	288 544	*48 140*	*36 391*	*204 013*	–	–	–	–	–
FINANCIAL LIABILITIES										
Deposits from credit institutions (incl. repos)	–	–	–	–	–	19 630	19 671	*29*	*15 769*	*3 872*
Deposits from customers and debt securities (incl. repos)	–	–	–	–	–	302 742	302 884	*256*	*113 099*	*189 528*
Liabilities under investment contracts	–	–	–	–	–	27	27	*0*	*27*	*0*
Other	–	–	–	–	–	2 314	2 316	*4*	*507*	*1 805*
Total	–	–	–	–	–	324 714	324 897	*289*	*129 402*	*195 206*
31-12-2024										
FINANCIAL ASSETS										
Loans and advances to credit institutions (including reverse repos)	23 360	23 635	*5*	*21 033*	*2 597*	–	–	–	–	–
Loans and advances to customers (including reverse repos)	191 285	186 569	*43*	*281*	*186 246*	–	–	–	–	–
Debt securities	50 075	48 205	*44 844*	*2 932*	*429*	–	–	–	–	–
Other	1 154	1 154	*0*	*1 154*	*0*	–	–	–	–	–
Adjustment for fair value hedges for a portfolio of interest rate risk	-1 930	–	–	–	–	–	–	–	–	–
Total	263 945	259 564	*44 892*	*25 400*	*189 272*	–	–	–	–	–
FINANCIAL LIABILITIES										
Deposits from credit institutions (incl. repos)	–	–	–	–	–	31 439	31 263	*16*	*19 745*	*11 503*
Deposits from customers and debt securities (incl. repos)	–	–	–	–	–	272 428	272 595	*0*	*80 942*	*191 653*
Liabilities under investment contracts	–	–	–	–	–	27	27	*0*	*27*	*0*
Other	–	–	–	–	–	2 157	2 153	*0*	*592*	*1 562*
Total	–	–	–	–	–	306 050	306 038	*16*	*101 305*	*204 717*

- 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 and loans and advances to customers, primarily on mortgage loans and term loans) was caused by interest rate movements in 2025, 2024 and 2023. 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 (approximately 101 billion euros on average in 2025), 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 87% of total customer deposits consist of more stable retail and SME clients, the unrealised losses on the debt securities portfolio and loans and advances to customers 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 'Risk management' 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 1 million euros were not recorded in the revaluation reserve in 2025 (20 million euros in 2024). The fair value of this reclassified portfolio (after redemptions) amounted to 1 024 million euros at year-end 2025 (1 761 million euros at year-end 2024).

Note 4.5: Financial assets and liabilities measured at fair value – fair value hierarchy

Fair value hierarchy				31-12-2025				31-12-2024
(in millions of EUR)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
FINANCIAL ASSETS AT FAIR VALUE								
Mandatorily measured at fair value through profit or loss other than held for trading								
Loans and advances to credit institutions (incl. reverse repos)	0	0	0	0	0	0	0	0
Loans and advances to customers (incl. reverse repos)	0	0	1 368	1 368	0	0	943	943
Equity instruments	0	0	9	9	0	0	10	10
Investment contracts (insurance)	17 925	80	0	18 005	16 527	75	0	16 602
Debt securities	13	13	97	123	13	0	57	70
of which sovereign bonds	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Held for trading								
Loans and advances to credit institutions (incl. reverse repos)	0	8	0	8	0	1	0	1
Loans and advances to customers (incl. reverse repos)	0	0	0	0	0	0	0	0
Equity instruments	1 155	0	0	1 155	902	0	0	902
Debt securities	2 830	3 781	600	7 212	2 451	2 570	0	5 021
of which sovereign bonds	*2 792*	*412*	*600*	*3 805*	*2 397*	*963*	*0*	*3 360*
Derivatives	3	2 156	1 297	3 456	1	3 527	1 057	4 584
At fair value through OCI								
Equity instruments	1 335	1	534	1 869	1 219	1	501	1 722
Debt securities	24 770	2 031	59	26 859	20 190	2 199	150	22 539
of which sovereign bonds	*21 307*	*1 119*	*0*	*22 426*	*16 892*	*1 273*	*0*	*18 165*
Hedging derivatives								
Derivatives	0	215	0	215	0	271	0	271
Total								
Total financial assets at fair value	48 030	8 284	3 965	60 279	41 303	8 644	2 717	52 665
FINANCIAL LIABILITIES AT FAIR VALUE								
Held for trading								
Deposits from credit institutions (incl. repos)	0	0	0	0	0	94	0	94
Deposits from customers and debt securities (incl. repos)	0	131	0	131	0	22	0	22
Derivatives	3	2 538	1 884	4 425	1	3 271	1 406	4 679
Short positions	1 219	0	0	1 219	882	0	0	882
Designated upon initial recognition at fair value through profit or loss (FVO)								
Deposits from credit institutions (incl. repos)	0	0	0	0	0	0	0	0
Deposits from customers and debt securities (incl. repos)	0	213	785	997	0	186	850	1 035
Liabilities under investment contracts	16 971	0	0	16 971	15 644	0	0	15 644
Hedging derivatives								
Derivatives	0	279	41	320	0	265	51	316
Total								
Total financial liabilities at fair value	18 192	3 161	2 710	24 063	16 527	3 838	2 307	22 673

- The fair value hierarchy prioritises the valuation techniques and the respective inputs into three stages:
  - The fair value hierarchy gives the highest priority to 'Stage 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. Stage 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 'Stage 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 'Stage 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 stages of the fair value hierarchy, the fair value measurement is classified in its entirety into the same stage as the lowest stage 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 Stage 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 stage indicated in the table, a small portion may actually be classified in another stage.
- KBC follows the principle that transfers into and out of stages of the fair value hierarchy are made at the end of the reporting period. Transfers between the various stages are dealt with in more detail in Note 4.6 and Note 4.7.

	Instrument type	Products	Valuation technique
Stage 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
Stage 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)
Stage 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 Stage 1 and Stage 2

- In 2025, KBC transferred 292 million euros' worth of financial assets and liabilities out of Stage 1 and into Stage 2, and 532 million euros' worth of financial assets and liabilities out of Stage 2 and into Stage 1 (201 million euros and 445 million euros, respectively, in 2024). 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 Stage 3

- In 2025, significant movements in financial assets and liabilities classified in Stage 3 of the fair value hierarchy included the following:
  - Financial assets measured at fair value through profit or loss (not held for trading): the fair value of loans and advances increased by 425 million euros, primarily on account of new transactions. The fair value of debt instruments rose by 40 million euros, due primarily to new purchases.
  - Financial assets at fair value through OCI: the fair value of debt instruments decreased by 91 million euros, primarily on account of debt instruments that had reached maturity. The fair value of the equity instruments rose by 33 million euros, due mainly to new purchases, partly offset by the sale of existing positions and changes in market inputs.
  - Financial assets held for trading: the fair value of derivatives increased by 240 million euros, due mainly to changes in market inputs and new purchases, partly offset by the sale of existing positions. The fair value of debt instruments rose by 600 million euros, due to new purchases.
  - Financial liabilities held for trading: the fair value of derivatives rose by 478 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 65 million euros, primarily on account of transactions that had reached maturity and the sale of existing positions, partly offset by new transactions.
- In 2024, significant movements in financial assets and liabilities classified in Stage 3 of the fair value hierarchy included the following:
  - Financial assets measured at fair value through profit or loss (not 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. The fair value of debt instruments rose by 55 million euros, due primarily to new purchases.
  - Financial assets at fair value through OCI: the fair value of debt instruments decreased by 36 million euros, primarily on account of shifts from Stage 3, partly offset by new purchases. The fair value of the equity instruments rose by 19 million euros, due mainly to new purchases, partly offset by the sale of existing positions.
  - 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.
- Some Stage 3 assets are associated or economically hedged with identical Stage 3 liabilities, which means that KBC's exposure to unobservable inputs is lower than would appear from the gross figures. Most of the Stage 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: the 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 72% are trading derivatives and approximately 28% are hedging derivatives at year-end 2025 (75% and 25%, respectively, at year-end 2024).
- 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 but 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

(in millions of EUR)				31-12-2025				31-12-2024
	Carrying value		Notional amounts*		Carrying value		Notional amounts*	
	Assets	Liabilities	Purchased	Sold	Assets	Liabilities	Purchased	Sold
Total	3 456	4 425	569 005	570 857	4 584	4 679	616 452	615 520
Interest rate contracts	1 298	1 576	379 430	378 490	1 589	1 781	429 232	426 678
of which interest rate swaps and futures	*1 255*	*1 550*	*373 782*	*374 241*	*1 510*	*1 740*	*421 656*	*422 160*
of which options	*43*	*26*	*5 649*	*4 248*	*80*	*41*	*7 576*	*4 518*
Foreign exchange contracts	1 096	1 235	174 685	176 863	2 193	1 784	172 410	174 374
of which currency and interest rate swaps, forward foreign exchange transactions and futures	*1 011*	*1 144*	*168 149*	*168 385*	*2 101*	*1 720*	*167 819*	*167 306*
of which options	*84*	*91*	*6 536*	*8 479*	*92*	*64*	*4 592*	*7 067*
Equity contracts	1 049	1 602	14 623	15 247	799	1 110	14 530	14 191
of which equity swaps	*941*	*1 060*	*11 533*	*11 108*	*646*	*692*	*11 348*	*10 995*
of which options	*108*	*542*	*3 090*	*4 139*	*153*	*418*	*3 181*	*3 196*
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	13	12	267	257	4	3	280	277

* In this table, both legs of the derivatives are reported in the notional amounts.

Note 4.8.2: Hedging derivatives

31-12-2025 (in millions of EUR)	Hedging instrument					Hedged item				Impact on equity	
	Notional amounts[1]		Carrying value		Change in fair value of hedging instruments used as basis for recognising hedge ineffectiveness for the period[2]	Type			Change in fair value of hedged instruments used as basis for recognising hedge ineffectiveness for the period[2]	Ineffective portion recognised in profit or loss	Effective portion recognised in OCI
Hedging strategy	Purchased	Sold	Assets	Liabilities			Total (including fair value changes)	Of which accumulated fair value adjustments			
Fair value micro hedge											
Interest rate swaps	45 368	45 378	95	49	462	Debt securities held at AC	12 911	-446	-161		
Currency and interest rate swaps	0	0	0	0	0	Loans and advances at AC	515	27	-5		
						Debt securities held at FVOCI	11 660	-189	-243		
						Debt securities issued at AC	19 214	-175	-60		
						Deposits at AC	599	-2	2		
Total	45 368	45 378	95	49	462	Total			-468	-5	–
Portfolio hedge of interest rate risk											
Interest rate swaps	151 428	151 428	53	78	774	Debt securities held at AC	905	-17	14		
Currency and interest rate options	955	0	43	0	7	Loans and advances at AC	129 131	-2 687	-706		
						Debt securities held at FVOCI	166	2	2		
						Debt securities issued at AC	0	0	0		
						Deposits at AC	18 788	-285	-93		
						Insurance contract liabilities, Life	410	-5	11		
Total	152 383	151 428	96	78	781	Total			-772	10	–
Cashflow hedge (micro hedge and portfolio hedge)											
Interest rate swaps	18 372	18 372	13	82	583						
Currency and interest rate swaps	1 750	1 793	0	56	28						
Total	20 122	20 165	13	138	611	Total			-571	41	85
Hedge of net investments in foreign operations											
Total[3]	3 240	3 189	10	511	-74	Total			74	0	61

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 mostly in the form of foreign currency deposits.

31-12-2024
(in millions of EUR)

Hedging strategy	Notional amounts[1]: Purchased	Notional amounts[1]: Sold	Carrying value: Assets	Carrying value: Liabilities	Hedging instrument: Change in fair value of hedging instruments used as basis for recognising hedge ineffectiveness for the period[2]	Hedged item: Type	Hedged item: Total (including fair value changes)	Hedged item: Of which accumulated fair value adjustments	Hedged item: Change in fair value of hedged instruments used as basis for recognising hedge ineffectiveness for the period[2]	Impact on equity: Ineffective portion recognised in profit or loss	Impact on equity: Effective portion recognised in OCI
Fair value micro hedge											
Interest rate swaps	37 727	37 727	96	63	281	Debt securities held at AC	8 050	-252	17		
Currency and interest rate swaps	0	0	0	0	0	Loans and advances at AC	569	33	-45		
						Debt securities held at FVOCI	7 254	64	80		
						Debt securities issued at AC	21 802	-226	-334		
						Deposits at AC	102	-11	13		
Total	37 727	37 727	96	63	281	Total			-269	11	–
Portfolio hedge of interest rate risk											
Interest rate swaps	141 341	141 341	67	95	-464	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		
						Insurance contract liabilities, Life	161	6	-6		
Total	142 555	141 341	115	95	-467	Total			469	2	–
Cashflow hedge (micro hedge and portfolio hedge)											
Interest rate swaps	17 376	17 376	5	120	22						
Currency and interest rate swaps	1 830	1 790	19	17	-30						
Total	19 206	19 166	24	137	-8	Total			8	0	-486
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 mostly 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 -95 million euros in 2025 (-187 million euros in 2024). 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 -35 million euros in 2025 (-99 million euros in 2024). 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.
- Also see the paragraph on hedge accounting in the 'Risk management' 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	54	-78
More than six months but not more than one year	196	-205
More than one but not more than two years	387	-476
More than two but not more than five years	1 122	-1 172
More than five years	2 277	-2 106

5.0 Notes on other balance sheet items

Note 5.1: Other assets

(in millions of EUR)	31-12-2025	31-12-2024
Total	1 604	1 911
Retirement benefit obligations or other employee benefits	294	293
Prepaid charges and accrued income	624	592
Other	686	1 027

- The ‘Retirement benefit obligations or other employee benefits’ category mainly comprises the prepaid pension cost, see Note 5.9 for more information on retirement benefit obligations.
- The ‘Other’ category comprises, amongst others, short-term receivables of non-banking entities, payments in transit, insurance-related receivables outside the IFRS 17 contract boundaries and VAT and other non-income tax receivables.

Note 5.2: Tax assets and tax liabilities

(in millions of EUR)	31-12-2025	31-12-2024
CURRENT TAXES		
Current tax assets	68	59
Current tax liabilities	113	121
DEFERRED TAXES	6	593
Deferred tax assets by type of temporary difference	1 211	1 382
Employee benefits	81	80
Losses carried forward (including DTI carried forward)	122	366
Tangible and intangible fixed assets	100	98
Provisions for risks and charges	17	18
Impairment for losses on loans and advances	220	212
Financial instruments at fair value through profit or loss and fair value hedges	94	86
Fair value changes, financial instruments at FVOCI, cashflow hedges and hedges of net investments in foreign operations	468	426
Insurance contract liabilities	44	33
Other, incl. reinsurance contracts	64	64
Deferred tax liabilities by type of temporary difference	1 204	789
Employee benefits	111	113
Losses carried forward (including DTI carried forward)	0	0
Tangible and intangible fixed assets	54	57
Provisions for risks and charges	10	9
Impairment for losses on loans and advances	1	3
Financial instruments at fair value through profit or loss and fair value hedges	81	85
Fair value changes, financial instruments at FVOCI, cashflow hedges and hedges of net investments in foreign operations	211	21
Insurance contract liabilities	663	452
Other, incl. reinsurance contracts	74	50
Recognised as a net amount in the balance sheet as follows:		
Deferred tax assets	530	942
Deferred tax liabilities	524	349
Unused tax losses and unused tax credits	93	95

- 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). The current deferred tax assets on tax losses carried forward on the balance sheet are expected to be used largely within 1 year.
- 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 (-587 million euros in 2025) breaks down as follows:
  - The change in deferred tax assets of -172 million euros was primarily due to:
    - A decrease in deferred tax assets, mainly attributable to tax losses carried forward (-244 million euros), primarily due to utilisation owing to taxable profits
    - An increase in deferred tax assets on account of changes in the fair value reserve for financial instruments measured at fair value through OCI, cashflow hedges and hedges of net investments in foreign operations (+42 million euros)
  - The change in deferred tax liabilities of +415 million euros was accounted for chiefly by:
    - An increase in deferred tax liabilities on account of changes in the fair value reserve for financial instruments measured at fair value through OCI, cashflow hedges and hedges of net investments in foreign operations (+190 million euros)
    - An increase in deferred tax liabilities for insurance contract liabilities (+210 million euros), with an amount of +141 million euros being recorded through OCI and +70 million euros being recorded via the income statement
- The deferred tax assets presented in the balance sheet are primarily attributable to KBC Bank and ČSOB in the Czech Republic.

Note 5.3: Investments in associated companies and joint ventures

(in millions of EUR)	31-12-2025	31-12-2024
Total	63	116
Overview of investments, including goodwill		
IGLUU s.r.o.	0	3
Immoscoop 2.0 BV	0	–
Isabel NV	38	94
Bancontact Payconiq Company NV	9	8
Payconiq International SA	0	–
Batopin NV	11	8
Other	5	3
Goodwill on associated companies and joint ventures		
Gross amount	0	0
Accumulated impairment	0	0
Breakdown by type		
Unlisted	63	116
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 book 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).

Note 5.4: Property and equipment and investment property

(in millions of EUR)	31-12-2025	31-12-2024
Property and equipment	3 578	3 396
Investment property	363	585
Rental income	49	55
Direct operating expenses from investments generating rental income	14	16
Direct operating expenses from investments not generating rental income	0	1

MOVEMENTS TABLE	Land and buildings	IT equipment	Other equipment	Total property and equipment	Investment property
2025					
Opening balance	1 271	135	1 990	3 396	585
Acquisitions	160	72	714	945	141
Disposals	-31	-3	-237	-272	-23
Depreciation	-103	-59	-28	-190	-31
Other movements	21	4	-327	-303	-308
Closing balance	1 317	148	2 112	3 578	363
Accumulated depreciation and impairment	*1 678*	*472*	*963*	*3 113*	*293*
Fair value					596
2024					
Opening balance	1 306	122	1 789	3 216	485
Acquisitions	109	83	803	995	149
Disposals	-44	-2	-271	-317	-13
Depreciation	-102	-62	-30	-194	-33
Other movements	3	-6	-300	-304	-2
Closing balance	1 271	135	1 990	3 396	585
Accumulated depreciation and impairment	*1 609*	*484*	*882*	*2 975*	*324*
Fair value					839

- 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 2025 and 2024 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 our own activities 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 our Climate Report and our 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
2025					
Opening balance	1 221	972	266	15	2 475
Acquisitions	2	362	64	4	433
Disposals	0	0	-2	-8	-10
Amortisation	0	-153	-58	-1	-212
Other movements	16	14	-16	0	14
Closing balance	1 239	1 195	255	11	2 699
Accumulated amortisation and impairment	*376*	*1 161*	*919*	*24*	*2 480*
2024					
Opening balance	1 240	829	266	20	2 355
Acquisitions	0	311	69	7	387
Disposals	0	0	-7	-6	-14
Amortisation	–	-124	-63	-2	-188
Other movements	-18	-44	2	-4	-65
Closing balance	1 221	972	266	15	2 475
Accumulated amortisation and impairment	*369*	*1 006*	*886*	*24*	*2 286*

- 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 book 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 two distinct discounted cashflow models, viz. a bank model and an insurance model. Free cashflows in both cases are the dividends that can be paid out to the company’s shareholders, account taken of the minimum capital requirements.

Goodwill outstanding (in millions of EUR)	31-12-2025	31-12-2024	Discount rates throughout the specific period of cashflow projections 31-12-2025	31-12-2024
K&H Bank	180	169	14.8% – 12.9%	14.7% – 13.5%
ČSOB (Czech Republic)	257	248	12.1% – 12.0%	12.7% – 12.6%
ČSOB Stavební sporitelna	67	65	12.1% – 12.0%	12.7% – 12.6%
United Bulgarian Bank	546	546	11.1% – 11.7%	12.4% – 12.3%
DZI Insurance	75	75	10.4% - 10.9%	10.1%
KBC Commercial Finance	21	21	11.0% – 11.7%	11.6% – 12.2%
Pension Insurance Company UBB	56	56	7.1% –7.4%	7.3% – 7.8%
Rest	37	42	–	–
Total	1 239	1 221	–	–

- 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 3.3% and 4.9% in 2025 (between 3.2% and 4.7% in 2024).
- No sensitivity analysis was carried out for entities where 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. The table gives an indication for the other entities (one in 2025) of the impact of reasonable changes in key assumptions on impairment on goodwill.

Sensitivity to reasonable changes (in millions of EUR)*	1.0% increase in discount rate	1.0% increase in targeted solvency ratio	5% decrease in annual net profit
ČSOB Stavební spořitelna	-12	-8	-10

*The impact of the changes is calculated ceteris paribus.

