KBC Group Quarterly Report 4Q2024

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

KBC GROUP
4Q2024 report

Forward-looking statements
The expectations, forecasts and statements regarding future developments that are contained in this report are, of course, based on assumptions and are contingent on a number of factors that will come into play in the future. Consequently, the actual situation may turn out to be (substantially) different.

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 abbreviated financial statements included in the quarterly report are based on the relevant accounting standards and fairly present in all material respects the financial condition and results of KBC Group NV including its consolidated subsidiaries, and that the quarterly report provides a fair view of the main events, the main transactions with related parties in the period under review and their impact on the abbreviated financial statements, and an overview of the main risks and uncertainties for the remainder of the current year.'

Investor Relations contact details

IR4U@kbc.be
KBC Group NV, Investor Relations Office, Havenlaan 2, 1080 Brussels, Belgium

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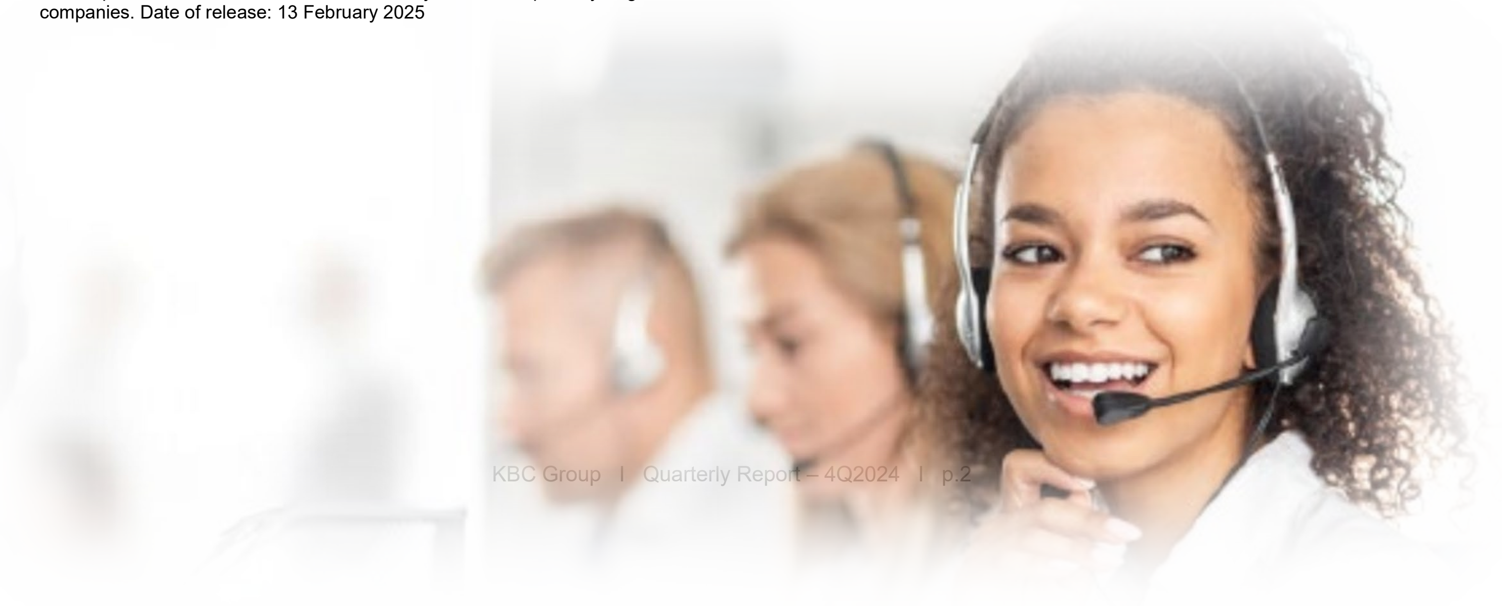


Fourth-quarter result of 1 116 million euros

KBC Group – overview (consolidated, IFRS)	4Q2024	3Q2024	4Q2023	FY2024	FY2023
Net result (in millions of EUR)	1 116	868	677	3 415	3 402
Basic earnings per share (in EUR)	2.75	2.14	1.59	8.33	8.04
Breakdown of the net result by business unit (in millions of EUR)					
Belgium	*487*	*598*	*474*	*1 846*	*1 866*
Czech Republic	*238*	*179*	*102*	*858*	*763*
International Markets	*175*	*205*	*178*	*751*	*676*
Group Centre	*215*	*-114*	*-77*	*-40*	*97*
Parent shareholders’ equity per share (in EUR, end of period)	56.6	54.1	53.9	56.6	53.9