Note 5.6: Insurance – balance sheet

Note 5.6.1: Breakdown of (re)insurance contract assets and liabilities

(in millions of EUR)				2025				2024
	Total	PAA	BBA	VFA	Total	PAA	BBA	VFA
Life								
Reinsurance assets	28	28	–	–	20	20	–	–
Insurance contract liabilities	14 109	52	13 017	1 040	13 925	57	12 899	969
LRC (liability for remaining coverage)	13 898	2	12 884	1 013	13 718	2	12 769	948
Unit-linked	*868*	*0*	–	*868*	*823*	*0*	–	*823*
Non-unit-linked	*11 986*	*2*	*11 985*	–	*11 931*	*2*	*11 929*	–
Hybrid	*1 044*	*0*	*899*	*145*	*964*	*0*	*840*	*125*
Accepted reinsurance	*0*	*0*	–	–	*0*	*0*	–	–
LIC (liability for incurred claims)	211	51	133	27	207	55	130	22
Unit-linked	*23*	*0*	–	*23*	*19*	*0*	–	*19*
Non-unit-linked	*162*	*51*	*112*	–	*168*	*55*	*112*	–
Hybrid	*25*	*0*	*21*	*4*	*21*	*0*	*18*	*3*
Accepted reinsurance	*0*	*0*	–	–	*0*	*0*	–	–
Assets for acquisition cost	0	0	0	0	0	0	0	0
Non-life								
Reinsurance assets	81	81	–	–	98	98	–	–
Insurance contract liabilities	3 314	3 139	175	–	3 186	2 971	214	–
LRC (liability for remaining coverage)	764	606	158	–	744	547	196	–
Personal insurance	*180*	*22*	*158*	–	*211*	*14*	*196*	–
Motor Third-Party Liability (MTPL)	*162*	*162*	–	–	*156*	*156*	–	–
Liabilities other than MTPL	*31*	*31*	–	–	*25*	*25*	–	–
Casco	*136*	*136*	–	–	*118*	*118*	–	–
Property other than casco	*255*	*255*	–	–	*234*	*234*	–	–
Accepted reinsurance	*0*	*0*	–	–	*-1*	*-1*	–	–
LIC (liability for incurred claims)	2 551	2 533	17	–	2 442	2 424	18	–
Personal insurance	*668*	*651*	*17*	–	*656*	*638*	*18*	–
Motor Third-Party Liability (MTPL)	*986*	*986*	–	–	*935*	*935*	–	–
Liabilities other than MTPL	*451*	*451*	–	–	*401*	*401*	–	–
Casco	*80*	*80*	–	–	*66*	*66*	–	–
Property other than casco	*344*	*344*	–	–	*364*	*364*	–	–
Accepted reinsurance	*21*	*21*	*0*	–	*20*	*20*	*0*	–
Assets for acquisition cost	0	0	0	–	0	0	0	–

- Insurance contract liabilities relate to insurance contracts and investment contracts with a discretionary participation feature (DPF). Liabilities under investment contracts without DPF are measured at fair value. They concern unit-linked contracts (under IFRS 9), which are recognised under financial liabilities (see Note 4.1).
- LRC (except PAA) is calculated using various assumptions. Judgement is required when making these assumptions and they are based on various internal and external sources of information. These liabilities are generally calculated using assumptions that are current and regularly updated, reflecting the conditions existing at closing date. The key assumptions are:
  - Lapse and dormancy rates at both contract and premium level, as well as mortality and morbidity rates, based on standard mortality tables and adapted where necessary to reflect the group's own experience.
  - Operating expense assumptions which reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses which are considered directly attributable. Expenses are considered directly attributable if they are incurred as a consequence of performing insurance activities for in-force contracts;
  - Assumptions may vary depending on the type of insurance, the generation of contracts (mainly the time when the contract is entered into and the applicable terms and conditions) and the country, making it impossible to quantify these assumptions for the entire group.
- Assumptions for LIC are based on past claims experience relating to claim numbers, claim payments and claims handling costs, and adjusted to take account of such factors as anticipated market experience, claims inflation and external factors such as court awards, legislation and discounting.

- For contracts providing multiple services, i.e. insurance coverage, investment return services and investment management services, 'multivariate coverage units' are used, taking into consideration that (a) coverage units are determined based on the individual benefit components separately and (b) weights are assigned to each component to reflect an appropriate level of service to be provided. Such weightings appropriately reflect the release of CSM based on the quantity of the benefits provided for each service. Analogous to coverage units, these weights are also reassessed at the end of each reporting period.
- Coverage units have a positive value and are floored to zero. In case of zero coverage units in a given period, no CSM is allocated to P&L as no services have been provided in the period. This is possible, for instance, where contracts provide for 'waiting periods'. In such cases, the contract has been signed by the policyholder but there is a mandatory waiting period for the client to be able to benefit from insurance coverage.
- Defining IFRS 17 portfolios is a local decision, made by each insurance entity of KBC Group. It is country-specific, driven by the local product mix and the way in which the insurance business is managed locally. The table presents a high-level breakdown by product.
- Within hybrid products, the policyholder can switch within the same contract, containing the coverage of significant insurance risk, from the unit-linked to the non-unit-linked component and vice versa.
- Non-life LRC BBA (158 million euros in 2025, 196 million euros in 2024) represents the LRC health insurance (as part of personal insurance) as they are mostly long-term contracts and are therefore measured according to the BBA. Non-life LIC PAA for personal insurance (651 million euros in 2025, 638 million euros in 2024) represents the incurred claims under personal insurance with regard to 'workmen's compensation' insurance, which are typically settled over a long period.
- Most reinsurance programmes protect against the impact of exceptionally large loss events or accumulation of losses. Therefore, the reinsurance result is not in the same order of magnitude as the direct insurance result, which means the movements in reinsurance assets are limited.
- Current account transactions with intermediaries and reinsurers are not included in the measurement of insurance liabilities but treated as a separate asset measured under IFRS 9.
- The following yield curves are used to discount cashflows that do not vary based on the returns of underlying items and apply specifically for insurance contracts with risk cover (non-life, death cover, health insurance). As these bottom-up discount curves are not entity-specific but currency-dependent, two curves are included for each currency, one with Solvency II volatility adjustment and one without (the latter is used for VFA liabilities).

Yield curve used to discount cashflows not varying based on underlying items; bottom-up method (forward rates)

Currency	Illiquidity premium				Portfolio duration
		1 year	5 years	10 years	20 years
2025					
EUR	with volatility adjustment	2.48%	3.19%	3.78%	3.71%
	without volatility adjustment	2.33%	3.04%	3.63%	3.55%
CZK	with volatility adjustment	4.11%	4.37%	4.95%	5.16%
	without volatility adjustment	3.96%	4.22%	4.80%	5.00%
HUF	with volatility adjustment	5.74%	6.58%	7.76%	6.23%
	without volatility adjustment	5.66%	6.50%	7.67%	6.15%
BGN	with volatility adjustment	2.68%	3.17%	3.84%	4.03%
	without volatility adjustment	2.61%	3.10%	3.77%	3.96%
2024					
EUR	with volatility adjustment	1.91%	2.61%	2.84%	2.14%
	without volatility adjustment	1.67%	2.37%	2.60%	1.91%
CZK	with volatility adjustment	4.01%	3.93%	4.30%	4.20%
	without volatility adjustment	3.84%	3.76%	4.12%	4.03%
HUF	with volatility adjustment	6.92%	6.93%	7.39%	6.55%
	without volatility adjustment	6.84%	6.85%	7.30%	6.48%
BGN	with volatility adjustment	1.94%	2.58%	2.83%	2.19%
	without volatility adjustment	1.78%	2.42%	2.67%	2.03%

Note 5.6.2: Movements in Life insurance contract liabilities

(in millions of EUR)	Liabilities for remaining coverage		Liabilities for incurred claims			Total
	Excl. loss component	Loss component	Contracts not measured under PAA	Contracts measured under PAA		
				Present value of future cashflows	Risk adjustment	
2025						
Opening balance	**13 686**	**32**	**152**	**52**	**4**	**13 925**
Insurance service result	-455	17	207	16	-1	-216
Insurance revenues	-492	–	–	–	–	-492
BBA + VFA by transition method	*-460*	–	–	–	–	*-460*
Modified retrospective approach	*-10*	–	–	–	–	*-10*
Fair value approach	*-261*	–	–	–	–	*-261*
Other	*-189*	–	–	–	–	*-189*
PAA	*-33*	–	–	–	–	*-33*
Insurance service expenses	38	17	207	16	-1	276
Incurred claims (excl. repayments of investment components)	–	*-3*	*149*	*12*	*1*	*159*
Incurred costs other than claims	*0*	*-3*	*98*	*4*	*0*	*98*
Amortised acquisition expenses	*38*	–	–	–	–	*38*
Changes in fulfilment cashflows that relate to future service – loss on and reversal of loss on onerous contracts	–	*23*	–	–	–	*23*
Changes in fulfilment cashflows that relate to past service	–	–	*-40*	*0*	*-2*	*-42*
Investment components	-1 238	–	1 238	–	–	0
Investment result	-11	0	–	–	–	-11
Net result from financial instruments at fair value through profit or loss	*-11*	*0*	–	–	–	*-11*
Insurance finance income and expense	-175	0	0	0	0	-175
In P&L	*282*	*1*	*1*	*1*	*0*	*285*
In OCI	*-457*	*-1*	*-1*	*-1*	*0*	*-460*
Total changes in comprehensive income	-1 878	17	1 445	15	-1	-402
Total cashflows	1 991	–	-1 439	-20	–	532
Premiums received	*2 138*	–	–	–	–	*2 138*
Claims paid	–	–	*-1 341*	*-16*	–	*-1 357*
Costs other than claims paid	–	–	*-98*	*-4*	–	*-102*
Acquisition costs paid	*-148*	–	–	–	–	*-148*
Other	52	0	3	0	0	54
Closing balance	**13 850**	**49**	**160**	**48**	**3**	**14 109**
2024						
Opening balance	**13 667**	**7**	**134**	**50**	**3**	**13 862**
Insurance service result	-435	24	225	19	0	-168
Insurance revenues	-463	–	–	–	–	-463
BBA + VFA by transition method	*-432*	–	–	–	–	*-432*
Modified retrospective approach	*-9*	–	–	–	–	*-9*
Fair value approach	*-280*	–	–	–	–	*-280*
Other	*-143*	–	–	–	–	*-143*
PAA	*-31*	–	–	–	–	*-31*
Insurance service expenses	28	24	225	19	0	296
Incurred claims (excl. repayments of investment components)	–	*-2*	*156*	*14*	*1*	*169*
Incurred costs other than claims	*0*	*-2*	*99*	*3*	*0*	*100*
Amortised acquisition expenses	*28*	–	–	–	–	*28*
Changes in fulfilment cashflows that relate to future service – loss on and reversal of loss on onerous contracts	–	*28*	–	–	–	*28*
Changes in fulfilment cashflows that relate to past service	–	–	*-29*	*1*	*-1*	*-29*
Investment components	-2 591	–	2 591	–	–	0
Investment result	6	0	–	–	–	6
Net result from financial instruments at fair value through profit or loss	*6*	*0*	–	–	–	*6*
Insurance finance income and expense	490	1	2	2	0	495
In P&L	*292*	*1*	*2*	*1*	*0*	*296*
In OCI	*198*	*0*	*0*	*1*	*0*	*199*
Total changes in comprehensive income	-2 529	25	2 818	20	0	334
Total cashflows	2 585	–	-2 798	-19	–	-232
Premiums received	*2 712*	–	–	–	–	*2 712*
Claims paid	–	–	*-2 699*	*-16*	–	*-2 715*
Costs other than claims paid	–	–	*-99*	*-3*	–	*-102*
Acquisition costs paid	*-127*	–	–	–	–	*-127*
Other	-37	0	-2	0	0	-39
Closing balance	**13 686**	**32**	**152**	**52**	**4**	**13 925**

- In the transition from IFRS 4 to IFRS 17 on 1 January 2022, KBC applied the Full Retrospective Approach (FRA) for recent years. Applying the FRA for non-recent years was impracticable due to either a lack of historical data (data and hypotheses) or high costs associated with making information from the past available for FRA transition calculations. Where the FRA was impracticable, the Fair Value Approach (FVA) was predominantly used to determine the CSM on the transition date. The Modified Retrospective Approach (MRA) was rarely applied as this transition approach was overly complex and the costs did not outweigh the benefits. KBC calculated a fair value according to IFRS 13 based on the IFRS 17 cashflows and subsequently adjusted a few assumptions or parameters. The adjustments related to the inclusion in the IFRS 13 fair value of total expenses, i.e. including non-directly attributable expenses, and to the inclusion of a risk premium that covers not only non-financial risk, but also system and integration expenses and capital funding costs. All past years were combined into a single cohort for the FVA transition calculations. The FVA CSM ensued from cost and risk margin differences under IFRS 17 and IFRS 13 measurement approaches. Due to the application of the FVA on the transition date in accordance with the transition exemptions provided in IFRS 17, the OCI amount was set at nil. The locked-in rate for FVA business is the interest rate as determined at 31 December 2021, being the date of first-time application.
- Movement in insurance liabilities in 2025:
  - Due to the increase in market interest rates during 2025, a gain in OCI of 460 million euros before tax is recognised as KBC made the accounting policy choice for all portfolios within the group to split insurance finance income and expense between P&L and OCI.
- Movement in insurance liabilities in 2024:
  - Due to the decrease in market interest rates during 2024, an expense in OCI of 199 million euros before tax is recognised.
  - The movement in the investment component of 2 591 million euros from LRC to LIC indicates the amounts of contracts coming at maturity or lapsed and includes 866 million euros resulting from the surrender in 2024 of individual pension agreements from the 'Risk and Savings' portfolio in order to migrate them to the 'Hybrid products' portfolio as the policyholders of the relevant contracts were given the opportunity to invest in unit-linked products.
- On transitioning to IFRS 17, KBC applied mainly the fair value approach. Therefore, the amortised acquisition costs are low as they are not estimated under the fair value approach (i.e. the prospective approach).
- The Life insurance contracts are typically long-term contracts and are therefore measured according to the BBA or VFA. The latter is only applied within Central and Eastern European entities for unit-linked contracts or hybrid products as these sold contracts mandatorily contain insurance risk cover.
- Some insurance contracts may specify amounts that are payable when no insured event occurs, and are repayable under all circumstances and as such include an investment component. For defining the investment component, an investigation based on the contract's characteristics needs to be conducted. Within KBC, only investment components are identified within Life insurance, such as life-long death cover. When an insurance contract allows surrender, the gross surrender value is considered an investment component. Any associated surrender fees resulting from surrender are considered insurance components.
- No asset for insurance acquisition cashflows is currently recognised.

Note 5.6.3: Movements in Non-life insurance contract liabilities

(in millions of EUR)	Liabilities for remaining coverage		Liabilities for incurred claims			Total
	Excl. loss component	Loss component	Contracts not measured under PAA	Contracts measured under PAA		
				Present value of future cashflows	Risk adjustment	
2025						
Opening balance	**740**	**4**	**18**	**2 168**	**256**	**3 186**
Insurance service result	-2 125	0	30	1 605	17	-474
Insurance revenues	-2 709	–	–	–	–	-2 709
BBA by transition method	*-49*	–	–	–	–	*-49*
Modified retrospective approach	*0*	–	–	–	–	*0*
Fair value approach	*-35*	–	–	–	–	*-35*
Other	*-14*	–	–	–	–	*-14*
PAA	*-2 660*	–	–	–	–	*-2 660*
Insurance service expenses	584	0	30	1 605	17	2 235
Incurred claims (excl. repayments of investment components)	–	*-4*	*29*	*1 301*	*77*	*1 403*
Incurred costs other than claims	*0*	*0*	*3*	*244*	*0*	*248*
Amortised acquisition expenses	*583*	–	–	–	–	*583*
Changes in fulfilment cashflows that relate to future service – loss on and reversal of loss on onerous contracts	–	*4*	–	–	–	*4*
Changes in fulfilment cashflows that relate to past service	–	–	*-2*	*60*	*-60*	*-2*
Investment components	0	–	0	–	–	0
Insurance finance income and expense	-36	0	0	-23	0	-59
In P&L	*1*	*0*	*0*	*41*	*5*	*48*
In OCI	*-37*	*0*	*0*	*-65*	*-5*	*-107*
Total changes in comprehensive income	-2 161	0	30	1 582	17	-533
Total cashflows	2 167	–	-31	-1 509	–	627
Premiums received	*2 762*	–	–	–	–	*2 762*
Claims paid	–	–	*-28*	*-1 266*	–	*-1 294*
Costs other than claims paid	–	–	*-3*	*-243*	–	*-246*
Acquisition costs paid	*-594*	–	–	–	–	*-594*
Other	14	0	0	18	2	34
Closing balance	**760**	**4**	**17**	**2 259**	**275**	**3 314**
2024						
Opening balance	**700**	**1**	**16**	**1 964**	**240**	**2 922**
Insurance service result	-1 952	3	31	1 606	10	-303
Insurance revenues	-2 482	–	–	–	–	-2 482
BBA by transition method	*-39*	–	–	–	–	*-39*
Modified retrospective approach	*0*	–	–	–	–	*0*
Fair value approach	*-29*	–	–	–	–	*-29*
Other	*-11*	–	–	–	–	*-11*
PAA	*-2 443*	–	–	–	–	*-2 443*
Insurance service expenses	530	3	31	1 606	10	2 179
Incurred claims (excl. repayments of investment components)	–	*-1*	*28*	*1 251*	*65*	*1 343*
Incurred costs other than claims	*0*	*0*	*3*	*232*	*0*	*236*
Amortised acquisition expenses	*529*	–	–	–	–	*529*
Changes in fulfilment cashflows that relate to future service – loss on and reversal of loss on onerous contracts	–	*4*	–	–	–	*4*
Changes in fulfilment cashflows that relate to past service	–	–	*0*	*122*	*-55*	*66*
Investment components	0	–	0	–	–	0
Insurance finance income and expense	7	0	0	58	7	72
In P&L	*1*	*0*	*0*	*39*	*5*	*45*
In OCI	*6*	*0*	*0*	*18*	*2*	*26*
Total changes in comprehensive income	-1 945	3	31	1 664	17	-231
Total cashflows	1 991	–	-29	-1 453	–	509
Premiums received	*2 532*	–	–	–	–	*2 532*
Claims paid	–	–	*-26*	*-1 222*	–	*-1 248*
Costs other than claims paid	–	–	*-3*	*-231*	–	*-234*
Acquisition costs paid	*-540*	–	–	–	–	*-540*
Other	-6	0	0	-6	-1	-14
Closing balance	**740**	**4**	**18**	**2 168**	**256**	**3 186**

- In Non-life, KBC applies mostly the PAA, as the coverage period is 1 year or less.
- The cost of outstanding claims is based on the past claims development experience to project future claims development. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs) and claim numbers based on the observed claim development of earlier years and expected loss ratio. Historical claims are mainly analysed per accident year. Large claims are separately addressed.
- Estimates of salvage recoveries and subrogation reimbursement are considered in the measurement of the ultimate claim costs.
- No asset for insurance acquisition cashflows is currently recognised.

Note 5.6.4: Movements in Life insurance contract liability components (BBA, VFA)

(in millions of EUR)	Present value of future cashflows (incl. LIC)	Risk adjustment (incl. LIC)	Contractual service margin			Total insurance contract liabilities
			Insurance contracts that existed at the transition date, modified retrospective approach	Insurance contracts that existed at the transition date, fair value approach	Other insurance contracts	
2025						
Opening balance	**11 529**	**195**	**43**	**1 268**	**832**	**13 868**
Insurance service result	-281	5	-3	-126	203	-202
Changes that relate to future service	-227	20	2	-28	257	23
New business	*-222*	*32*	*–*	*–*	*213*	*23*
Changes in estimates reflected in the CSM	*-4*	*-14*	*2*	*-28*	*44*	*0*
Changes in estimates that result in onerous contract losses and reversals	*-2*	*2*	*–*	*–*	*–*	*0*
Changes that relate to current service	-17	-12	-5	-98	-54	-185
CSM recognised in P&L	*–*	*–*	*-5*	*-98*	*-54*	*-156*
Changes in the risk adjustment (expected)	*–*	*-12*	*–*	*–*	*–*	*-12*
Experience adjustments	*-17*	*–*	*–*	*–*	*–*	*-17*
Changes to liabilities for incurred claims related to past service	-38	-3	–	–	–	-40
Investment result	-11	–	–	–	–	-11
Net result from financial instruments at fair value through profit or loss	*-11*	*–*	*–*	*–*	*–*	*-11*
Insurance finance income and expense	-192	-8	0	11	16	-173
In P&L	*254*	*3*	*0*	*11*	*16*	*284*
In OCI	*-446*	*-12*	*–*	*–*	*–*	*-458*
Total changes in comprehensive income	-485	-3	-2	-116	219	-387
Total cashflows	523	–	–	–	–	523
Premiums received	*2 106*	*–*	*–*	*–*	*–*	*2 106*
Claims paid	*-1 341*	*–*	*–*	*–*	*–*	*-1 341*
Costs other than claims paid	*-98*	*–*	*–*	*–*	*–*	*-98*
Acquisition costs paid	*-144*	*–*	*–*	*–*	*–*	*-144*
Other changes	35	1	2	9	6	53
Closing balance	**11 602**	**193**	**43**	**1 161**	**1 056**	**14 057**
2024						
Opening balance	**11 538**	**152**	**47**	**1 387**	**683**	**13 807**
Insurance service result	-212	41	-2	-125	138	-159
Changes that relate to future service	-201	53	4	-11	182	28
New business	*-245*	*29*	*–*	*–*	*230*	*14*
Changes in estimates reflected in the CSM	*32*	*23*	*4*	*-11*	*-48*	*0*
Changes in estimates that result in onerous contract losses and reversals	*13*	*1*	*–*	*–*	*–*	*14*
Changes that relate to current service	16	-9	-5	-114	-44	-157
CSM recognised in P&L	*0*	*-*	*-5*	*-114*	*-44*	*-163*
Changes in the risk adjustment (expected)	*0*	*-9*	*–*	*–*	*–*	*-9*
Experience adjustments	*16*	*-*	*–*	*–*	*–*	*16*
Changes to liabilities for incurred claims related to past service	-27	-3	–	–	–	-29
Investment result	6	-	–	–	–	6
Net result from financial instruments at fair value through profit or loss	*6*	*-*	*–*	*–*	*–*	*6*
Insurance finance income and expense	466	4	1	10	13	493
In P&L	*269*	*3*	*1*	*10*	*13*	*295*
In OCI	*197*	*1*	*-*	*-*	*-*	*198*
Total changes in comprehensive income	260	44	-1	-115	151	341
Total cashflows	-241	–	–	–	–	-241
Premiums received	*2 681*	*–*	*–*	*–*	*–*	*2 681*
Claims paid	*-2 699*	*–*	*–*	*–*	*–*	*-2 699*
Costs other than claims paid	*-99*	*–*	*–*	*–*	*–*	*-99*
Acquisition costs paid	*-124*	*–*	*–*	*–*	*–*	*-124*
Other changes	-28	-1	-3	-4	-3	-39
Closing balance	**11 529**	**195**	**43**	**1 268**	**832**	**13 868**

- The amount recognised in P&L as release of the CSM is determined by:
  - Identifying the coverage units in the group. The number of coverage units in a group is the quantity of service provided by the insurer under the contracts in that Group of Contracts (GoC), determined by considering for each contract the quantity of the benefits provided to the policyholder under a contract and its expected coverage period.
  - Allocating the CSM at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future, and recognising in P&L the amount allocated to coverage units allocated to the current period.
- Main movements in 2025: the positive cashflow of 523 million euros is primarily attributable to the increase in the insurance investment portfolio, supported in part by higher interest rates.
- Main movements in 2024: the 43-million-euro increase in the risk adjustment in 2024 is mostly related to a model change to take into account the risk that clients stop paying premiums for long-term life insurance contracts. The movement of the contractual service margin in 2024, under 'New business', includes a 96-million-euro increase related to the migration of individual pension agreements from the 'Risk and Savings' portfolio to the 'Hybrid products' portfolio (see also Note 5.6.2).

Note 5.6.5: Movements in Non-life insurance contract liability components (BBA)

(in millions of EUR)	Present value of future cashflows (incl. LIC)	Risk adjustment (incl. LIC)	Contractual service margin		Total insurance contract liabilities
			Insurance contracts that existed at the transition date, fair value approach	Other insurance contracts	
2025					
Opening balance	**-40**	**122**	**31**	**101**	**214**
Insurance service result	-35	-47	69	-4	-18
Changes that relate to future service	-33	-45	75	3	0
New business	*-22*	*8*	–	*14*	*0*
Changes in estimates reflected in the CSM	*-11*	*-52*	*75*	*-12*	*0*
Changes in estimates that result in onerous contract losses and reversals	*0*	*0*	–	–	*0*
Changes that relate to current service	-2	-2	-6	-7	-16
CSM recognised in P&L	–	–	*-6*	*-7*	*-13*
Changes in the risk adjustment (expected)	–	*-2*	–	–	*-2*
Experience adjustments	*-2*	–	–	–	*-2*
Changes to liabilities for incurred claims related to past service	-1	-1	–	–	-2
Insurance finance income and expense	-33	0	0	2	-31
In P&L	*-2*	*1*	*0*	*2*	*1*
In OCI	*-31*	*-1*	–	–	*-33*
Total changes in comprehensive income	-68	-48	69	-3	-49
Total cashflows	10	–	–	–	10
Premiums received	*50*	–	–	–	*50*
Claims paid	*-28*	–	–	–	*-28*
Costs other than claims paid	*-3*	–	–	–	*-3*
Acquisition costs paid	*-8*	–	–	–	*-8*
Other changes	0	0	0	0	0
Closing balance	**-98**	**74**	**100**	**99**	**175**
2024					
Opening balance	**8**	**71**	**52**	**74**	**206**
Insurance service result	-72	60	-21	26	-7
Changes that relate to future service	-74	62	-19	31	0
New business	*-21*	*3*	–	*18*	*0*
Changes in estimates reflected in the CSM	*-52*	*58*	*-19*	*13*	*0*
Changes in estimates that result in onerous contract losses and reversals	*0*	*0*	–	–	*0*
Changes that relate to current service	1	-1	-2	-5	-7
CSM recognised in P&L	–	–	*-2*	*-5*	*-7*
Changes in the risk adjustment (expected)	–	*-1*	–	–	*-1*
Experience adjustments	*1*	–	–	–	*1*
Changes to liabilities for incurred claims related to past service	0	0	–	–	0
Insurance finance income and expense	15	-9	0	1	7
In P&L	*-1*	*1*	*0*	*1*	*1*
In OCI	*16*	*-10*	–	–	*6*
Total changes in comprehensive income	-57	51	-21	27	-1
Total cashflows	9	–	–	–	9
Premiums received	*46*	–	–	–	*46*
Claims paid	*-26*	–	–	–	*-26*
Costs other than claims paid	*-3*	–	–	–	*-3*
Acquisition costs paid	*-8*	–	–	–	*-8*
Other changes	0	0	0	0	0
Closing balance	**-40**	**122**	**31**	**101**	**214**

- In Non-life, the BBA is applied to 'individual health insurance'.
- The 33-million-euro financial gain in OCI is attributable to the increase in the yield curve. The 6-million-euro increase in 2024 is attributable to a slight decline in the yield curve. A typical feature of the hospitalisation portfolio is that interest rate movements have a greater impact on the cash outflows than on the cash inflows. Hospitalisation premiums are levelled (constant 'cash in' during the lifetime of the contract) and claims increase as the insured person ages ('cash out' more towards the end of the contract).
- The 63-million-euro increase in the CSM for changes in estimates reflected in the CSM in 2025 is attributable to an update of the model parameters. The same parameter changes led to a 52-million-euro decrease in the risk adjustment. The 52-million-euro drop in 2024 is due to a model update in which expected higher claims result in higher premiums. A higher premium volume generates more future profit and, as a result, lower fulfilment cashflows. The 58-million-euro increase in changes in estimates reflected in the CSM in the risk adjustment in 2024 was accounted for by a model change involving a more conservative estimate of the uncertainty of claim costs related to hospitalisation.

Note 5.6.6: New business (BBA/VFA)

(in millions of EUR)	(Re)insurance contracts issued		(Re)insurance contracts acquired		Total
	Not onerous	Onerous	Not onerous	Onerous	
2025					
Estimates of present value of cash outflows	1 330	844	0	0	2 174
Expected claims	*1 102*	*799*	*0*	*0*	*1 901*
Expected other insurance service expenses	*90*	*27*	*0*	*0*	*117*
Insurance acquisition cashflows	*138*	*18*	*0*	*0*	*156*
Estimates of present value of cash inflows	-1 586	-832	0	0	-2 418
Risk adjustment for non-financial risk	28	11	0	0	39
Contractual service margin	228	–	0	–	228
Increase in insurance contract liabilities: loss component	–	24	–	0	24
2024					
Estimates of present value of cash outflows	2 942	625	0	0	3 567
Expected claims	*2 645*	*593*	*0*	*0*	*3 238*
Expected other insurance service expenses	*151*	*19*	*0*	*0*	*170*
Insurance acquisition cashflows	*145*	*13*	*0*	*0*	*159*
Estimates of present value of cash inflows	-3 218	-614	0	0	-3 833
Risk adjustment for non-financial risk	29	3	0	0	32
Contractual service margin	248	–	0	–	248
Increase in insurance contract liabilities: loss component	–	14	–	0	14

- The investment insurance policies sold in 2025, before taking into account the investment margin realised, form the basis of the loss component of 24 million euros. This loss is largely due to commercial campaigns and the focus on investment insurance sales realised with a market-driven competitive guaranteed interest rate.
- 'Estimates of present value of cash outflows' in 2024 includes 1 446 million euros resulting from the surrender in 2024 of individual pension agreements from the 'Risk and Savings' portfolio in order to migrate them to the 'Hybrid products' portfolio as the policyholders of the relevant contracts were given the opportunity to invest in unit-linked products. The net impact of this migration on the CSM is a 96-million-euro increase (see also Note 5.6.2).
- The sale of business with a loss component in 2024 was largely attributable to commercial campaigns in response to the Belgian state note maturing in September 2024. This new business was created with a market-driven competitive guaranteed interest rate.

Note 5.6.7: Future CSM recognition in profit and loss on insurance contracts (at the end of the reporting period) (BBA/VFA)

	CSM recognition in P&L in the … following reporting year						
(in millions of EUR)	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**	**6-10th year**	**+10th year**
2025							
Life	160	151	145	138	132	580	1 142
Non-life	12	12	11	11	10	44	84
2024							
Life	153	145	138	132	126	548	1 023
Non-life	7	7	7	6	6	27	57

- The table shows the future undiscounted CSM recognition for the next 25 years.

Note 5.6.8: Fair value of assets backing insurance and investment contracts

(in millions of EUR)	**Life**	***Of which Life direct participation (VFA)***	**Non-life**	**Non-technical**	**Total**
2025					
Total (underlying) assets	32 318	*1 039*	4 767	1 799	38 883
At amortised cost	1 731	*0*	3 238	828	5 797
At FVOCI	12 459	*16*	1 510	637	14 606
Debt securities	*11 331*	*16*	*1 244*	*369*	*12 944*
Equity instruments	*1 128*	*0*	*266*	*268*	*1 662*
At FVPL (excl. derivatives)	18 118	*1 024*	0	10	18 128
Instruments backing unit-linked contracts	*18 005*	*1 024*	–	–	*18 005*
Other	*113*	*0*	*0*	*10*	*123*
At FVO	0	*0*	0	0	0
Property and equipment and investment property	9	*0*	19	324	352
2024					
Total (underlying) assets	30 414	*967*	4 204	1 845	36 463
At amortised cost	1 886	*0*	2 887	1 047	5 819
At FVOCI	11 753	*15*	1 221	593	13 568
Debt securities	*10 698*	*15*	*993*	*373*	*12 064*
Equity instruments	*1 055*	*0*	*228*	*220*	*1 504*
At FVPL (excl. derivatives)	16 666	*951*	0	8	16 673
Instruments backing unit-linked contracts	*16 602*	*951*	–	–	*16 602*
Other	*64*	*0*	*0*	*8*	*71*
At FVO	0	*0*	0	0	0
Property and equipment and investment property	109	*0*	97	198	403

- The table also includes the assets backing the liabilities under investment contracts (IFRS 9).
- Non-technical: see Note 3.6.1.

Note 5.6.9: Changes in accumulated OCI for FVOCI assets related to insurance contracts for which the fair value transition approach is used

(in millions of EUR)	2025	2024
OCI that may be recycled to P&L	-34	-26
Net change in revaluation reserve (FVOCI debt instruments)	-34	-26
Fair value adjustments before tax	-46	-33
Deferred tax on fair value changes	11	9
Transfer from reserve to net result	0	-1
Impairment	*0*	*-2*
Net gains/losses on disposal	*0*	*0*
Deferred taxes	*0*	*0*
OCI that will not be recycled to P&L	23	101
Net change in revaluation reserve (FVOCI equity instruments)	23	101
Fair value adjustments before tax	23	101
Deferred tax on fair value changes	0	0

- IFRS 17 allows simplifications to set the accumulated OCI for the insurance liabilities at nil at the transition date at 1 January 2022, while maintaining the accumulated OCI for the covering financial assets. This disclosure gives insight into the mismatch between covering financial assets and insurance liabilities as it distorts classification within equity at transition date and subsequently the years thereafter until the portfolio subject to the transition approach reaches maturity.
- See also 'Consolidated statement of comprehensive income'.

Note 5.7: Provisions for risks and charges

Note 5.7.1: Overview

(in millions of EUR)	31-12-2025	31-12-2024
Total provisions for risks and charges	138	141
Provisions for off-balance-sheet commitments and financial guarantees	68	73
Provisions for other risks and charges	70	69
Provisions for restructuring	*17*	*22*
Provisions for taxes and pending legal disputes	*32*	*31*
Other	*21*	*17*

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
31-12-2025				
Provisions on 1 January	22	15	36	73
Movements with an impact on results				
Transfer of financial assets				
Stage 1 (12-month ECL)	*-1*	*3*	*2*	*4*
Stage 2 (lifetime ECL)	*1*	*-5*	*4*	*-1*
Stage 3 'non-performing' (lifetime ECL)	*0*	*0*	*-4*	*-4*
New financial assets	23	2	0	25
Changes in risk parameters during the reporting period	-13	-3	-11	-27
Changes in the model or methodology	0	0	0	0
Derecognised financial assets	-1	0	-1	-3
Other	0	0	-1	-1
Movements without an impact on results				
Derecognised financial assets	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
Other	0	0	1	1
Provisions on 31 December	31	12	25	68
31-12-2024				
Provisions on 1 January	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	-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	-1	0	-1
Other	2	0	1	3
Provisions on 31 December	22	15	36	73

- Also see Note 6.1.

Note 5.7.3: Details of provisions for other risks and charges

(in millions of EUR)	Provisions for restructuring	Provisions for taxes and pending legal disputes	Other	Total
2025				
Opening balance	22	31	17	69
Movements with an impact on results				
Amounts allocated	*8*	*7*	*8*	*23*
Amounts used	*-7*	*-3*	*-3*	*-13*
Unused amounts reversed	*-3*	*-3*	*-1*	*-7*
Transfers out of/into liabilities associated with disposal groups	0	0	0	0
Changes in the scope of consolidation	0	0	1	0
Other	-2	0	1	-2
Closing balance	17	32	21	70
2024				
Opening balance	37	37	18	92
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	17	69

- 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 group 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 (excluding the prejudgment interest, and costs and expenses). 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 is ongoing. The initial end date for this investigation (22 September 2025) was postponed to 30 June 2026. 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)	31-12-2025	31-12-2024
Total	2 585	2 678
Retirement benefit obligations or other employee benefits	61	41
Accrued charges and deferred income	484	437
Salaries and social security charges	553	540
Lease liabilities	4	5
Other	1 482	1 656

- The 'Other' category comprises, amongst others, short-term payables of non-banking entities, payments in transit, insurance-related payables outside the IFRS 17 contract boundaries and VAT and other non-income tax payables.
- 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)	31-12-2025	31-12-2024
DEFINED BENEFIT PLANS		
Reconciliation of defined benefit obligations		
Defined benefit obligations at the beginning of the period	2 684	2 724
Current service cost	104	105
Interest cost	86	89
Actuarial gain or loss resulting from changes in demographic assumptions	13	0
Actuarial gain or loss resulting from changes in financial assumptions	-152	-76
Experience adjustments	1	29
Past-service cost	0	0
Benefits paid	-150	-190
Other	-9	3
Defined benefit obligations at the end of the period	2 579	2 684
Reconciliation of the fair value of plan assets		
Fair value of plan assets at the beginning of the period	3 070	2 936
Actual return on plan assets	-18	198
Expected interest income on plan assets, calculated based on market yields on high quality corporate bonds	*99*	*96*
Employer contributions	87	97
Plan participant contributions	20	20
Benefits paid	-150	-190
Other	-4	9
Fair value of plan assets at the end of the period	3 005	3 070
of which financial instruments issued by the group	*0*	*0*
of which property occupied by KBC	*2*	*2*
Funded status		
Plan assets in excess of defined benefit obligations	426	386
Reimbursement rights	0	0
Asset ceiling limit	-166	-131
Unfunded accrued/prepaid pension cost	260	255
Movement in net liabilities or net assets		
Unfunded accrued/prepaid pension cost at the beginning of the period	255	142
Amounts recognised in the income statement	-76	-82
Amounts recognised in other comprehensive income	-8	92
Employer contributions	87	97
Other	2	6
Unfunded accrued/prepaid pension cost at the end of the period	260	255
Amounts recognised in the income statement	-76	-82
Current service cost	-104	-105
Interest cost	10	5
Plan participant contributions	20	20
Other	0	-2
Changes to the amounts recognised in other comprehensive income	-8	92
Actuarial gain or loss resulting from changes in demographic assumptions	-13	0
Actuarial gain or loss resulting from changes in financial assumptions	152	76
Actuarial result on plan assets	-117	102
Experience adjustments	-1	-29
Adjustments to asset ceiling limits	-32	-59
Other	4	1
DEFINED CONTRIBUTION PLANS		
Expenses for defined contribution plans	-14	-14

- 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 2025, 45% of employees were active participants in the defined benefit plan and 55% in the defined contribution plan (the corresponding figures at year-end 2024 were 48% and 52%).
- 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 92% at year-end 2025 (89% at year-end 2024). The aim is for the KBC Pension Fund investment portfolio to be carbon-neutral by 2050. At the end of December 2025, the greenhouse gas intensity of the shares held in portfolio was roughly 53% of the MSCI World AC benchmark, for the corporate bonds held in portfolio it was roughly 58% of the Iboxx Euro Corporates benchmark and for the government bonds held in portfolio it was roughly 115% of the JPM EMU Government Bond benchmark, a decrease from 2019 of 55%, 25% and 35%, 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 2025 was 108 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)	2025	2024	2023	2022	2021
Changes in main headings in the main table					
Defined benefit obligations	2 579	2 684	2 724	2 580	3 335
Fair value of plan assets	3 005	3 070	2 936	2 746	3 244
Unfunded accrued/prepaid pension cost	260	255	142	153	-128
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*	-138	-77	149	-825	-35

* Arising from defined benefit plans. A plus sign indicates an increase in the (absolute value of) the obligation, a minus sign a decrease.

Additional information on retirement benefit obligations: DEFINED BENEFIT PLANS, KBC pension fund

Composition	31-12-2025	31-12-2024
Equity instruments (including equity funds)	29%	33%
Bonds (including bond funds)	58%	53%
Real estate (including real estate funds)	13%	13%
Cash	0%	0%
of which illiquid assets	*17%*	*17%*
Contributions expected in 2026 (in millions of EUR)	32	
Regulatory framework (2025 and 2024)	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 (2025 and 2024)	Investment risk and inflation risk.	
ALM (2025 and 2024)	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 (2025 and 2024)	A new version of the employer-funded defined contribution plan was introduced on 1 January 2019. All employees who had been signed up to the defined benefit plan were given the one-time option of switching to this new plan. New employees are signed up to the employer-funded defined contribution plan.	
Curtailments and settlements (2025 and 2024)	Not applicable.	
Discounting method (2025 and 2024)	Based on quotes for various time buckets of AA-rated corporate bonds. The derived bond yields are converted into a zero coupon curve.	
Key actuarial assumptions	2025	2024
• Average discount rate	3.39%	3.10%
• Expected rate of salary increase	2.45%	2.47%
• Expected inflation rate	2.12%	2.16%
• Expected rate of increase in pensions	–	-
• Weighted average duration of the obligations	9 years	10 years
Impact of changes in the assumptions used in the actuarial calculation of the retirement benefit obligations	31-12-2025	31-12-2024
Increase in the retirement benefit obligations consequent on:		
• a decrease of 1% in the discount rate	10.01%	10.98%
• an increase of 1% in the expected inflation rate	8.12%	8.69%
• an increase that is 1% higher than the expected real increase in salary	10.80%	11.54%
• an increase of one year in life expectancy	–	-
The impact of the following assumptions has not been calculated: (2025 and 2024)	Decreasing mortality rates. Pension benefits are paid out in capital, so longevity risk is immaterial. Staff turnover rates: the impact of the changes remains limited.	