‘We recorded a net profit of 1 116 million euros in the last quarter of 2024. Compared to the result of the previous quarter, our total income benefited from several factors, including higher net interest income, increased insurance revenues and sharply higher net fee and commission income driven by an excellent business performance. This clearly illustrates how our integrated customer offering strongly contributes to income growth and income diversification. These items were partly offset by a decrease in trading & fair value income and lower net other income.

Our loan portfolio continued to expand, increasing by 2% quarter-on-quarter and by 5% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank’s foreign branches – were up 2% quarter-on-quarter and 7% year-on-year, with the latter figure benefiting from the successful return of customer funds after the Belgian state note had matured in the previous quarter.

Operational expenses were up in the quarter under review but remained perfectly within our full-year 2024 guidance. Insurance service expenses were lower, as the previous quarter had been impacted by storms and floods in Central Europe (especially Storm Boris). Loan loss impairment charges, excluding the reserve for geopolitical and macroeconomic uncertainties, were down on the level recorded in the previous quarter, leading to a credit cost ratio of 16 basis points for full-year 2024, well below our guidance figure. Including the reserve for geopolitical and macroeconomic uncertainties, the credit cost ratio stood at 10 basis points for full-year 2024. We also recorded a one-off tax benefit of 318 million euros in the quarter under review, due to the forthcoming liquidation of Exicon (the remaining activities of KBC Bank Ireland).

Consequently, when adding up the four quarters of the year, our full-year net profit amounted to an excellent 3 415 million euros, slightly up year-on-year.

On the sustainability front, we are proud to be included for the third consecutive year in the CDP Climate A List. This recognition highlights KBC's leading role in climate-related disclosures and actions.

Our solvency position remained strong, with a fully loaded common equity ratio of 15.0% at the end of December 2024. Our liquidity position remained very solid too, as illustrated by an LCR of 158% and NSFR of 139%. Our Board of Directors has decided to propose a total gross dividend of 4.85 euros per share to the General Meeting of Shareholders for the accounting year 2024. That amount includes 0.70 euro per share already paid in May 2024, reflecting the surplus capital above the 15% fully loaded CET1 threshold per end 2023 and 4.15 euros per share, of which an interim dividend of 1 euro per share was already paid in November 2024 and the remaining 3.15 euros per share to be paid in May 2025. When including the proposed dividend of 4.15 euros per share and additional tier-1 coupon, the pay-out ratio would amount to approximately 51% of 2024 net profit.

Lastly, we have also updated our short-term financial guidance. For 2025, we are aiming to achieve an annual growth rate of at least 5.5% for total income and an annual growth rate of below 2.5% for operating expenses excluding bank and insurance taxes. Furthermore, we also want to achieve a combined ratio of maximum 91% in non-life insurance.

In closing, I would like to sincerely thank all our customers, employees, shareholders and all other stakeholders for their trust and support, and assure them that we remain committed to being the reference in bank-insurance, innovation and digitalisation in all our home markets.’

Johan Thijs
Chief Executive Officer

The cornerstones of our strategy

- We place our customers at the centre of everything we do
- We look to offer our customers 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 build upon the PEARL+ values, while focusing on the joint development of solutions, initiatives and ideas within the group

Financial highlights in 4Q2024

Net interest income increased by 3% quarter-on-quarter and by 5% year-on-year. The net interest margin for the quarter under review amounted to 2.08%, stable compared to the previous quarter and up 9 basis points on the year-earlier quarter. Customer loan volumes were up 2% quarter-on-quarter and 5% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were up 2% quarter-on-quarter and 7% year-on-year (with the latter figure benefiting from the inflow of core customer money in the third quarter after the Belgian state note had matured).

The insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 125 million euros (compared to 81 million euros and 100 million euros in the previous and year-earlier quarters, respectively) and breaks down into 76 million euros for non-life insurance and 49 million euros for life insurance. Our non-life insurance result rebounded strongly on the previous quarter, which had been impacted by Storm Boris in Central Europe. The non-life insurance combined ratio for full-year 2024 amounted to 90% (88% when excluding the net impact of -33 million euros of Storm Boris), compared to 87% for full-year 2023. Non-life insurance sales increased by 8% year-on-year. Life insurance sales were down 8% on the very high level recorded in the previous quarter and up 7% on their level in the year-earlier quarter.