Additional information on retirement benefit obligations: DEFINED CONTRIBUTION PLANS, KBC pension fund

Contributions expected in 2026 (in millions of EUR)	52	
Regulatory framework (2025 and 2024)	Pursuant to the Belgian Supplementary Pensions Act, the employer must guarantee a minimum return of 2.50% on employee and employer contributions.	
Risks for KBC (2025 and 2024)	Investment risk.	
Valuation (2025 and 2024)	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 offers two types of defined contribution plan: one that is financed through employee contributions and one through employer contributions. The valuation of retirement benefit obligations for the employer-funded defined contribution plan takes account of future contributions. However, it is not taken into account for the valuation of the employee-funded defined contribution plan, because the employer's obligation for that plan only relates to the guaranteed minimum interest rate.	
Discounting method (2025 and 2024)	Based on quotes for various time buckets of AA-rated corporate bonds. The derived bond yields are converted into a zero coupon curve.	
Key actuarial assumptions	2025	2024
• Average discount rate	3.78%	3.30%
• Weighted average duration of the obligations	14 years	15 years
Impact of changes in the assumptions used in the actuarial calculation of the retirement benefit obligations	31-12-2025	31-12-2024
Increase in the retirement benefit obligations consequent on:		
• a decrease of 1% in the discount rate	16.42%	17.99%

Note 5.10: Parent shareholders' equity and additional tier-1 instruments

Quantities	31-12-2025	31-12-2024
Ordinary shares	417 662 783	417 544 151
of which ordinary shares that entitle the holder to a dividend payment	*396 681 960*	*396 563 328*
of which treasury shares	*20 980 864*	*20 980 825*
Additional information		
Par value per share (in EUR)	3.51	3.51
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. The shares are listed on Euronext Brussels.
- Capital increases: the number of KBC Group NV shares went up by 118 632 in 2025 and by 238 275 in 2024, due to new shares being issued following the capital increases reserved for staff. For more information, see the 'Company annual accounts and additional information' section.
- Treasury shares:
  - On 10 August 2023, KBC Group NV announced a treasury share buyback programme with a view to dividing excess capital, for which it obtained the required permission from the ECB. An agent was mandated to repurchase KBC shares on the regulated market of NYSE Euronext Brussels on behalf of KBC Group NV until 31 July 2024, for a maximum of 1.3 billion euros. The shares were repurchased subject to the conditions stated in the authorisation granted by the General Meeting of 5 May 2022. Under this authorisation, the Board of Directors is authorised to repurchase a maximum of 10% of the treasury shares under specific conditions and at a price that may not be lower than 1 euro or higher than 110% of the last closing price on Euronext Brussels preceding the date of acquisition. Up to and including 31 July 2024, a total of 20 980 823 treasury shares were repurchased in several transactions for a total amount of 1 299 999 960 euros. The voting rights attached to these shares are suspended.
  - On 31 December 2025, KBC group companies also held 41 KBC shares in portfolio (2 in 2024).
- Additional tier-1 (AT1) instruments (these securities are classified as equity instruments under IAS 32 and the coupon is treated as a dividend): 2 500 million euros at year-end 2025, comprised of:
  - 750 million euros, issued in September 2023 (a perpetual AT1 instrument with a five-year first-call date, a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 8.00% per annum, which is payable every six months);
  - 750 million euros, issued in September 2024 (a perpetual AT1 instrument with a seven-year first-call date, a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 6.25% per annum, which is payable every six months);
  - 1 billion euros, issued in May 2025 (a perpetual AT1 instrument with a five-and-a-half-year first-call date, a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 6.0% per annum, which is payable every six months).

  The remaining amount of 364 million euros of the 1 billion euros issued in April 2018 (a perpetual AT1 instrument with a seven-and-a-half-year first-call date and a temporary write-down trigger should the common equity ratio fall below 5.125% and an initial coupon of 4.25% per annum, which is payable every six months) was called on 24 October 2025.

6.0 Other notes

Note 6.1: Off-balance-sheet commitments and financial guarantees given and received

(in millions of EUR)			31-12-2025			31-12-2024
	Nominal amount	Provision	Net exposure	Nominal amount	Provision	Net exposure
Undrawn portion of credit lines granted						
Stage 1	50 373	27	50 346	45 481	18	45 463
Stage 2	3 346	8	3 338	3 314	9	3 305
Stage 3	68	2	66	52	2	50
Total	53 787	36	53 751	48 848	30	48 818
of which irrevocable credit lines	*32 767*	*19*	*32 748*	*29 180*	*10*	*29 170*
Financial guarantees given						
Stage 1	11 064	3	11 061	10 245	3	10 242
Stage 2	923	4	920	992	5	987
Stage 3	84	21	62	113	32	80
Total	12 072	29	12 043	11 350	41	11 309
Other commitments given						
Total	1 225	3	1 222	1 101	2	1 099
Off-balance-sheet commitments and financial guarantees						
Total	67 083	68	67 016	61 299	73	61 226

- Fair value of financial guarantees: based on the available market value.
- The carrying value of financial assets pledged by KBC as collateral came to 43 246 million euros for liabilities and 1 849 million euros for contingent liabilities (40 924 million euros and 1 667 million euros, respectively, in 2024). At year-end 2025, some 22.7 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 (21.8 billion euros at year-end 2024).
- 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 5 million euros in 2025 (3 million euros in 2024).

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	
	31-12-2025	31-12-2024	31-12-2025	31-12-2024
Financial assets	49 438	32 091	12 283	12 279
Equity instruments	27	30	3	2
Debt securities	49 134	31 809	12 280	12 277
Loans and advances	277	252	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 87 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. In its 2023 decision (and confirmed in appeal in 2025), 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. The recognition of the cash collateral as a financial asset is nevertheless based on the fact that interest is received on the amount outstanding and the expectation that this amount will be claimed by the SRF in the foreseeable future if it is not deemed likely. The amount of 87 million euros is deducted in the calculation of the common equity capital.

Note 6.2: Leasing

(in millions of EUR)	31-12-2025	31-12-2024
Finance lease receivables		
Gross investment in finance leases, receivable	9 230	8 607
At not more than one year	*2 198*	*2 132*
At more than one but not more than five years	*5 398*	*5 001*
At more than five years	*1 634*	*1 475*
Unearned future finance income on finance leases	763	689
Net investment in finance leases	8 467	7 919
At not more than one year	*2 003*	*1 948*
At more than one but not more than five years	*4 947*	*4 596*
At more than five years	*1 517*	*1 375*
Of which unguaranteed residual values accruing to the benefit of the lessor	49	43
Accumulated impairment for uncollectable lease payments receivable	39	40
Contingent rents recognised in the income statement	110	107
Operating lease receivables		
Future aggregate minimum rentals receivable under non-cancellable operating leases	787	773
Contingent rents recognised in the income statement	0	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

Transactions with related parties, excluding key management (in millions of EUR)	Subsi-diaries	Associated companies	Joint ventures	Other	Total 2025	Subsi-diaries	Associated companies	Joint ventures	Other	Total 2024
Assets	133	156	6	298	593	125	202	9	0	337
Loans and advances	8	64	0	298	370	8	72	0	0	80
Equity instruments (including investments in associated companies and joint ventures)	123	93	5	0	221	117	130	9	0	256
Other	1	0	0	0	2	0	0	0	0	0
Liabilities	85	92	1	828	1 006	66	92	1	716	875
Deposits	82	45	1	824	952	63	40	1	713	817
Other financial liabilities	0	0	0	0	0	0	0	0	0	0
Other	3	47	0	4	54	3	52	0	3	58
Income statement	-42	-2	0	-28	-72	-38	2	0	-21	-56
Net interest income	-1	1	0	-26	-26	-1	2	0	-22	-21
Interest income	*1*	*3*	*0*	*0*	*4*	*0*	*3*	*0*	*0*	*4*
Interest expense	*-2*	*-3*	*0*	*-26*	*-30*	*-1*	*-2*	*0*	*-22*	*-25*
Insurance revenues before reinsurance	0	0	0	0	0	0	0	0	0	0
Insurance service expenses before reinsurance	0	0	0	0	0	0	0	0	0	0
Dividend income	4	1	0	0	5	4	3	0	4	11
Net fee and commission income	0	0	0	2	2	0	0	0	3	3
Fee and commission income	*1*	*0*	*0*	*2*	*3*	*0*	*0*	*0*	*3*	*3*
Fee and commission expense	*-1*	*0*	*0*	*0*	*-1*	*0*	*0*	*0*	*0*	*0*
Net other income	1	0	0	0	1	1	0	0	0	1
Total operating expenses excluding bank and insurance tax	-46	-3	0	-5	-54	-42	-3	0	-5	-50
Undrawn portion of loan commitments, financial guarantees and other commitments										
Given by the group	0	0	0	50	50	0	1	0	50	51
Received by the group	0	0	0	0	0	0	0	0	0	0

Transactions with key management (members of the Board of Directors and Executive Committee of KBC Group NV) (in millions of EUR)*	2025	2024
Total*	15	16
Breakdown by type of remuneration		
Short-term employee benefits	12	13
Post-employment benefits	3	3
Defined benefit plans	*0*	*0*
Defined contribution plans	*3*	*3*
Other long-term employee benefits	0	0
Termination benefits	0	0
Share-based payments	1	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	5	3

* Remuneration to key management 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’ heading in the first table includes transactions with unconsolidated subsidiaries (transactions with consolidated subsidiaries have already been eliminated from the consolidated financial statements).
- The ‘Other’ heading in the first table includes KBC Ancora, Cera and MRBB. As from 2025, this column also contains transactions with companies in which members of the Board of Directors also serve as directors.
- All related-party transactions occur at arm’s length.
- There were no significant impairment charges vis-à-vis related parties.
- Key management comprises the members of the Board of Directors and Executive Committee of KBC Group NV, and their close relatives. More detailed information on remuneration paid to key management staff is provided in the ‘Corporate Governance Statement’ section.
- Phantom stocks are also awarded to the Executive Committee as variable remuneration (see Note 3.7).
- In addition to the advances and loans granted to key management and partners included in the second table, as an integrated bank-insurer we also provide these parties with banking, insurance and investment products and services, as we do for all our other clients (not included in the table).

Note 6.4: Statutory auditor’s remuneration

Statutory auditor’s remuneration (in EUR)	2025	2024
Statutory auditor	KPMG	PWC
KBC Group NV and its subsidiaries		
Standard audit services	8 355 116	8 425 513
Other services		
Other certifications	856 786	1 116 295
Tax advice	0	0
Other non-audit assignments	0	5 279
KBC Group NV (alone)		
Standard audit services	302 350	218 335
Other services	592 882	403 751

- After nine years with PwC, KPMG was appointed as statutory auditor in 2025. KPMG’s remuneration in 2025 also included the limited assurance review of the Sustainability statement.

Note 6.5: Group structure

KBC Group: main subsidiaries included in the scope of consolidation at year-end 2025

Company	Registered office	Company number	Share of capital held at group level (in %)	Business unit*	Activity
KBC Bank (group)					
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
KBC Insurance (group)					
KBC Insurance NV	Leuven – BE	0403.552.563	100.00	BEL/GRP	insurance company
ADD NV	Heverlee – BE	0406.080.305	100.00	BEL	insurance broker
KBC Group Re SA	Luxembourg – LU	––	100.00	GRP	reinsurance company
ČSOB Pojišťovna a.s.	Pardubice – CZ	––	100.00	CZR	insurance company
ČSOB Poisťovňa a.s.	Bratislava – SK	––	100.00	IMA	insurance company
DZI (group)	Sofia – BG	––	100.00	IMA	insurance company
Groep VAB NV	Zwijndrecht – BE	0456.920.676	100.00	BEL	driving school/roadside assistance
K&H Biztosító Zrt.	Budapest – HU	––	100.00	IMA	insurance company
KBC group					
DISCAI NV	Brussels – BE	0773.435.537	100.00	GRP	software company
KBC Group NV	Brussels – BE	0403.227.515	100.00	GRP	bank-insurance holding company
KBC Bank (group)	Various locations	––	100.00	various	credit institution
KBC Global Services NV	Brussels – BE	0772.332.707	100.00	GRP	cost-sharing structure
KBC Insurance (group)	Various locations	––	100.00	various	insurance company

* BEL: Belgium Business Unit; CZR: Czech Republic Business Unit; IMA: International Markets Business Unit; GRP: Group Centre.

- The KBC group's legal structure has one single entity – KBC Group NV – in control of two underlying companies, viz. KBC Bank NV and KBC Insurance NV, as well as companies such as DISCAI NV and KBC Global Services NV. KBC Bank and KBC Insurance have several subsidiaries and sub-subsidiaries. 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 it 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. KBC does not have any significant restrictions on its ability to access or use the assets and settle the liabilities of the group, except for those resulting from the supervisory frameworks within which banking and insurance subsidiaries operate. The banking and insurance supervisory frameworks require, among other things, that these subsidiaries keep certain levels of regulatory capital.
    - The structured entity Loan Invest is the consolidated securitisation vehicle of KBC, whereby KBC has set up an autopilot mechanism and remains exposed to loan losses on the securitised loan portfolio and, therefore, recognises impairment losses on them when 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. 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 2025, the assets under management at these entities amounted to 3.5 billion euros.
    - Sponsored unconsolidated structured entities are defined as structured entities where KBC 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 or one of its subsidiaries. As a result, these entities are not consolidated.
    - In 2025, KBC had received income from unconsolidated structured entities in the form of management fees (6 million euros) and accounting fees (1 million euros).
    - At year-end 2025, KBC held 1.2 billion euros' worth of notes issued by the unconsolidated structured entities. Its liabilities towards the unconsolidated structured entities amounted to 0.2 billion euros and comprised mainly time deposits (0.1 billion euros).
    - Any potential decrease in the value of the notes is passed on to the end-client, which means it will have no impact on KBC.
- At year-end 2025, no group companies were active in the extractive industry. As a result, no consolidated report on payments to governments has been prepared (see Art.3:8 § 1 of the Companies and Associations Code).

Note 6.6: Main changes in the scope of consolidation

Purchase of 365.bank in Slovakia

- On 14 May 2025, J&T Finance Group SE, based in the Czech Republic and the majority shareholder of 365.bank a.s., and KBC Bank reached an agreement under which KBC acquires a 98.45% stake in 365.bank (in cash).
- The transaction price was subject to limited adjustments on completion and finals at 708 million euros for 98.45% of the shares.
- KBC will recognise goodwill in the first quarter of 2026, taking into account fair value adjustments. This is justified by the quality of the acquired entity reflected in its qualitative loan portfolio and profitability (based on the results of recent years and the business plan for the coming years) and the professionalism of its employees. This allows KBC to expand its client base and thus benefit from economies of scale (through significant cost synergies related to the branch network and head office in Slovakia and revenue synergies including through increased sales of insurance products from ČSOB Poisťovňa a.s.) and greater visibility. The purchase price accounting is currently still ongoing, given that the closing only took place on 15 January 2026. The disclosures required by IFRS 3 will therefore be provided in the quarterly report for the first quarter of 2026. Goodwill is not deductible for tax purposes.
- 365.bank, a commercial bank in Slovakia, holds a 3.7% market share by assets as of December 2024 with a notable strength in retail banking. The combination of ČSOB and 365.bank will establish a strong banking group in Slovakia, whereby 365.bank's unique distribution model, supported by its long-standing partnership with Slovak Post, will allow KBC to significantly expand ČSOB's customer reach across Slovakia. The acquisition of 365.bank will boost the scale of mainly retail operations, commanding (as of December 2024) a market share of approximately 20% in retail mortgages and other customer loans. Based on the group's bank-insurance model, other entities of ČSOB will also benefit from the acquisition through the cross-selling of products and services to 365.bank's retail customers.
- The agreement was still subject to regulatory approval and was finalised on 15 January 2026.
- The results of 365.bank will be fully consolidated in the income statement as from the first quarter of 2026.

Acquisition of Business Lease in the Czech Republic and Slovakia

- In October 2025, KBC reached an agreement to acquire Business Lease in the Czech Republic and Slovakia, for a total consideration of 72 million euros. This transaction will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries.
- By integrating Business Lease with ČSOB Leasing, we are creating a powerful fleet in both markets: around 15.000 operating leasing vehicles in the Czech Republic, making us a top 5 player and around 10.000 operating leasing vehicles in Slovakia, making us a top 3 reference player. The combined entity will be able to further increase operational efficiency, optimise the client experience and unlock substantial synergy benefits, including cross-selling opportunities.
- The agreement was finalised on 10 February 2026.

The acquisitions of 365.bank and Business Lease combined will only have a limited impact of around -50 basis points on the unfloored fully loaded common equity ratio in the first quarter of 2026. For more information, we refer to the separate press releases and the General Investor Presentation, which can be found at www.kbc.com.

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 for 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. In addition to the integrated approach at group level, KBC Insurance and its insurance and reinsurance subsidiaries conduct an Own Risk and Solvency Assessment (ORSA) on a regular basis, in accordance with Solvency II requirements.

We report the solvency based on IFRS data and according to the rules imposed by the regulator.

- For the KBC group and KBC Bank, this implies that we calculate the solvency ratios based on CRR/CRD. KBC applies the transitional provisions for Basel IV. KBC has received authorisation from the regulator to apply a risk weighting to the participation in KBC Insurance (Danish compromise method) at the level of KBC Group. KBC Group and KBC Bank are subject to minimum solvency ratios.
- In accordance with the regulatory requirement, the common equity ratio of the KBC group must be 10.87% (fully loaded) at year-end 2025. This includes the Pillar 1 minimum requirement (4.5%), the Pillar 2 requirement (1.10% set by the ECB following its supervisory review and evaluation process) and the buffer requirements (5.28% set by the local competent authorities in KBC's core markets). The unfloored fully loaded (i.e. fully loaded but excluding the output floor impact under Basel IV) common equity ratio at year-end 2025 came to 14.85% (see the 'Capital management' section). At year-end 2025, the transitional common equity ratio came to 14.73%, which represented a capital buffer of 3.99% relative to the minimum requirement of 10.74%.
- In accordance with the regulatory requirement, the common equity ratio of KBC Bank must be 10.76% (transitional) at year-end 2025. At year-end 2025, the transitional common equity ratio was 13.89%.
- The solvency of KBC Insurance is calculated on the basis of Solvency II. At year-end 2025, the Solvency II ratio came to 227% relative to the minimum requirement of 100%.

Key solvency figures for the KBC group, KBC Bank and KBC Insurance (in millions of EUR)	**KBC group (consolidated) CRR/CRD transitional, Danish compromise method**		**KBC Bank (consolidated) CRR/CRD transitional**		**KBC Insurance (consolidated) Solvency II**	
	31-12-2025	**31-12-2024**	**31-12-2025**	**31-12-2024**	**31-12-2025**	**31-12-2024**
Total regulatory capital, after profit appropriation	24 381	21 048	22 341	18 981	5 154	4 392
Tier-1 capital	21 295	18 485	19 273	16 440	4 630	3 873
Common equity	18 795	16 621	16 773	14 576	–	–
Parent shareholders' equity (after deconsolidating KBC Insurance for the KBC group)	*23 813*	*18 932*	*21 593*	*16 665*	*4 064*	*3 331*
Solvency adjustments	*-5 018*	*-2 311*	*-4 820*	*-2 088*	*566*	*542*
Additional going concern capital[1]	2 500	1 864	2 500	1 864	–	–
Tier-2 capital[2]	3 086	2 563	3 068	2 541	501	501
Tier-3 capital	–	–	–	–	23	18
Total weighted risk volume (RWA)[3]	127 588	119 950	120 797	110 087	–	–
Credit risks	*100 541*	*94 218*	*100 541*	*94 218*	–	–
Market risks	*2 919*	*2 026*	*2 919*	*2 026*	–	–
Operational risks	*17 337*	*13 843*	*17 337*	*13 843*	–	–
Insurance risks	*6 171*	*9 133*	–	–	–	–
Holding-company activities and elimination of intragroup transactions	*620*	*729*	–	–	–	–
Solvency capital requirement (insurance)	–	–	–	–	2 268	2 196
Common equity ratio (group, bank)	14.7%	13.9%	13.9%	13.2%	–	–
Solvency II ratio (insurance)	–	–	–	–	227%	200%

1 Includes perpetual subordinated loans with fully discretionary, non-cumulative interest payments (included in 'Total equity' under IFRS). The securities also have a loss absorption mechanism (i.e. a temporary write-down trigger should the common equity tier-1 ratio fall below 5.125%). Also see Note 5.10.
2 Includes subordinated loans with a fixed maturity date where principal and interest payments cannot be cancelled in a going concern.
3 Supervision of the RWA internal models' compliance with the approval criteria as provided for in the standards imposed by the regulator does not come under the responsibility of the statutory auditor.

- More detailed information is provided in the 'Capital management' section of this report and in KBC's Risk Report. These reports also provide further information on the Significant Risk Transfer (SRT) that was completed in 2025.
- 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 'Risk management' section (under 'Credit risk'). The information required in relation to risks is provided in those parts of the 'Risk management' 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 (12 March 2026):
- On 15 January 2026, the acquisition of 365.bank was finalised (see Note 6.6).
- On 10 February 2026, the acquisition of Business Lease in the Czech Republic and Slovakia was finalised (see Note 6.6).

Note 6.9: General information on the company

- Name KBC Group.
- Incorporated: 9 February 1935 as the Kredietbank; the present name dates from 2 March 2005.
- Country of incorporation: Belgium.
- Registered office: Havenlaan 2, 1080 Brussels, Belgium.
- VAT: BE 0403.227.515.
- RLP: Brussels.
- Website: https://www.kbc.com
- E-mail address reserved for shareholders and bondholders: IR4U@kbc.be
- Legal form: *genoteerde naamloze vennootschap* (listed company with limited liability) under Belgian law. The company is a mixed financial holding company that is subject to the prudential supervision of the National Bank of Belgium and the European Central Bank.
- Life: undefined.
- Object (Article 2 of the Articles of Association, which are available at www.kbc.com):
  The company has as its object the direct or indirect ownership and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.
  The company also has as object to provide services to third parties, either for its own account or for the account of others, including to companies in which the company has an interest – either directly or indirectly – and to (potential) clients of those companies.
  The object of the company is also to acquire in the broadest sense of the word (including by means of purchase, hire and lease), to maintain and to operate resources, and to make these resources available in the broadest sense of the word (including through letting and granting rights of use) to the beneficiaries referred to in the second paragraph.
  In addition, the company may function as an intellectual property company responsible for, among other things, the development, acquisition, management, protection and maintenance of intellectual property rights, as well as for making these rights available, granting rights of use in respect of these rights and/or transferring these rights.
  The company may also perform all commercial, financial and industrial transactions that may be useful or expedient for achieving the object of the company and that are directly or indirectly related to this object. The company may also by means of subscription, contribution, participation or in any other form whatsoever participate in all companies, businesses or institutions that have a similar, related or complementary activity.
  In general, the company may, both in Belgium and abroad, perform all acts which may contribute to the achievement of its object.
- Documents open to public inspection: the Articles of Association of the company can be found at the Registry of the Dutch-speaking division of the Brussels Business Court and at www.kbc.com and www.notaris.be/statuten. The financial statements, the annual report and the statutory auditor's reports regarding the financial statements 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 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 in the financial press and/or on www.kbc.com. Convening notices of general meetings of shareholders are published in the Belgian Official Gazette, in at least one national newspaper, in the media and on www.kbc.com.
- For information on the general meeting of shareholders and the right of shareholders to take part in such meetings, see Article 23 et seq. of the Articles of Association, which are available at www.kbc.com.

Statutory auditor's report to the general meeting of KBC Group NV on the consolidated financial statements as of and for the year ended 31 December 2025

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of KBC Group NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 30 April 2025, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ending 31 December 2027. This is the first year we have performed the statutory audit of the consolidated financial statements of the Group.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2025, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cashflow statement for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated balance sheet amounts to EUR 397.372 million and the consolidated income statement shows a profit for the year attributable to equity holders of the parent of EUR 3.568 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Zetel - Siège:
Luchthaven Brussel Nationaal 1K
B-1930 Zaventem

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

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Expected credit losses on loans and advances at amortised cost</u>

We refer to Note 3.9 "Impairment (income statement)", Note 4.2.1 "Impaired financial assets" and to Note 4.2.2 "Impairment details for loans and advances at amortised cost" of the consolidated financial statements.

Description

The Group's net portfolio of loans and advances at amortised cost amounts to EUR 243.386 million and represents 61% of total assets as at 31 December 2025. These loans and advances are measured at amortized cost, less a provision for expected credit losses ("ECL") of EUR 2.492 million.

The collective ECL is estimated by Management using three main components: probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"). Determination of these components requires the development and use of complex models, as well as significant judgements by Management, such as applying forward looking macroeconomic scenarios, assessing significant increase in credit risk ("SICR"), selecting appropriate and relevant data in the development of the ECL models, and other qualitative factors with respect to manual adjustments to model outputs. Furthermore, significant judgement is applied when assessing the expected future recovery cash flows and selecting the scenarios in the management's calculation of the individual ECL. Finally, certain recent economic conditions are outside the bounds of historical experience used to develop ECL models and result in greater uncertainties to estimate the ECL. Such uncertainties are addressed by management's overlays to the modelled ECL.

Due to the significance of the amount of loans and advances at amortised cost and the estimation uncertainty in accounting for ECL (individual and collective), as well as the significant and complex auditor judgement and special skills and knowledge required to evaluate certain elements of an ECL estimate, we have identified the calculation of the ECL on loans and advances at amortised cost as a key audit matter.

Our audit procedures

With the assistance of our IT and Financial Risk Management specialists, we performed the following audit procedures to address this key audit matter:

- We evaluated the design, the implementation and, where appropriate, the operating effectiveness of key controls related to the calculation and recording of the ECL. This includes controls related to the accuracy of assumptions (modelled parameters such as PD, LGD and EAD), the review of model outputs, the application of the definition of default, the update of data history, the governance and back-testing of the models used to determine the ECL, the reconciliation of the data used in the calculation of the ECL, the determination of credit risk ratings, the estimated future recovery cash flows for individual loan provisions and the management overlays to the modelled ECL;
- We inspected the minutes of the relevant committees and rationale for conclusions made therein, as input to our risk analysis and support our selection and extent of audit procedures;
- We assessed the assumptions used to determine the PD, LGD, and EAD in the models used by the Group for the calculation of the collective provisions. This included reperforming back testing of certain models to evaluate current model performance. In addition, we evaluated the relevance and reasonableness of management overlays recorded to the ECL;
- We assessed the Group's methodology to determine the macroeconomic forecasts used in the ECL. We tested the reasonableness of management's forecasts against external benchmarks and our own internal forecasts;
- We tested the completeness and accuracy of significant inputs to the models to determine the collective provisions such as loans and advances at amortised cost data and collateral data, including comparison of data used in the models with underlying documentation such as contracts and other relevant documents;
- We evaluated the identification of SICR in loans by challenging the scope of management's criteria used in staging assessments, the consistency of the thresholds applied within each criterion and the ability of staging criteria to identify SICR prior to loans being credit impaired;
- We tested the stage classification including an assessment of whether any events of default have occurred for a sample of loans and advances at amortised cost;

- We assessed the reasonableness of inputs and assumptions used, such as reasonableness of scenarios, scenario weighting and expected cash flows (including cash flows from collateral) in the assessment of individual provisions. We challenged management's use of recovery scenarios and expected cash flows, we recalculated the recovery amounts and performed reconciliations of data used in the calculations with relevant sources; and
- We assessed whether the credit risk management disclosures appropriately reflect the uncertainties which exist in determining the ECL and how these are addressed.

Measurement of the liability for remaining coverage ("LRC") relating to life insurance contracts

We refer to the Note 5.6 "Insurance – balance sheet" of the consolidated financial statements".

Description

As at 31 December 2025, the Group has EUR 12.884 million of LRC relating to life insurance contract liabilities that are accounted for in accordance with IFRS 17 and for which the Building Block Approach ("BBA") applies. This LRC represents a significant component of the Group's balance sheet and is calculated using complex actuarial models and assumptions.

Furthermore, the LRC includes components of certain judgement and estimation by management in determining the value of future cash flows, the determination of the risk adjustment, the contractual service margin ("CSM") and the loss component.

The judgements made in the assumptions setting process may have a significant impact on the measurement of the LRC.

Our audit procedures

With the assistance of our actuarial and IT specialists, we have performed the following procedures:

- We assessed the consistency of the actuarial techniques applied for the LRC and whether the actuarial models are in line with the requirements of IFRS 17, our understanding of the business and our expectations derived from market experience;
- We evaluated the design, the implementation and, where appropriate, the operating effectiveness of key controls relating to the actuarial processes for the determination of the LRC;
- We assessed the proper application of the identification of onerous contracts and performance of additional procedures on the cohort allocation of insurance contracts as well as on the proper application of subsequent measurement;
- We assessed the appropriateness of the actuarial techniques used for the calculation of the LRC and the assumptions used;

- We tested the completeness and accuracy of data used in the calculation processes and outputs from key IT systems used for the calculation of the LRC;
- We evaluated the roll-forward analysis of the LRC prepared by Management, including analysis of reconciling items, if any;
- For a sample of life insurance contract liabilities, we recalculated the cash flows related to these liabilities;
- We inspected the reports issued by the actuarial function and rationale for conclusions made therein as input for our risk assessment; and
- We assessed the adequacy of the relevant disclosures in the consolidated financial statements.

Measurement of the liability for incurred claims ("LIC") relating to non-life insurance contracts

We refer to the Note 5.6 "Insurance – balance sheet" of the consolidated financial statements.

Description

As at 31 December 2025, the Group has EUR 2.551 million of LIC relating to the non-life insurance contracts.

The measurement of the LIC requires a significant degree of judgement by management regarding assumptions to be made, such as the impact of changing inflation rates, loss developments, risk adjustment for non-financial risks and discount rate.

Our audit procedures

With the assistance of our actuarial and IT specialists, we have performed the following procedures:

- We assessed the consistency and appropriateness of the actuarial techniques applied for the most important business lines (including the underlying assumptions) and whether the actuarial models are in line with our understanding of the business, and our expectations derived from market experience;
- We evaluated the design, the implementation and, where appropriate, the operating effectiveness of the key controls relating to the actuarial processes for the determination of the LIC;
- We assessed whether the LIC has been determined in accordance with the implemented reserving policies;
- We tested the completeness and accuracy of data used in the calculation processes and output from key IT systems used for the calculation of the LIC;
- We independently recalculated the LIC for the major business lines based on commonly used actuarial techniques. We compared the results of our independent calculation with the amounts determined by the Group, and we obtained evidence supporting any significant differences observed;

- We inspected the reports issued by the actuarial function and rationale for conclusions made therein as input for our risk assessment; and
- We evaluated the adequacy of the relevant disclosures in the consolidated financial statements.

Information Technology ("IT") systems and controls over financial reporting

Description

We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and automated application controls to process significant transaction volumes. Automated application controls and general IT controls ("GITC"), which include IT governance, general IT controls over program development and changes, access to programs and data and computer operations, are required to be adequately designed and to operate effectively to ensure accurate financial reporting.

Our audit procedures

With the assistance of our IT specialists, we have performed the following procedures:

- We inspected the Group's framework of governance over its IT organization, including the Group's assessment of cybersecurity risks;
- We evaluated the design, the implementation and the operating effectiveness of GITC's over program development and changes, access to programs and data and computer operations on relevant IT systems that support financial accounting and reporting also taking into consideration compensating controls and assessment of the impact on the extent and nature of other audit procedures whenever controls are not operating effectively;
- We evaluated the design, the implementation and the operating effectiveness of IT application controls in the relevant processes impacting the Group's financial reporting, including compensating controls and substantive procedures whenever supporting GITC's are not operating effectively;
- We assessed the integrity of data transmission through the different IT systems to the financial reporting systems; and
- We evaluated the design, the implementation and the operating effectiveness of controls at the relevant service organizations.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unqualified opinion on 28 March 2025 on those consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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 has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements 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 ISAs 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 the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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;

- Obtain an understanding of internal controls 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 auditors' report to the related disclosures in the consolidated financial statements 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 auditors' 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient 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.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 board of directors' annual report on the consolidated financial statements including the sustainability information and the other information included in the annual report on the consolidated financial statements labelled *Annual Report KBC Group 2025*.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the *Annual Report KBC Group 2025*, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the Annual Report KBC Group 2025

The annual report on the consolidated financial statements contains the consolidated sustainability information that is the subject of our separate report on the limited assurance with respect to this sustainability information. This section does not cover the assurance on the consolidated sustainability information included in the annual report on the consolidated financial statements. For this part of the annual report on the consolidated financial statements, we refer to our separate report on this matter.

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the *Annual Report KBC Group 2025*, being:

- KBC group passport,
- Abridged company annual accounts,
- Glossary of financial ratios and terms and
- EU taxonomy – detailed tables,

contain material misstatements or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the annual report with the European Single Electronic Format (hereafter "ESEF"), we have also audited whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation") and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereafter the "Royal Decree of 14 November 2007").

The board of directors is responsible for the preparation of an annual report, in accordance with the ESEF requirements, including the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements").

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

In our opinion, based on our work performed, the digital format of the annual report and the tagging of information in the official Dutch version of the consolidated financial statements as per 31 December 2025, included in the annual report of KBC Group NV and which will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA, are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

Other aspect

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 31 March 2026

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Kenneth Vermeire Bedrijfsrevisor / Réviseur d'Entreprises	Stéphane Nolf Bedrijfsrevisor / Réviseur d'Entreprises

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Additional information

Abridged company annual accounts

The company annual accounts of KBC Group NV are presented here in abridged form. A full set of these accounts will be submitted for approval to the General Meeting of Shareholders of 7 May 2026. The company annual accounts, the report of the Board of Directors and the statutory auditor's report are filed with the National Bank of Belgium. These documents are available free of charge from KBC Global Services NV, Investor Relations Office, IRO, Havenlaan 2, 1080 Brussels, Belgium. They can also be viewed at www.kbc.com. The statutory auditor has delivered an unqualified audit opinion on the company annual accounts of KBC Group NV.
The company annual accounts have been prepared according to Belgian accounting standards (B-GAAP) and are, therefore, not comparable with the figures prepared in accordance with IFRS in the other sections of this report.

Balance sheet after profit appropriation (B-GAAP)

(in millions of EUR)	31-12-2025	31-12-2024
Fixed assets	37 871	37 330
Intangible fixed assets	0	0
Property and equipment	0	0
Financial fixed assets	37 871	37 330
Affiliated companies	37 870	37 329
Participating interests	16 364	16 363
Amounts receivable	21 506	20 966
Other companies linked by participating interests	1	1
Participating interests	1	1
Other financial assets	0	0
Current assets	1 832	1 787
Amounts receivable at more than one year	0	0
Stocks and contracts in progress	0	0
Amounts receivable within one year	11	12
Trade receivables	10	9
Other amounts receivable	2	3
Current investments	1 425	1 300
Own shares	1 300	1 300
Other investments	125	0
Cash at bank and in hand	33	106
Accrued charges and deferred income	362	370
Total assets	39 703	39 117
Equity	15 303	16 470
Capital	1 462	1 462
Issued capital	1 462	1 462
Share premium account	5 539	5 529
Reserves	1 638	1 638
Legal reserves	146	146
Share buybacks	1 300	1 300
Other reserves not available for distribution	1	1
Untaxed reserves	190	190
Reserves available for distribution	0	0
Profit (Loss (-)) carried forward	6 664	7 841
Provisions and deferred taxes	1	1
Provisions for liabilities and charges	1	1
Amounts payable	24 398	22 646
Amounts payable at more than one year	18 072	17 368
Financial debt	18 072	17 368
Subordinated loans	5 066	4 347
Non-subordinated bonds	13 006	13 021
Amounts payable within one year	6 004	4 952
Amounts payable at more than one year falling due within the year	3 457	3 623
Financial debt	877	40
Trade debt	2	1
Taxes, remuneration and social security charges	17	16
Income tax expense	0	0
Remuneration and social security charges	17	16
Other amounts payable	1 651	1 271
Accrued charges and deferred income	322	326
Total liabilities	39 703	39 117

Income statement (B-GAAP)

(in millions of EUR)	31-12-2025	31-12-2024
Operating income	121	107
Operating charges	136	120
Operating profit (loss (-))	-14	-13
Financial income	1 680	3 053
Recurring financial income	1 680	3 053
Income from financial fixed assets	1 664	2 243
Income from current assets	16	31
Other financial income	0	779
Non-recurring financial income	0	0
Financial charges	816	795
Recurring financial charges	816	789
Debt charges	801	756
Amounts written down on current assets: increase and decrease	0	0
Other financial charges	15	33
Non-recurring financial charges	0	6
Profit (Loss (-)) for the period, before tax	849	2 245
Transfers from deferred taxes	0	0
Transfers to deferred taxes	0	0
Income tax	1	1
Profit (Loss (-)) for the period	849	2 244
Profit (Loss (-)) for the period available for appropriation	849	2 244

Profit appropriation (B-GAAP)

(in millions of EUR)	31-12-2025	31-12-2024
Profit (Loss (-)) to be appropriated	8 690	10 113
Profit (Loss (-)) for the period available for appropriation	849	2 244
Profit (Loss (-)) carried forward from the previous period	7 841	7 869
Transfers to equity	0	351
To the legal reserves	0	0
To other reserves	0	351
Profit (Loss (-)) to be carried forward	6 664	7 841
Profit to be distributed	2 026	1 920
Dividends	2 023	1 917
Directors' entitlements	0	0
Employees/other allocations	3	3

Dividend

In mid-May we paid the final dividend for 2024 (3.15 euros per share entitled to dividend) and in November 2025 we paid an interim dividend (1 euro per share) as an advance on the dividend for 2025. We propose to the General Meeting of Shareholders of 7 May 2026 a gross final dividend of 4.1 euros per share for 2025, bringing the total gross dividend for 2025 to 5.1 euros per share. The dividend payout ratio (dividend for 2025 and coupon on AT1 instruments, divided by consolidated net profit) will then be 60% for 2025.

Note 1: Financial fixed assets

(in millions of EUR)	Participating interests in affiliated companies	Amounts receivable from affiliated companies	Participating interests in companies linked by participating interests
Carrying value at 31-12-2024	16 363	20 966	1
Acquisitions in 2025	1	4 622	0
Disposals in 2025	0	-3 634	0
Other changes in 2025	0	-448	0
Carrying value at 31-12-2025	16 364	21 506	1

- Participating interests in affiliated companies are mainly the shareholdings in KBC Bank NV and KBC Insurance NV, as well as in KBC Global Services NV and DISCAI.
- The amounts receivable from affiliated companies related to loans to KBC Bank NV in the form of additional tier-1 capital (2.5 billion euros in total), tier-2 capital (2.8 billion euros), tier-3 capital (15.7 billion euros) and a subordinated loan of 0.5 billion euros to KBC Insurance NV.
- The main changes in 2025 related to new loans to KBC Bank NV (4.6 billion euros). In addition, 3.6 billion euros reached maturity and the subordinated loan of 0.5 billion euros to KBC Insurance NV was renewed.

Note 2: Changes in equity

(in millions of EUR)	31-12-2024	Capital increase for staff	Other changes	31-12-2025
Capital	1 462	0	–	1 462
Share premium account	5 529	10	–	5 539
Reserves	1 638	–	–	1 638
Profit (Loss) carried forward	7 841	–	-1 177	6 664
Equity	16 470	10	-1 177	15 303

- At year-end 2025, the company's issued capital amounted to 1 462 270 493.83 euros, represented by 417 662 783 shares of no nominal value. The capital is fully paid up.
- A capital increase under the authorisation to increase capital carried out on 19 December 2025 and reserved exclusively for employees of KBC Group NV and certain of its Belgian subsidiaries resulted in 118 632 shares being issued at a price of 90.54 euros per share. By carrying out this capital increase, the group aims to strengthen ties with its staff and the staff of its Belgian subsidiaries. Given the limited extent of the capital increase, the financial ramifications for existing shareholders are minor. All of the shares issued in 2025 will also be entitled to dividend from the 2025 financial year (with the exception of the interim dividend paid by the company in November 2025).
- The authorisation to increase capital may still be exercised up to and including 22 May 2028 for an amount of 698 268 274.81 euros, with suspension of the preferential subscription rights of existing shareholders being restricted to a maximum of 144 268 274.81 euros. Based on an accounting par value of 3.51 euros a share, a maximum of 198 936 830 new KBC Group NV shares can therefore be issued, with the possibility to suspend the preferential subscription rights attached to a maximum of 41 102 072 of these shares.

Note 3: Shareholder notifications and share buybacks

- Notifications received: we received a number of notifications in 2025 pursuant to the Belgian Act of 2 May 2007 concerning the disclosure of significant participations. All notifications we receive are published in detail on www.kbc.com.

Notifications received in 2025 (percentages as stated in the notifications)	Situation as at	Shares/ voting securities	Financial instruments treated as shares/ voting securities	Total
FMR LLC	21 May 2025	3.29%	0.00%	3.29%
BlackRock, Inc.	1 July 2025	3.97%	0.15%	4.12%

- The average accounting par value of the KBC share came to 3.51 euros in 2025.
- For information on the repurchase and disposal of treasury shares, see Note 5.10 in the 'Consolidated financial statements' section.

Note 4: Balance sheet at 31-12-2025

- The balance sheet total amounted to 39 703 million euros, compared to 39 117 million euros at year-end 2024.
- 'Financial fixed assets' are discussed in Note 1.
- 'Current assets' amounted to 1 832 million euros, whereas the year-earlier figure was 1 787 million euros. The change was largely attributable to an increase in the sum of cash at bank and in hand and other investments (+52 million euros combined).
- 'Equity' is dealt with in Note 2.
- 'Amounts payable' totalled 24 398 million euros, compared with 22 646 million euros at year-end 2024. The change is attributable in part to an increase in commercial paper (+0.8 billion euros, in Financial debt payable within one year) and an increase in financial debt (+0.5 billion euros, in Financial debt payable at more than one year and Amounts payable at more than one year falling due within the year).

Note 5: 2025 result:

- Net profit totalled 849 million euros, as opposed to 2 244 million euros a year earlier.
- The most important change in the financial result is the lower amount of dividends received.

Note 6: Additional information

- For more information on the statutory auditor's remuneration, see Note 6.4 in the 'Consolidated financial statements' section.
- At year-end 2025, KBC Group NV had two branch offices (in Bulgaria and the Czech Republic).
- KBC Group NV uses financial instruments to hedge interest rate risks. At year-end 2025, the outstanding notional amount of interest rate swaps used for hedging such risks was 500 million euros.
- In 2025, KBC Group NV was the issuing entity for all loss absorbing instruments (shareholders' capital, AT1, T2 and MREL-eligible instruments). In principle, the financial resources are transferred to KBC Bank and KBC Insurance in the same or a similar format and with a similar term. Consequently, the maturity of the liability issued by KBC Group usually matches that of the loans to its subsidiaries. Dividends payable by KBC Group are financed by dividends receivable from KBC Bank and KBC Insurance. Any temporary liquidity shortfalls can be covered by issuing short-term debt securities under the Short Term Certificate of Deposit Programme.
- The information required in accordance with Article 3:6 of the Belgian Companies and Associations Code that has not been provided above appears in the 'Report of the Board of Directors' section.

Glossary of financial ratios and terms

Besides the ratios and terms required by law or IFRS, we also use our own ratios and definitions, known as 'alternative performance measures'. We identify them by including 'APM' in the heading.

(amounts are stated in millions of EUR, unless otherwise stated)	Reference	Calculation	2025	2024
Basic and diluted earnings per share				
A detailed calculation can be found in Note 3.12.	–		–	–
Combined ratio (non-life insurance) (APM) [1]				
The technical profitability of the non-life insurance business in the short-term, more particularly the extent to which insurance premiums adequately cover claim payments and expenses.	Note 3.6	A: Non-life PAA: claims and claim-related costs net of reinsurance	1 421	1 362
		B: Costs other than claims and commissions	804	729
		C: Non-life PAA: net earned expected premiums received	2 565	2 331
		(A+B)/C	87%	90%
Common equity ratio				
A detailed description/calculation can be found in the 'Capital management' section			–	–
Cost/income ratio excluding bank and insurance tax (APM) [1]				
The relative cost efficiency (costs relative to income excluding bank and insurance tax) of the group.	Consolidated income statement	A: Total operating expenses excluding bank and insurance tax	4 599	4 474
		B: Insurance commissions paid	429	383
		C: Total income	12 200	11 167
		(A+B)/C	41%	43%
Cost/income ratio including bank and insurance tax but excluding exceptional or non-operating items (APM) [1]				
Where relevant, we also include bank and insurance tax but exclude exceptional or non-operating items when calculating the cost/income ratio. This calculation aims to give a better idea of the relative cost efficiency of the pure business activities.	Consolidated income statement A breakdown of the exceptional/non-operational items (per quarter) can be found in our General Investor Presentations at www.kbc.com.	A: Total operating expenses excluding bank and insurance tax	4 599	4 474
		B: Bank and insurance tax	666	623
		C: Insurance commissions paid	429	383
		D: Exceptional and/or non-operational costs[2]	50	92
		E: Total income	12 200	11 167
		F: Exceptional and/or non-operational income[2]	-135	-232
		(A+B+C-D)/(E-F)	46%	47%
Coverage ratio (APM)				
The proportion of impaired loans covered by stage 3 impairment charges. Where appropriate, the numerator and denominator may be limited to impaired loans that are more than 90 days past due.	'Loan and investment portfolio' table in 'Risk management'	A: Stage 3 impairment on loans	2 002	1 979
		B: Impaired loans	4 097	4 171
		A/B	49%	47%
Credit cost ratio (APM) [1,3]				
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.	Consolidated income statement and 'Loan and investment portfolio' table in 'Risk management'	A: Net changes in loan loss impairment charges	277	207
		B: Average outstanding loan portfolio	219 422	206 928
		A/B	0.13%	0.10%
Impaired loans ratio (APM) [1]				
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).	'Loan and investment portfolio' table in 'Risk management'	A: Impaired loans	4 097	4 171
		B: Total loan portfolio	227 942	210 903
		A/B	1.8%	2.0%

Leverage ratio				
A detailed description/calculation can be found in the 'Capital management' section	–	–		
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.	The European Commission's Delegated Act on LCR and the European Banking Authority's guidelines for LCR disclosure	A: Stock of high-quality liquid assets	101 296	100 631
		B: Total net cash outflows over the next 30 calendar days	63 637	63 588
		A/B	159%	158%
Loan portfolio (APM)				
Gives an idea of the magnitude of (what are mainly traditional) lending activities.	Notes 4.1, 4.2 and 6.1 and 'Loan and investment portfolio' table in 'Risk management'	A: Loans and advances to customers	208 612	192 067
		B: Reverse repos (not with central banks)	1 997	424
		C: Debt instruments issued by corporates and by credit institutions and investment firms (banking)	5 007	5 690
		D: Other exposures to credit institutions	3 656	3 207
		E: Financial guarantees granted to clients and other commitments	11 415	10 476
		F: Impairment on loans	2 501	2 455
		G: Insurance entities (-)	-1 730	-1 847
		H: Non-loan-related receivables (-)	-402	-499
		I: Other	-3 115	-1 071
		A+B+C+D+E+F+H+G+H+I	227 942	210 903
Market capitalisation				
Stock market value of the KBC group.	Note 5.10	A: Closing price of KBC share (in EUR)	111.3	74.5
		B: Number of shares (in millions)	417.7	417.5
		AxB (in billions of EUR)	46.5	31.1
Minimum requirement for own funds and eligible liabilities (MREL)				
A detailed description/calculation can be found in the 'Capital management' section			–	–
Net interest margin (APM) [1]				
The net interest income of the banking activities (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.	Consolidated income statement and Consolidated balance sheet	A: Net interest income of the banking activities	5 479	5 063
		B: Average interest-bearing assets of the banking activities	260 754	238 600
		A/B x 360/number of calendar days	2.07%	2.09%
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.	Regulation (EU) 2019/876 of 20-05-2019	A: Available amount of stable funding	234 686	221 939
		B: Required amount of stable funding	170 629	159 835
		A/B	138%	139%
Parent shareholders' equity per share (APM)				
The carrying value of a KBC share, i.e. the value in euros represented by each share in the parent shareholders' equity of KBC.	Consolidated balance sheet and Note 5.10	A: Parent shareholders' equity	25 404	22 447
		B: Number of ordinary shares less treasury shares (in millions)	397	397
		A/B (in EUR)	64.0	56.6
Return on equity (APM) [4]				
The relative profitability of the group, more specifically the ratio of the net result to equity. Exceptional or non-operational items are excluded from the calculation.	Consolidated income statement and Consolidated statement of changes in equity	A: Result after tax, attributable to equity holders of the parent (excl. exceptional or non-operational items)	3 623	3 147
	A breakdown of the exceptional/non-operational items (per quarter) can be found in our General Investor Presentations at www.kbc.com.	B: Coupon on AT1 instruments (-)	-117	-84
		C: Average parent shareholders' equity	23 925	22 228
		(A+B)/C	15%	14%

Total assets under management (APM, in billions of EUR)				
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.	–	A: Belgium Business Unit	265.1	245.3
		B: Czech Republic Business Unit	22.0	19.4
		C: International Markets Business Unit	12.7	10.9
		A+B+C (in billions of EUR)	299.8	275.6
		Of which		
		Direct client money (Assets under Distribution)	126.7	115.3
		Investment advice	67.8	62.4
		Funds of funds	82.4	76.7
		Group assets, including pension funds	22.8	21.2

1 We also use the same methodology to calculate these ratios for each business unit.

2 The exceptional and/or non-operational costs in 2025 and 2024 included the integration expenses and euro adoption costs connected with the acquisition of Raiffeisenbank Bulgaria, and the exceptional bank and insurance taxes in Hungary. The exceptional and/or non-operational income in 2025 included the mark-to-market valuation of ALM derivatives; in 2024, this included the mark-to-market valuation of ALM derivatives, and a one-off item in Hungary.

3 We also calculated a ratio excluding the (changes in the) reserve for geopolitical and macroeconomic uncertainties, which came to 0.13% in 2025 and 0.16% in 2024.

4 We also calculated a ratio based on tangible equity, which came to 16% in 2025 and 15% in 2024.

EU Taxonomy– detailed tables

The mandatory EU Taxonomy reporting tables are provided on the next few pages.
In addition, voluntary reporting tables are provided in our Sustainability Report.

Abbreviations used:

- Capex: capital expenditure
- GAR: green assets ratio
- UoP: use of proceeds
- NFC: non-financial counterparties
- N/A: not applicable

KBC as a credit institution – summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

31-12-2025 (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**	**1 896**	**0.9 %**	**1.0 %**	**61.1 %**	**33.2 %**	**38.9 %**
Additional KPIs	GAR (flow)	444	0.8 %	1.2 %	67.5 %	43.7 %	32.5 %
	Trading book*	N/A	N/A	N/A	N/A	N/A	N/A
	Financial guarantees	204	1.7 %	2.6 %	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

* Not to be reported until 2028

** Assets under management are reported in the specific templates foreseen for asset managers.

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 1

	31-12-2025 (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	**100 386**	**92 001**	**1 682**	**45**	**184**	**955**	**410**	**213**	**0**	**21**	**1**	**0**	**0**	**0**	**43**	**1**	**0**	**0**
2	**Financial undertakings**	**2 375**	**1 075**	**54**	**0**	**3**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3	Credit institutions	2 359	1 072	53	0	3	4	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	1 731	655	32	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	627	418	21	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
7	Other financial corporations	16	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Of which investment firms	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
16	Of which insurance companies	13	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	12	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
20	**Non-financial undertakings**	**10 467**	**3 381**	**1 628**	**45**	**181**	**951**	**410**	**213**	**0**	**21**	**1**	**1**	0	**0**	**43**	**1**	0	**0**
21	Loans and advances	9 939	3 187	1 570	45	173	919	409	213	0	21	1	1	0	0	43	0	0	0
22	Debt securities, including UoP	505	193	58	0	8	32	1	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	23	1	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
24	**Households**	**86 697**	**86 697**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	N/A	N/A	N/A	N/A	**0**	**0**	0	**0**
25	Of which loans collateralised by residential immovable property	82 666	82 666	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
26	Of which building renovation loans	4 088	4 088	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
27	Of which motor vehicle loans	993	993	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**	**848**	**848**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	**0**	**0**	**0**	0	**0**
29	Housing financing	835	835	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**12**	**12**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**119 664**	N/A	N/A	N/A	N/A	N/A	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**	**98 991**	N/A	N/A	N/A	N/A	N/A	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	91 795	N/A	N/A	N/A	N/A	N/A	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	89 767	N/A	N/A	N/A	N/A	N/A	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	40 176	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
37	Of which building renovation loans	1 833	N/A	N/A	N/A	N/A	N/A	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	1 806	N/A	N/A	N/A	N/A	N/A	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	222	N/A	N/A	N/A	N/A	N/A	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	7 197	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
41	Loans and advances	5 261	N/A	N/A	N/A	N/A	N/A	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	1 902	N/A	N/A	N/A	N/A	N/A	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	34	N/A	N/A	N/A	N/A	N/A	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**	**- 2 468**	N/A	N/A	N/A	N/A	N/A	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**	**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

46	**Cash and cash-related assets**	**1 733**	N/A	N/A	N/A	N/A	N/A	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.)**	**20 651**	N/A	N/A	N/A	N/A	N/A	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**	**220 062**	**92 013**	**1 682**	**45**	**184**	**955**	**410**	**213**	**0**	**21**	**1**	**0**	**0**	**0**	**43**	**1**	**0**	**0**
49	**Assets not covered for GAR calculation**	**139 940**	N/A	N/A	N/A	N/A	N/A	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	64 470	N/A	N/A	N/A	N/A	N/A	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	63 628	N/A	N/A	N/A	N/A	N/A	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	11 842	N/A	N/A	N/A	N/A	N/A	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**	**360 002**	**92 013**	**1 682**	**45**	**184**	**955**	**410**	**213**	**0**	**21**	**1**	**0**	**0**	**0**	**43**	**1**	**0**	**0**
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	1 311	401	203	0	3	34	2	0	0	0	1	0	0	0	10	0	0	0
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Turnover 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)				
	31-12-2025		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	**50**	0	0	0	**14**	0	0	0	**92 520**	**1 896**	**45**	**184**	**977**
2	**Financial undertakings**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1 075**	**54**	**0**	**3**	**4**
3	Credit institutions	0	0	0	0	0	0	0	0	1 073	53	0	3	4
4	Loans and advances	0	0	0	0	0	0	0	0	655	32	0	1	2
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	418	21	0	2	2
6	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	3	1	0	0	0
8	Of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
16	Of which insurance companies	0	0	0	0	0	0	0	0	3	1	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	2	1	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
20	**Non-financial undertakings**	**50**	**0**	0	**0**	**14**	**0**	0	**0**	**3 900**	**1 842**	**45**	**181**	**972**
21	Loans and advances	38	0	0	0	14	0	0	0	3 692	1 783	45	173	939
22	Debt securities, including UoP	12	0	0	0	0	0	0	0	207	59	0	8	33
23	Equity instruments	0	0	N/A	0	0	0	N/A	0	1	0	N/A	0	0
24	**Households**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**86 697**	**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	82 666	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	4 088	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	993	0	0	0	0
28	**Local government financing**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**848**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0	0	0	835	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	13	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**	**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**	**50**	**0**	**0**	**0**	**14**	**0**	**0**	**0**	**92 532**	**1 896**	**45**	**184**	**977**
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**	**50**	**0**	**0**	**0**	**14**	**0**	**0**	**0**	**92 532**	**1 896**	**45**	**184**	**977**
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	1	1	0	0	0	0	0	0	414	204	0	3	34
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Turnover based) – PART 3

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
	31-12-2024	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)		
	(in millions of EUR)				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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Turnover 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)				
		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**	**85 758**	**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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 1

	31-12-2025 (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	**100 386**	**92 892**	**2 111**	**45**	**675**	**551**	**499**	**98**	**0**	**26**	**1**	**0**	**0**	**0**	**102**	**7**	**0**	**1**
2	**Financial undertakings**	**2 375**	**1 070**	**58**	**0**	**4**	**7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3	Credit institutions	2 359	1 067	57	0	4	7	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	1 731	655	35	0	2	4	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	627	413	22	0	2	3	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
7	Other financial corporations	16	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Of which investment firms	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
12	Of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
16	Of which insurance companies	13	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	12	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0	N/A	0	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
20	**Non-financial undertakings**	**10 467**	**4 277**	**2 053**	**45**	**672**	**544**	**499**	**98**	**0**	**26**	**1**	**0**	**0**	**0**	**102**	**7**	**0**	**1**
21	Loans and advances	9 939	4 062	1 978	45	668	515	463	95	0	23	1	0	0	0	98	4	0	1
22	Debt securities, including UoP	505	215	75	0	3	29	36	3	0	3	0	0	0	0	4	4	0	0
23	Equity instruments	23	1	0	N/A	0	0	0	0	N/A	0	0	0	N/A	**0**	**0**	**0**	N/A	**0**
24	**Households**	**86 697**	**86 697**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	N/A	N/A	N/A	N/A	**0**	**0**	0	**0**
25	Of which loans collateralised by residential immovable property	82 666	82 666	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
26	Of which building renovation loans	4 088	4 088	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
27	Of which motor vehicle loans	993	993	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**	**848**	**848**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	**0**	**0**	**0**	0	**0**
29	Housing financing	835	835	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**12**	**12**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**119 664**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**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**	**98 991**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**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	91 795	N/A	N/A	N/A	N/A	N/A	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	89 767	N/A	N/A	N/A	N/A	N/A	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	40 176	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
37	Of which building renovation loans	1 833	N/A	N/A	N/A	N/A	N/A	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	1 806	N/A	N/A	N/A	N/A	N/A	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	222	N/A	N/A	N/A	N/A	N/A	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	7 197	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
41	Loans and advances	5 261	N/A	N/A	N/A	N/A	N/A	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	1 902	N/A	N/A	N/A	N/A	N/A	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	34	N/A	N/A	N/A	N/A	N/A	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**	**-2 468**	N/A	N/A	N/A	N/A	N/A	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**	**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
46	**Cash and cash-related assets**	**1 733**	N/A	N/A	N/A	N/A	N/A	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.)**	**20 651**	N/A	N/A	N/A	N/A	N/A	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**	**220 062**	**92 904**	**2 111**	**45**	**675**	**551**	**499**	**98**	**0**	**26**	**1**	**0**	**0**	**0**	**102**	**7**	**0**	**1**
49	**Assets not covered for GAR calculation**	**139 940**	N/A	N/A	N/A	N/A	N/A	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	64 470	N/A	N/A	N/A	N/A	N/A	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	63 628	N/A	N/A	N/A	N/A	N/A	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	11 842	N/A	N/A	N/A	N/A	N/A	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**	**360 002**	**92 904**	**2 111**	**45**	**675**	**551**	**499**	**98**	**0**	**26**	**1**	**0**	**0**	**0**	**102**	**7**	**0**	**1**
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations																		
54	Financial guarantees	1 311	607	312	0	10	66	1	0	0	0	1	0	N/A	0	12	2	N/A	0
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 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)				
	31-12-2025		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	**54**	**5**	**0**	**0**	**12**	**4**	**0**	**0**	**93 560**	**2 225**	**45**	**675**	**578**
2	**Financial undertakings**	**0**	**0**	N/A	**0**	**0**	**0**	N/A	**0**	**1 070**	**58**	**0**	**4**	**7**
3	Credit institutions	0	0	N/A	0	0	0	N/A	0	1 068	57	0	4	7
4	Loans and advances	0	0	N/A	0	0	0	N/A	0	655	35	0	2	4
5	Debt securities, including UoP	0	0	N/A	0	0	0	N/A	0	413	22	0	2	3
6	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
7	Other financial corporations	0	0	N/A	0	0	0	N/A	0	3	1	0	0	0
8	Of which investment firms	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
9	Loans and advances	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
11	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
12	Of which management companies	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
13	Loans and advances	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
15	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
16	Of which insurance companies	0	0	N/A	0	0	0	N/A	0	3	1	0	0	0
17	Loans and advances	0	0	N/A	0	0	0	N/A	0	3	1	0	0	0
18	Debt securities, including UoP	0	0	N/A	0	0	0	N/A	0	0	0	0	0	0
19	Equity instruments	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0	0
20	**Non-financial undertakings**	**54**	**5**	N/A	**0**	**12**	**4**	N/A	**0**	**4 945**	**2 167**	**45**	**672**	**570**
21	Loans and advances	39	1	N/A	0	9	1	N/A	0	4 672	2 079	45	668	538
22	Debt securities, including UoP	15	3	N/A	0	3	3	N/A	0	273	88	0	3	32
23	Equity instruments	0	0	N/A	0	0	0	N/A	0	1	0	N/A	0	0
24	**Households**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	N/A	**N/A**	**86 697**	**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	82 666	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	4 088	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	993	0	0	0	0
28	**Local government financing**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**848**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0	0	0	835	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	13	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**	**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**	**54**	**5**	**0**	**0**	**12**	**4**	**0**	**0**	**93 572**	**2 225**	**45**	**675**	**578**
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**	**54**	**5**	**0**	**0**	**12**	**4**	**0**	**0**	**93 572**	**2 225**	**45**	**675**	**578**
	Off-balance sheet exposures – Undertakings subject to CSRD disclosure obligations													
54	Financial guarantees	0	0	0	0	0	0	0	0	621	315	0	10	66
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 3

	31-12-2024 (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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – assets for the calculation of GAR (Capex based) – PART 4

	31-12-2024	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)			
	(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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – GAR sector information (Turnover based) – PART 1

	31-12-2025; Breakdown by sector – NACE 4 digits level (code and label)	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	
	(in millions of EUR)		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	11	3	N/A	N/A	10	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
2	B – Mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	592	194	N/A	N/A	17	11	N/A	N/A	0	0	N/A	N/A	11	0	N/A	N/A
9	C.10 – Manufacture of food products	1	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	3	2	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	1	1	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	44	3	N/A	N/A	11	11	N/A	N/A	0	0	N/A	N/A	3	0	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	6	0	N/A	N/A	6	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
21	C.22 – Manufacture of rubber products	113	15	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	7	0	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	60	35	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
23	C.24 – Manufacture of basic metals	227	78	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	18	13	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	54	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	28	26	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	13	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
29	C.30 – Manufacture of other transport equipment	23	22	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	782	660	N/A	N/A	2	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	307	275	N/A	N/A	2	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
35	D.35.11 – Production of electricity	154	150	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	467	381	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	8	4	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	17	13	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
39	F – Construction	242	113	N/A	N/A	6	0	N/A	N/A	0	0	N/A	N/A	6	0	N/A	N/A
40	F.41 – Construction of buildings	43	19	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	2	0	N/A	N/A
41	F.42 – Civil engineering	46	26	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	3	0	N/A	N/A
42	F.43 – Specialised construction activities	154	69	N/A	N/A	6	0	N/A	N/A	0	0	N/A	N/A	2	0	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	69	26	N/A	N/A	15	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
44	H – Transportation and storage	281	140	N/A	N/A	24	21	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
45	H.49 – Land transport and transport via pipelines	213	110	N/A	N/A	24	21	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
46	H.50 – Water transport	6	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	54	29	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
49	H.35 – Postal and courier activities	8	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
50	I – Accommodation and food service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
51	K- Financial and insurance services	453	95	N/A	N/A	55	42	N/A	N/A	0	0	N/A	N/A	4	0	N/A	N/A
52	L – Real estate activities	620	145	N/A	N/A	274	139	N/A	N/A	0	0	N/A	N/A	9	0	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	314	238	N/A	N/A	6	0	N/A	N/A	1	0	N/A	N/A	11	0	N/A	N/A
54	**TOTAL**	**3 382**	**1 628**	N/A	N/A	**410**	**213**	N/A	N/A	**1**	**0**	N/A	N/A	**43**	**1**	N/A	N/A

KBC as a credit institution – GAR sector information (Turnover based) – PART 2

		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	
	31-12-2025; Breakdown by sector – NACE 4 digits level (code and label)	(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount	
	(in millions of EUR)		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	1	0	N/A	N/A	22	3	N/A	N/A
2	B – Mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	21	0	N/A	N/A	0	0	N/A	N/A	641	205	N/A	N/A
9	C.10 – Manufacture of food products	0	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	0	0	N/A	N/A	0	0	N/A	N/A	3	2	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	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	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	0	0	N/A	N/A	0	0	N/A	N/A	2	1	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	0	0	N/A	N/A	0	0	N/A	N/A	58	14	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	21	0	N/A	N/A	0	0	N/A	N/A	32	0	N/A	N/A
21	C.22 – Manufacture of rubber products	0	0	N/A	N/A	0	0	N/A	N/A	120	15	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	0	0	N/A	N/A	0	0	N/A	N/A	60	35	N/A	N/A
23	C.24 – Manufacture of basic metals	0	0	N/A	N/A	0	0	N/A	N/A	227	78	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	0	0	N/A	N/A	0	0	N/A	N/A	19	13	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	54	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	0	0	N/A	N/A	0	0	N/A	N/A	28	26	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	0	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	13	0	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	0	N/A	N/A	0	0	N/A	N/A	23	22	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	0	0	N/A	N/A	0	0	N/A	N/A	785	661	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	0	0	N/A	N/A	0	0	N/A	N/A	310	276	N/A	N/A
35	D.35.11 – Production of electricity	0	0	N/A	N/A	0	0	N/A	N/A	154	150	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	0	0	N/A	N/A	0	0	N/A	N/A	467	381	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	0	0	N/A	N/A	0	0	N/A	N/A	8	4	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	0	0	N/A	N/A	0	0	N/A	N/A	18	13	N/A	N/A
39	F – Construction	0	0	N/A	N/A	0	0	N/A	N/A	255	113	N/A	N/A
40	F.41 – Construction of buildings	0	0	N/A	N/A	0	0	N/A	N/A	44	19	N/A	N/A
41	F.42 – Civil engineering	0	0	N/A	N/A	0	0	N/A	N/A	49	26	N/A	N/A
42	F.43 – Specialised construction activities	0	0	N/A	N/A	0	0	N/A	N/A	162	69	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	0	0	N/A	N/A	0	0	N/A	N/A	84	26	N/A	N/A
44	H – Transportation and storage	0	0	N/A	N/A	0	0	N/A	N/A	306	160	N/A	N/A
45	H.49 – Land transport and transport via pipelines	0	0	N/A	N/A	0	0	N/A	N/A	237	131	N/A	N/A
46	H.50 – Water transport	0	0	N/A	N/A	0	0	N/A	N/A	6	0	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	0	0	N/A	N/A	0	0	N/A	N/A	54	29	N/A	N/A
49	H.35 – Postal and courier activities	0	0	N/A	N/A	0	0	N/A	N/A	8	0	N/A	N/A
50	I – Accommodation and food service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
51	K- Financial and insurance services	29	0	N/A	N/A	0	0	N/A	N/A	542	137	N/A	N/A
52	L – Real estate activities	0	0	N/A	N/A	7	0	N/A	N/A	909	285	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	0	0	N/A	N/A	6	0	N/A	N/A	338	238	N/A	N/A
54	**TOTAL**	**50**	**0**	N/A	N/A	**14**	**0**	N/A	N/A	**3 900**	**1 842**	N/A	N/A

KBC as a credit institution – GAR sector information (Capex based) – PART 1

		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	
	31-12-2025; Breakdown by sector – NACE 4 digits level (code and label)	(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount		(Gross) Carrying amount	
	(in millions of EUR)		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	11	2	N/A	N/A	10	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
2	B – Mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	751	279	N/A	N/A	7	4	N/A	N/A	0	0	N/A	N/A	13	1	N/A	N/A
9	C.10 – Manufacture of food products	34	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	4	2	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	2	1	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	78	5	N/A	N/A	4	4	N/A	N/A	0	0	N/A	N/A	3	0	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	11	0	N/A	N/A	2	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
21	C.22 – Manufacture of rubber products	111	29	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	7	0	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	56	54	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
23	C.24 – Manufacture of basic metals	303	126	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	33	23	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	1	0	N/A	N/A
25	C.26 – Manufacture of computer, electronic and optical products	62	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	23	17	N/A	N/A	1	0	N/A	N/A	0	0	N/A	N/A	1	1	N/A	N/A
27	C.28 – Manufacture of machinery and equipment n.e.c..	4	3	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
28	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	13	1	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
29	C.30 – Manufacture of other transport equipment	17	16	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A	0	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	778	730	N/A	N/A	9	4	N/A	N/A	0	0	N/A	N/A	4	4	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	316	294	N/A	N/A	9	4	N/A	N/A	0	0	N/A	N/A	4	4	N/A	N/A
35	D.35.11 – Production of electricity	74	70	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	443	419	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	19	17	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	17	13	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
39	F – Construction	219	117	N/A	N/A	6	0	N/A	N/A	0	0	N/A	N/A	6	0	N/A	N/A
40	F.41 – Construction of buildings	36	18	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	2	0	N/A	N/A
41	F.42 – Civil engineering	47	30	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	3	0	N/A	N/A
42	F.43 – Specialised construction activities	135	69	N/A	N/A	6	0	N/A	N/A	0	0	N/A	N/A	2	0	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	302	53	N/A	N/A	8	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
44	H – Transportation and storage	440	227	N/A	N/A	170	21	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
45	H.49 – Land transport and transport via pipelines	345	152	N/A	N/A	140	21	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
46	H.50 – Water transport	8	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	83	76	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
49	H.35 – Postal and courier activities	4	0	N/A	N/A	30	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
50	I – Accommodation and food service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
51	K- Financial and insurance services	544	127	N/A	N/A	46	16	N/A	N/A	0	0	N/A	N/A	16	0	N/A	N/A
52	L – Real estate activities	603	123	N/A	N/A	202	51	N/A	N/A	0	0	N/A	N/A	51	0	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	613	381	N/A	N/A	41	2	N/A	N/A	1	0	N/A	N/A	10	2	N/A	N/A
54	**TOTAL**	**4 278**	**2 053**	N/A	N/A	**499**	**98**	N/A	N/A	**1**	**0**	N/A	N/A	**102**	**7**	N/A	N/A

KBC as a credit institution – GAR sector information (Capex based) – PART 2

	31-12-2025; 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	0	N/A	N/A	0	0	N/A	N/A	21	2	N/A	N/A
2	B – Mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A
5	B.07 – Mining of metal ores	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
6	B.08 – Other mining and quarrying	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
7	B.09 – Mining support service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
8	C- Manufacturing	20	0	N/A	N/A	0	0	N/A	N/A	792	285	N/A	N/A
9	C.10 – Manufacture of food products	0	0	N/A	N/A	0	0	N/A	N/A	34	0	N/A	N/A
10	C.11 – Manufacture of beverages	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
11	C.12 – Manufacture of tobacco products	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
12	C.13 – Manufacture of textiles	0	0	N/A	N/A	0	0	N/A	N/A	4	2	N/A	N/A
13	C.14 – Manufacture of wearing apparel	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	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	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	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	0	N/A	N/A
18	C.19 – Manufacture of coke and refined petroleum products	0	0	N/A	N/A	0	0	N/A	N/A	3	1	N/A	N/A
19	C.20 – Manufacture of chemicals and chemical products	0	0	N/A	N/A	0	0	N/A	N/A	85	9	N/A	N/A
20	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	20	0	N/A	N/A	0	0	N/A	N/A	33	0	N/A	N/A
21	C.22 – Manufacture of rubber products	0	0	N/A	N/A	0	0	N/A	N/A	118	29	N/A	N/A
22	C.23 – Manufacture of other non-metallic mineral products	0	0	N/A	N/A	0	0	N/A	N/A	56	54	N/A	N/A
23	C.24 – Manufacture of basic metals	0	0	N/A	N/A	0	0	N/A	N/A	303	126	N/A	N/A
24	C.25 – Manufacture of fabricated metal products, except machinery and equipment	0	0	N/A	N/A	0	0	N/A	N/A	34	23	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	62	0	N/A	N/A
26	C.27 – Manufacture of electrical equipment	0	0	N/A	N/A	0	0	N/A	N/A	27	19	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	4	3	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	13	1	N/A	N/A
29	C.30 – Manufacture of other transport equipment	0	0	N/A	N/A	0	0	N/A	N/A	17	16	N/A	N/A
30	C.31 – Manufacture of furniture	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
31	C.32 – Other manufacturing	0	0	N/A	N/A	0	0	N/A	N/A	0	0	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	0	N/A	N/A
33	D – Electricity, gas, steam and air conditioning supply	4	4	N/A	N/A	4	4	N/A	N/A	800	746	N/A	N/A
34	D35.1 – Electric power generation, transmission and distribution	4	4	N/A	N/A	4	4	N/A	N/A	338	310	N/A	N/A
35	D.35.11 – Production of electricity	0	0	N/A	N/A	0	0	N/A	N/A	74	70	N/A	N/A
36	D.35.2 – Manufacture of gas, distribution of gaseous fuels through mains	0	0	N/A	N/A	0	0	N/A	N/A	443	419	N/A	N/A
37	D.35.3 – Steam and air conditioning supply	0	0	N/A	N/A	0	0	N/A	N/A	19	17	N/A	N/A
38	E – Water supply; sewerage, waste management and remediation activities	0	0	N/A	N/A	0	0	N/A	N/A	17	13	N/A	N/A
39	F – Construction	0	0	N/A	N/A	0	0	N/A	N/A	231	117	N/A	N/A
40	F.41 – Construction of buildings	0	0	N/A	N/A	0	0	N/A	N/A	38	18	N/A	N/A
41	F.42 – Civil engineering	0	0	N/A	N/A	0	0	N/A	N/A	50	30	N/A	N/A
42	F.43 – Specialised construction activities	0	0	N/A	N/A	0	0	N/A	N/A	143	69	N/A	N/A
43	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	0	0	N/A	N/A	0	0	N/A	N/A	310	53	N/A	N/A
44	H – Transportation and storage	0	0	N/A	N/A	0	0	N/A	N/A	610	249	N/A	N/A
45	H.49 – Land transport and transport via pipelines	0	0	N/A	N/A	0	0	N/A	N/A	485	173	N/A	N/A
46	H.50 – Water transport	0	0	N/A	N/A	0	0	N/A	N/A	8	0	N/A	N/A
47	H. 51 – Air transport	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
48	H. 52 – Warehousing and support activities for transportation	0	0	N/A	N/A	0	0	N/A	N/A	83	76	N/A	N/A
49	H.35 – Postal and courier activities	0	0	N/A	N/A	0	0	N/A	N/A	34	0	N/A	N/A
50	I – Accommodation and food service activities	0	0	N/A	N/A	0	0	N/A	N/A	0	0	N/A	N/A
51	K- Financial and insurance services	30	0	N/A	N/A	0	0	N/A	N/A	636	143	N/A	N/A
52	L – Real estate activities	0	0	N/A	N/A	1	0	N/A	N/A	857	173	N/A	N/A
53	Exposures to other sectors (NACE codes J, M-U)	0	0	N/A	N/A	7	0	N/A	N/A	671	386	N/A	N/A
54	**TOTAL**	**54**	**5**	N/A	N/A	**12**	**4**	N/A	N/A	**4 945**	**2 167**	N/A	N/A

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 1

	31-12-2025 % (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-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 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 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	91.6 %	1.7 %	0.0 %	0.2 %	1.0%	0.4 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
2	**Financial undertakings**	**45.3 %**	**2.3 %**	0.0 %	**0.1 %**	**0.2 %**	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
3	Credit institutions	45.5%	2.3 %	0.0 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
4	Loans and advances	37.8%	1.9 %	0.0 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
5	Debt securities, including UoP	66.6 %	3.4 %	0.0 %	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
7	Other financial corporations	17.8%	3.4 %	0.0 %	0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
9	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
13	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
16	Of which insurance companies	21.3 %	4.1 %	0.0 %	0.2 %	1.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
17	Loans and advances	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
18	Debt securities, including UoP	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
19	Equity instruments	41.0 %	0.5 %	N/A	0.3 %	0.1 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
20	**Non-Financial undertakings**	**32.3 %**	**15.6 %**	**0.4 %**	**1.7 %**	**9.1 %**	**3.9 %**	**2.0 %**	0.0 %	**0.2 %**	0.0 %	0.0 %	N/A	0.0 %	**0.4 %**	0.0 %	N/A	0.0 %
21	Loans and advances	32.1 %	15.8 %	0.5 %	1.7 %	9.2 %	4.1 %	2.1 %	0.0 %	0.2 %	0.0 %	0.0 %	N/A	0.0 %	0.4 %	0.0 %	N/A	0.0 %
22	Debt securities, including UoP	38.2 %	11.5 %	0.0 %	1.6 %	6.4 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.1 %	0.0 %	N/A	0.0 %
23	Equity instruments	2.2 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %
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 %	N/A	N/A	N/A	N/A	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
29	Housing financing	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
32	**Total GAR assets**	**41.8 %**	**0.8 %**	**0.0 %**	**0.1 %**	**0.4%**	**0.2 %**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 2

	31-12-2025 % (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	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	92.2 %	1.9 %	0.0 %	0.2 %	1.0 %	27.9 %
2	**Financial undertakings**	**0.0 %**	**0.0 %**	N/A	**0.0 %**	**0.0 %**	**0.0 %**	N/A	**0.0 %**	**45.3 %**	**2.3 %**	**0.0 %**	**0.1 %**	**0.2 %**	**0.7 %**
3	Credit institutions	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	45.5 %	2.3 %	0.0 %	0.1 %	0.2 %	0.7 %
4	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	37.8 %	1.9 %	0.0 %	0.1 %	0.1 %	0.5 %
5	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	66.6 %	3.4 %	0.0 %	0.3 %	0.3 %	0.2 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
7	Other financial corporations	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	17.8 %	3.4 %	0.0 %	0.2 %	0.9 %	0.0 %
8	Of which investment firms	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
10	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
12	Of which management companies	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
13	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
14	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
16	Of which insurance companies	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	21.3 %	4.1 %	0.0 %	0.2 %	1.1 %	0.0 %
17	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %
18	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	41.0 %	0.5 %	N/A	0.3 %	0.1 %	0.0 %
20	**Non-Financial undertakings**	**0.5 %**	0.0 %	N/A	0.0 %	**0.1 %**	0.0 %	N/A	0.0 %	**37.3 %**	**17.6 %**	**0.4 %**	**1.7 %**	**9.3 %**	**2.9 %**
21	Loans and advances	0.4 %	0.0 %	N/A	0.0 %	0.1 %	0.0 %	N/A	0.0 %	37.1 %	17.9 %	0.5 %	1.7 %	9.5 %	2.8 %
22	Debt securities, including UoP	2.4 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	41.1 %	11.6 %	0.0 %	1.6 %	6.5 %	0.1 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	2.2 %	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 %	**24.1 %**
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 %	23.0 %
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 %	1.1 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.2 %**
29	Housing financing	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.2 %
30	Other local government financing	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
32	**Total GAR assets**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**42.0 %**	**0.9 %**	**0.0 %**	**0.1 %**	**0.4 %**	**61.1 %**

KBC as a credit institution – GAR KPI stock (Turnover based) – PART 3

	31-12-2024 % (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	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**

KBC as a credit institution – GAR KPI stock (Turnover 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)					
	31-12-2024 % (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-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	Proportion of total assets covered
	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%**

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 1

	31-12-2025 % (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 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	92.5 %	2.1 %	0.0 %	0.7 %	0.5 %	0.5 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
2	**Financial undertakings**	**45.1 %**	**2.4 %**	0.0 %	**0.2 %**	**0.3 %**	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
3	Credit institutions	45.3 %	2.4 %	0.0 %	0.2 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
4	Loans and advances	37.8 %	2.0 %	0.0 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
5	Debt securities, including UoP	65.8 %	3.5 %	0.0 %	0.4 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
7	Other financial corporations	17.3 %	4.4 %	0.0 %	0.2 %	1.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
9	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
13	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
16	Of which insurance companies	20.8 %	5.3 %	0.0 %	0.2 %	1.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
17	Loans and advances	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
19	Equity instruments	14.8 %	0.1 %	N/A	0.0 %	0.1 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
20	**Non-Financial undertakings**	**40.9 %**	**19.6 %**	**0.4 %**	**6.4 %**	**5.2 %**	**4.8 %**	**0.9 %**	0.0 %	**0.2 %**	0.0 %	0.0 %	N/A	0.0 %	**1.0 %**	**0.1 %**	N/A	0.0 %
21	Loans and advances	40.9 %	19.9 %	0.5 %	6.7 %	5.2 %	4.7 %	1.0 %	0.0 %	0.2 %	0.0 %	0.0 %	N/A	0.0 %	1.0 %	0.0 %	N/A	0.0 %
22	Debt securities, including UoP	42.6 %	14.8 %	0.0 %	0.7 %	5.8 %	7.0 %	0.6 %	0.0 %	0.6 %	0.0 %	0.0 %	N/A	0.0 %	0.7 %	0.7 %	N/A	0.0 %
23	Equity instruments	2.3 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %
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 %	N/A	N/A	N/A	N/A	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
29	Housing financing	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
32	**Total GAR assets**	**42.2 %**	**1.0 %**	**0.0 %**	**0.3 %**	**0.3 %**	**0.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 2

	31-12-2025 % (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-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 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	0.1 %	0.0 %	0.0 %	0.0 %	0.0%	0.0 %	0.0 %	0.0 %	93.2 %	2.2 %	0.0 %	0. 7%	0.6 %	27.9 %
2	**Financial undertakings**	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	**45.1 %**	**2.4 %**	0.0 %	**0.2 %**	**0.3 %**	**0.7 %**
3	Credit institutions	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	45.3 %	2.4 %	0.0 %	0.2 %	0.3 %	0.7 %
4	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	37.8 %	2.0 %	0.0 %	0.1 %	0.2 %	0.5 %
5	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	65.8 %	3.5 %	0.0 %	0.4 %	0.5 %	0.2 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
7	Other financial corporations	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	17.3 %	4.4 %	0.0 %	0.2 %	1.5 %	0.0 %
8	Of which investment firms	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
10	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
12	Of which management companies	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
13	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
14	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
16	Of which insurance companies	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	20.8 %	5.3 %	0.0 %	0.2 %	1.9 %	0.0 %
17	Loans and advances	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %
18	Debt securities, including UoP	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	14.8 %	0.1 %	N/A	0.0 %	0.1 %	0.0 %
20	**Non-Financial undertakings**	**0.5 %**	**0.0 %**	N/A	0.0 %	0.1 %	0.0 %	N/A	0.0 %	**47.2 %**	**20.7 %**	**0.4 %**	**6.4 %**	**5.4 %**	**2.9 %**
21	Loans and advances	0.4 %	0.0 %	N/A	0.0 %	0.1 %	0.0 %	N/A	0.0 %	47.0 %	20.9 %	0.5 %	6.7 %	5.4 %	2.8 %
22	Debt securities, including UoP	2.9 %	0.6 %	N/A	0.0 %	0.6 %	0.6 %	N/A	0.0 %	53.9 %	17.4 %	0.0 %	0.7 %	6.4 %	0.1 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	2.3 %	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 %	**24.1 %**
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 %	23.0 %
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 %	1.1 %
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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	**100.0 %**	0.0 %	0.0 %	0.0 %	0.0 %	**0.2 %**
29	Housing financing	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	100.0%	0.0 %	0.0 %	0.0 %	0.0%	0.2 %
30	Other local government financing	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	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 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	**100.0 %**	**0.0 %**	0.0 %	0.0 %	**0.0 %**	**0.0 %**
32	**Total GAR assets**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**42.5 %**	**1.0 %**	0.0 %	0.3 %	**0.3 %**	**61.1 %**

KBC as a credit institution – GAR-KPI stock (Capex based) – PART 3

		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)			
	31-12-2024 % (compared to total covered assets in the denominator)		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**

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)					
	31-12-2024 % (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	95.7%	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%**

KBC as a credit institution – GAR KPI 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)			
	31-12-2025 % (compared to flow of total eligible assets)	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	83.5 %	2.2 %	0.0 %	0.4 %	0.8 %	0.2 %	0.1 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
2	**Financial undertakings**	**50.6 %**	**2.6 %**	**0.0 %**	**0.1 %**	**0.2 %**	**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	Credit institutions	50.9 %	2.5 %	0.0 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
4	Loans and advances	50.9 %	2.5 %	0.0 %	0.1 %	0.2 %	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	Debt securities, including UoP	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 %	0.0 %	0.0 %	0.0 %	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
7	Other financial corporations	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
13	Loans and advances	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
16	Of which insurance companies	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
17	Loans and advances	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
20	**Non-Financial undertakings**	**24.6 %**	**11.6 %**	0.0 %	**2.2 %**	**4.4 %**	**0.9 %**	**0.7 %**	**0.0 %**	**0.5 %**	0.0 %	0.0 %	0.0 %	0.0 %	**0.6 %**	**0.0 %**	0.0 %	0.0 %
21	Loans and advances	24.7 %	11.6 %	0.0 %	2.2 %	4.4 %	0.9 %	0.7 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.6 %	0.0 %	0.0 %	0.0 %
22	Debt securities, including UoP	1.7 %	1.7 %	0.0 %	0.0 %	1.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	0.0 %	0.0 %
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 %	N/A	N/A	N/A	N/A	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %
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**	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 %	0.0 %	0.0 %	0.0 %	0.0 %
29	Housing financing	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	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 %	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 %	0.0 %	0.0 %	0.0 %
32	**Total GAR assets**	**29.6 %**	**0.8 %**	**0.0 %**	**0.1 %**	**0.3 %**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

KBC as a credit institution – GAR KPI flow (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)					
	31-12-2025 % (compared to flow of total eligible 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	Proportion of total new assets covered
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	84.0 %	2.3 %	0.0 %	0.4 %	0.9 %	23.9 %
2	**Financial undertakings**	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**50.6 %**	**2.6 %**	**0.0 %**	**0.1 %**	**0.2 %**	**1.6 %**
3	Credit institutions	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.9 %	2.5 %	0.0 %	0.1 %	0.2 %	1.5 %
4	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.9 %	2.5 %	0.0 %	0.1 %	0.2 %	1.5 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
7	Other financial corporations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
13	Loans and advances	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
16	Of which insurance companies	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %
17	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	19.7 %	4.4 %	0.0 %	0.2 %	1.2 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
20	**Non-Financial undertakings**	**1.0 %**	**0.0 %**	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	0.0 %	**0.0 %**	**27.1 %**	**12.3 %**	**0.0 %**	**2.2 %**	**4.9 %**	**4.2 %**
21	Loans and advances	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	27.2 %	12.3 %	0.0 %	2.2 %	4.9 %	4.2 %
22	Debt securities, including UoP	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.7 %	1.7 %	0.0 %	0.0 %	1.7 %	0.0 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	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 %	**18.2 %**
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 %	15.9 %
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 %	3.6 %
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 %	0.5 %
28	**Local government financing**	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 %	**0.0 %**
29	Housing financing	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	**0.0 %**
32	**Total GAR assets**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**29.8 %**	**0.8%**	**0.0 %**	**0.1 %**	**0.3 %**	**67.5 %**

KBC as a credit institution – GAR-KPI flow (Capex based) – PART 1

	31-12-2025 % (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 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	85.3 %	3.2 %	0.0 %	0.2 %	1.1 %	0.5 %	0.1 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
2	**Financial undertakings**	**50.6 %**	**2.8 %**	**0.0 %**	**0.1 %**	**0.3 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
3	Credit institutions	50.9 %	2.7 %	0.0 %	0.1 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
4	Loans and advances	50.9 %	2.7 %	0.0 %	0.1 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
7	Other financial corporations	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
13	Loans and advances	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
16	Of which insurance companies	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
17	Loans and advances	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
20	**Non-Financial undertakings**	**34.6 %**	**17.4 %**	0.0 %	**1.0 %**	**6.2 %**	**2.7 %**	**0.6 %**	0.0 %	**0.5 %**	0.0 %	0.0 %	0.0 %	0.0 %	**0.5 %**	**0.1 %**	0.0 %	0.0 %
21	Loans and advances	34.5 %	17.4 %	0.0 %	1.0 %	6.1 %	2.7 %	0.6 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %
22	Debt securities, including UoP	48.6 %	48.6 %	0.0 %	0.0 %	48.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %
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 %	0.0 %	0.0 %	0.0 %
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 %	N/A	N/A	N/A	N/A	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %
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**	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 %	0.0 %	0.0 %	0.0 %	0.0 %
29	Housing financing	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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	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 %	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 %	0.0 %	0.0 %	0.0 %
32	**Total GAR assets**	**30.2 %**	**1.2 %**	**0.0 %**	**0.1 %**	**0.4 %**	**0.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

KBC as a credit institution – GAR-KPI flow (Capex based) – PART 2

	31-12-2025 % (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-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	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	86.0 %	3.4 %	0.0 %	0.2 %	1.2 %	23.9 %
2	**Financial undertakings**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**50.6 %**	**2.8 %**	0.0 %	**0.1 %**	**0.3 %**	**1.6 %**
3	Credit institutions	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.9 %	2.7 %	0.0 %	0.1 %	0.3 %	1.5 %
4	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.9 %	2.7 %	0.0 %	0.1 %	0.3 %	1.5 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
6	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
7	Other financial corporations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	21.3 %	5.7 %	0.0 %	0.2 %	0.2 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
9	Loans and advances	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
11	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
13	Loans and advances	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
15	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
16	Of which insurance companies	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %
17	Loans and advances	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	21.3 %	5.7 %	0.0 %	0.2 %	2.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
19	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %
20	**Non-Financial undertakings**	**1.0 %**	**0.1 %**	0.0 %	0.0 %	**0.1 %**	**0.1 %**	0.0 %	0.0 %	**38.8 %**	**18.1 %**	**0.0 %**	**1.0 %**	**6.8 %**	**4.2 %**
21	Loans and advances	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	38.8 %	18.1 %	0.0 %	1.0 %	6.7 %	4.2 %
22	Debt securities, including UoP	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	48.6 %	48.6 %	0.0 %	0.0 %	48.6 %	0.0 %
23	Equity instruments	0.0 %	0.0 %	N/A	0.0 %	0.0 %	0.0 %	N/A	0.0 %	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 %	**18.2 %**
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 %	15.9 %
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 %	3.6 %
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 %	0.5 %
28	**Local government financing**	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 %	**0.0 %**
29	Housing financing	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 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %
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 %	0.0 %	0.0 %	0.0 %	**0.0 %**
32	**Total GAR assets**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**30.5 %**	**1.2 %**	**0.0 %**	**0.1 %**	**0.4 %**	**67.5 %**

KBC as a credit institution – KPI off-balance sheet exposures (stock - Turnover based) – PART 1

	31-12-2025 % (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)*	3.3 %	1.7 %	0.0 %	0.0 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Turnover based) – PART 2

	31-12-2025 % (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 %	0.0%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	3.4 %	1.7 %	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 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)			
	31-12-2025 % (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-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)*	4.8 %	0.9 %	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 %	0.0 %	0.0 %
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 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)				
	31-12-2025 % (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-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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	4.9 %	0.9 %	0.0 %	0.0 %	0.5 %
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Capex based) – PART 1

	31-12-2025 % (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 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
1	Financial guarantees (FinGuar KPI)*	5.0 %	2.6 %	0.0 %	0.1 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (stock - Capex based) – PART 2

	31-12-2025 % (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 transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)*	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	5.1 %	2.6 %	0.0 %	0.1 %	0.5 %
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - 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)			
	31-12-2025 % (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-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)*	4.8 %	0.9 %	0.0 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
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 reported in the specific templates foreseen for asset managers

KBC as a credit institution – KPI off-balance sheet exposures (flow - Capex 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)				
	31-12-2025 % (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-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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	4.9 %	0.9 %	0.0 %	0.0 %	0.5 %
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 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.	YES
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

Row	31-12-2025 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 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 %
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	160	0.1 %	160	0.1 %	0	0.0 %	84	0.2 %	84	0.2 %	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**	**1 736**	**0.8 %**	**1 521**	**0.7 %**	213	**0.1 %**	**361**	**0.7 %**	**337**	**0.6 %**	**24**	**0.0 %**	**203**	**1.7 %**	**202**	**1.7 %**	**0**	**0.0 %**
8	**Total applicable KPI**	**1 896**	**0.9 %**					**444**	**0.8 %**					**204**	**1.7 %**				

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (denominator) – Capex based

Row	31-12-2025 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 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 %
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	58	0.0 %	58	0.0 %	0	0.0 %	29	0.1 %	29	0.1 %	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**	2 167	1.0 %	2 052	0.9 %	98	0.0 %	**613**	**1.1 %**	**590**	**1.1 %**	**20**	**0.0 %**	**314**	**2.6 %**	**311**	**2.6 %**	**0**	**0.0 %**
8	**Total applicable KPI**	**2 225**	**1.0 %**					**642**	**1.2 %**					**315**	**2.6 %**				

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator) - Turnover based

Row	31-12-2025 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	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 %
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	160	8.5 %	160	9.5 %	0	0.0 %	84	18.8 %	84	19.9 %	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**	1 736	91.5 %	1 521	90.5 %	213	100.0 %	361	81.2 %	337	80.1 %	24	100.0 %	203	99.4 %	202	99.4 %	0	100.0 %
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1 896**	**100.0 %**	**1 682**	**100.0 %**	**213**	**100.0 %**	**444**	**100.0 %**	**420**	**100.0 %**	**24**	**100.0 %**	**203**	**100.0 %**	**203**	**100.0 %**	**0**	**100.0 %**

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator) – Capex based

Row	31-12-2025 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	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 %
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	58	2.6 %	58	2.7%	0	0.0 %	29	4.5 %	29	4.7 %	0	0.0 %	1	0.3 %	1	0.3 %	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	2 167	97.4 %	2 052	97.2 %	98	100.0 %	613	95.5 %	590	95.3 %	20	100.0 %	314	99.7 %	311	99.7 %	0	100.0 %
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2 225**	**100.0 %**	**2 111**	**100.0 %**	**98**	**100.0 %**	**642**	**100.0 %**	**619**	**100.0 %**	**20**	**100.0 %**	**315**	**100.0 %**	**312**	**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

Row	31-12-2025 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-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	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 %
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	2	0.0 %	2	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	34	0.0 %	34	0.0 %	0	0.0 %	22	0.0 %	22	0.0 %	0	0.0 %	0	0.0 %	0	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	49	0.0 %	49	0.0 %	0	0.0 %	4	0.0 %	4	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	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 %
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**	90 547	41.1 %	90 243	41.0 %	197	0.1 %	**15 540**	**28.9 %**	**15 481**	**28.8 %**	**7**	**0.0 %**	**210**	**1.7 %**	**197**	**1.6 %**	**2**	**0.0 %**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**90 635**	**41.2 %**	**90 331**	**41.0 %**	**197**	**0.1 %**	**15 566**	**28.9 %**	**15 507**	**28.8 %**	**7**	**0.0 %**	**210**	**1.7 %**	**198**	**1.6 %**	**2**	**0.0 %**

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned economic activities – Capex based

Row	31-12-2025 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-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	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 %
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	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 %
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	21	0.0 %	21	0.0 %	0	0.0 %	1	0.0 %	1	0.0 %	0	0.0 %	3	0.0 %	2	0.0 %	1	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	27	0.0 %	27	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	91 298	41.5 %	90 745	41.2 %	400	0.2 %	15 759	29.3 %	15 641	29.1 %	7	0.0 %	304	2.5 %	292	2.4 %	0	0.0 %
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**91 347**	**41.5 %**	**90 793**	**41.3 %**	**401**	**0.2 %**	**15 760**	**29.3 %**	**15 642**	**29.1 %**	**7**	**0.0 %**	**306**	**2.5 %**	**295**	**2.4 %**	**1**	**0.0 %**

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy non-eligible activities - Turnover based

Row	31-12-2025 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	14	0.0 %	28	0.1 %	0	0.0 %
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	14	0.0 %	28	0.1 %	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	299	0.1 %	157	0.3 %	3	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	152	0.1 %	75	0.1 %	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 KPI	77	0.0 %	33	0.1 %	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	34	0.0 %	28	0.1 %	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**	**126 940**	**57.7 %**	**37 446**	**69.6 %**	**11 777**	**96.6 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**127 530**	**58.0 %**	**37 793**	**70.2 %**	**11 780**	**96.6 %**

KBC as a credit institution – nuclear and fossil gas related activities – taxonomy non-eligible activities - Capex based

Row	31-12-2025 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	14	0.0 %	28	0.1 %	0	0.0 %
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	14	0.0 %	28	0.1 %	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	299	0.1 %	157	0.3 %	3	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	152	0.1 %	75	0.1 %	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 KPI	77	0.0 %	33	0.1 %	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	34	0.0 %	28	0.1 %	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**	125 899	57.2 %	37 054	68.9 %	11 571	94.9 %
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**126 490**	**57.5 %**	**37 401**	**69.5 %**	**11 574**	**94.9 %**

KBC as a (re)insurance company – Green underwriting

Economic activities (1)	Substantial contribution to climate change adaptation			DNSH (Do Not Significant Harm)					
	Absolute premiums 31-12-2025 (2)	Proportion of premiums 31-12-2025 (3)	Proportion of premiums 31-12-2024 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	in millions of EUR	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwriting taxonomy-aligned activities (environmentally sustainable)	**77**	**2.8%**	**1.7%**	Y	Y	Y	Y	Y	Y
A.1.1 of which reinsured	-35	N/A	N/A	Y	Y	Y	Y	Y	Y
A.1.2 of which stemming from reinsurance activity	2	0.1%	0.1%	Y	Y	Y	Y	Y	Y
A.1.2.1. of which reinsured (retrocession)	- 1	N/A	N/A	Y	Y	Y	Y	Y	Y
A.2 Non-life insurance and reinsurance underwriting taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)	**251**	**9.0%**	**10.8%**	N/A	N/A	N/A	N/A	N/A	N/A
B Non-life insurance and reinsurance underwriting taxonomy-non-eligible activities	**2 457**	**88.2%**	**87.5%**	N/A	N/A	N/A	N/A	N/A	N/A
Total (A.1+A.2+B)	**2 785**	**100%**	**100%**	N/A	N/A	N/A	N/A	N/A	N/A

KBC as a (re)insurance company – Green investment ratio

(in millions of EUR, unless otherwise mentioned) 2025

The weighted average value of all the investments of insurance or reinsurance undertakings 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: 2.3%	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	Turnover-based: 488 Capital expenditures-based: 625
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	Coverage ratio: 97.8%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	Coverage: 27 262
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	0.2%	The value in monetary amounts of derivatives.	42
The proportion of exposures to 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: 37.6% For financial undertakings: 13.7%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	For non-financial undertakings: 10 243 For financial undertakings: 3 725
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: 29.1% For financial undertakings: 11.5%	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: 7 923 For financial undertakings: 3 147
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: 10.7% For financial undertakings: 17.8%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	For non-financial undertakings: 2 919 For financial undertakings: 4 860
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:	20.1%	Value of exposures to other counterparties and assets:	5 472
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders:	34.0%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders:	9 257
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:	84.7%	Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	23 092
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:	13.5%	Value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy- aligned:	3 681
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: 1.4% Capital expenditures-based: 1.8% For financial undertakings: Turnover-based: 0.4% Capital expenditures-based: 0.5%	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: 369 Capital expenditures-based: 491 For financial undertakings: Turnover-based: 119 Capital expenditures-based: 134
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	Turnover-based: 0.6% Capital expenditures-based: 0.8%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	Turnover-based: 175 Capital expenditures-based: 215
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 – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:**			
(1) Climate change mitigation	Turnover: 90.5% CapEx: 93.7%	Transitional activities: Enabling activities:	Turnover: 18.7% Capex:13.7% Turnover: 61.8% Capex: 46.5%
(2) Climate change adaptation	Turnover: 7.0% CapEx: 4.4%	Enabling activities:	Turnover: 2.6% Capex: 11.9%
(3) The sustainable use and protection of water of marine resources	Turnover: 0.6% CapEx: 0.3%	Enabling activities:	Turnover: 0.0% Capex: 0.0%
(4) The transition to a circular economy	Turnover: 1.6% CapEx: 1.4%	Enabling activities:	Turnover: 0.0% Capex: 0.0%
(5) Pollution prevention and control	Turnover: 0.3% CapEx: 0.3%	Enabling activities:	Turnover: 0.0% Capex: 0.0%
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.0% CapEx: 0.0%	Enabling activities:	Turnover 0.0% Capex: 0.0%

KBC as a (re)insurance company – 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.	Yes
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 (re)insurance company – nuclear and fossil gas related activities – taxonomy aligned economic activities (denominator)

Row	31-12-2025 Economic activities (amounts in millions of EUR)	Green Investment Ratio (Turnover based)						Green Investment Ratio (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	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
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	488	1.8%	442	1.6%	34	0.1%	625	2.3%	586	2.1%	27	0.1%
8	**Total applicable KPI**	488	1.8%	442	1.6%	34	0.1%	625	2.3%	586	2.1%	27	0.1%

KBC as a (re)insurance company – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator)

Row	31-12-2025 Economic activities (amounts in millions of EUR)	Green Investment Ratio (Turnover based)						Green Investment Ratio (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	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
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	488	100.0%	442	100.0%	34	100.0%	625	100.0%	586	100.0%	27	100.0%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	488	100.0%	442	100.0%	34	100.0%	625	100.0%	586	100.0%	27	100.0%

KBC as a (re)insurance company – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned activities

Row	31-12-2025 Economic activities (amounts in millions of EUR)	Green Investment Ratio (turnover based)		Green Investment Ratio (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	0	0.0%	0	0.0%
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	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	0	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%
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	3 681	13.5%	3 698	13.6%
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	3 681	13.5%	3 698	13.6%

KBC as a (re)insurance company – nuclear and fossil gas related activities – taxonomy non-eligible economic activities

Row	31-12-2025 Economic activities (amounts in millions of EUR)	Green Investment Ratio (turnover based)		Green Investment Ratio (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	2	0.0%	2	0.0%
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	15	0.1%	15	0.1%
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	1	0.0%	1	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	108	0.4%	108	0.4%
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	66	0.2%	66	0.2%
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	22 900	84.0%	22 746	83.4%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	23 092	84.7%	22 939	84.1%

KBC as an asset manager – asset management KPI

(in millions of EUR, unless otherwise mentioned) 2025

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: 2.5 % Capital expenditures-based: 3.3 %	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: 2 340 Capital expenditures-based: 3 134
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities.	Coverage ratio: 100.0 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	Coverage: 95 187
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	1.2 %	The value in monetary amounts of derivatives.	1 141
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: 7.5 % For financial undertakings: 0.9 %	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: 7 100 For financial undertakings: 880
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: 46.9 % For financial undertakings: 11.3 %	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: 44 669 For financial undertakings: 10 758
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: 16.9 % For financial undertakings: 12.2 %	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	For non-financial undertakings: 16 081 For financial undertakings: 11 655
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:	3.0 %	Value of exposures to other counterparties and assets:	2 901
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:	89.0 %	Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	84 747
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:	8.5 %	Value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy- aligned:	8 099
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: 2.1 % Capital expenditures-based: 2.9 % For financial undertakings: Turnover-based: 0.3 % Capital expenditures-based: 0.3 %	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: 2 023 Capital expenditures-based: 2 806 For financial undertakings: Turnover-based: 316 Capital expenditures-based: 328
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: 90.3 % CapEx : 93.2 %	Transitional activities:	Turnover: 7.3 % Capex: 8.5 % Enabling activities: Turnover: 51.4 % Capex: 48.1 %
(2) Climate change adaptation	Turnover: 5.6 % CapEx: 4.3 %	Enabling activities:	Turnover: 0.2 % Capex: 0.5 %
(3) The sustainable use and protection of water of marine resources	Turnover: 0.8 % CapEx: 0.5 %	Enabling activities:	Turnover: 0.0 % Capex: 0.0 %
(4) The transition to a circular economy	Turnover: 3.0 % CapEx: 1.6 %	Enabling activities:	Turnover: 0.0 % Capex:0.0 %
(5) Pollution prevention and control	Turnover: 0.3 % CapEx: 0.4 %	Enabling activities:	Turnover: 0.0 % Capex: 0.0 %
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.0 % CapEx: 0.0 %	Enabling activities:	Turnover: 0.0 % Capex: 0.0 %

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.	YES
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)

		Asset Management KPI (Turnover based)						Asset Management KPI (Capex based)					
	31-12-2025 Economic activities	Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	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	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
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	2 340	2.5 %	2 113	2.2 %	131	0.1 %	3 133	3.3 %	2 919	3.1 %	136	0.1 %
8	**Total applicable KPI**	2 340	2.5 %	2 113	2.2 %	131	0.1 %	3 134	3.3 %	2 920	3.1 %	136	0.1 %

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy aligned economic activities (numerator)

		Asset Management KPI (Turnover based)						Asset Management KPI (Capex based)					
	31-12-2025 Economic activities	Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Total		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	(amounts in millions of EUR)	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	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
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	2 340	100.0 %	2 113	100.0 %	131	100.0 %	3 133	100.0 %	2 919	100.0 %	136	100.0 %
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	2 340	100.0 %	2 113	100.0 %	131	100.0 %	3 134	100.0 %	2 920	100.0 %	136	100.0 %

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned activities

Row	31-12-2025 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	0	0.0 %	0	0.0 %
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	3	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	45	0.0 %	15	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	9	0.0 %	3	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	1	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	8 041	8.4 %	8 592	9.0 %
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	8 099	8.5 %	8 610	9.0 %

KBC as an asset manager – nuclear and fossil gas related activities – taxonomy non-eligible economic activities

Row	31-12-2025 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	0	0.0 %	0	0.0 %
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	84 747	89.0 %	83 457	87.7 %
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	84 747	89.0 %	83 457	87.7 %

Management certification

"I, Bartel Puelinckx, Chief Financial Officer of the KBC group, certify on behalf of the Executive Committee of KBC Group 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 Group 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 Group 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 has been prepared in accordance with the sustainability reporting standards referred to in Article 29ter of Directive 2013/34/EU and the specifications laid down in Delegated Regulation (EU) 2021/2178."

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Calendar	
Publication of the Annual Report, the Sustainability Report and the Risk Report for 2025	1 April 2026
General Meeting of Shareholders (agenda available at www.kbc.com)	7 May 2026
Earnings release for 1Q 2026	12 May 2026
Earnings release for 2Q 2026	6 August 2026
Earnings release for 3Q 2026	12 November 2026

The most up-to-date version of the financial calendar is available at www.kbc.com.

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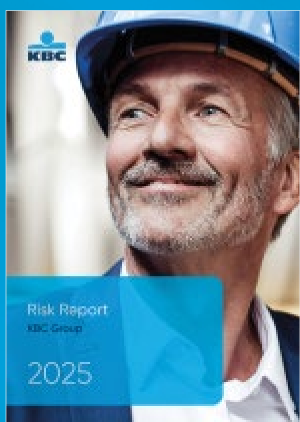

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