Net fee and commission income was up 9% and 17% on its level in the previous and year-earlier quarters, respectively. In both cases, the increase came about thanks to the higher level of fees for our asset management activities and banking services. Assets under management were up 2% quarter-on-quarter and 13% year-on-year.

Trading & fair value income and insurance finance income and expense was down 31 million euros and 34 million euros on the figures for the previous and year-earlier quarters, respectively. **Net other income** was below its normal run rate due mainly to a negative 28-million-euro one-off item relating to a legal case in Hungary.

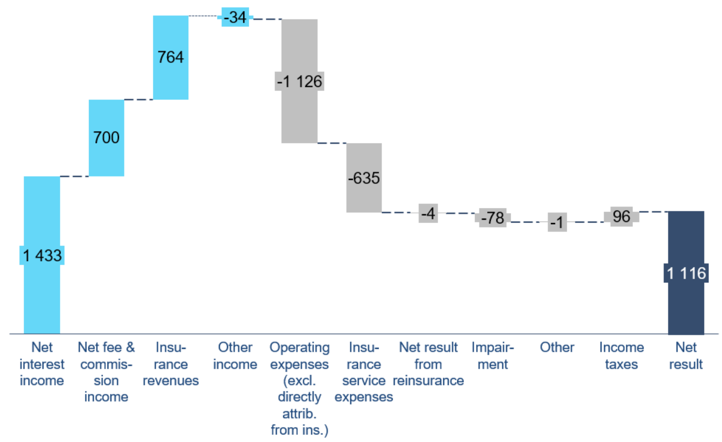
Operating expenses excluding bank and insurance taxes were up 6% and 3% on their level in the previous and year-earlier quarters, respectively. The cost/income ratio for full-year 2024 came to 47%, compared to 49% for full-year 2023. In that calculation, certain non-operating items have been excluded. When excluding all bank and insurance taxes, the cost/income ratio for full-year 2024 amounted to 43%, the same as for full-year 2023. Full-year 2024 operating expenses excluding bank and insurance taxes but including insurance commissions paid rose by 1.6% compared to full-year 2023, in line with our guidance of an increase below 1.7% year-on-year.

Loan loss impairment charges amounted to 50 million euros, compared to 61 million euros in the previous quarter and a release of 5 million euros in the year-earlier quarter. The credit cost ratio for full-year 2024 amounted to 0.10%, compared to 0.00% for full-year 2023. Impairment on assets *other than loans* amounted to 28 million euros in the quarter under review, compared to 7 million euros in the previous quarter and 175 million euros in the year-earlier quarter (including a 109-million-euro impairment on goodwill in the Czech Republic).

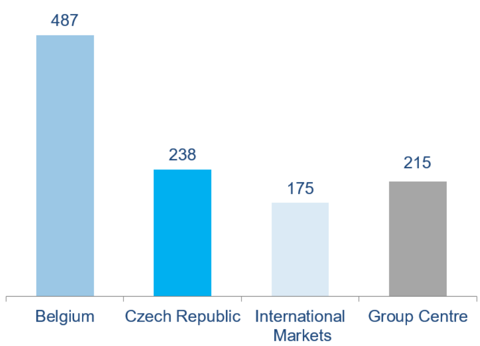
Income tax expenses were positively impacted in the quarter under review by a one-off tax benefit of 318 million euros, due to the forthcoming liquidation of Exicon (the remaining activities of KBC Bank Ireland).

Our **liquidity position** remained strong, with an LCR of 158% and NSFR of 139%. Our **capital base** remained robust, with a fully loaded common equity ratio of 15.0% (which includes the impact of the proposed dividend payment).

Breakdown of 4Q2024 result
(in millions of EUR)



Contribution of the business units to 4Q2024 group result
(in millions of EUR)



Overview of results and balance sheet

Consolidated income statement, IFRS, KBC Group (simplified; in millions of EUR)	4Q2024	3Q2024	2Q2024	1Q2024	4Q2023	FY2024	FY2023
Net interest income	1 433	1 394	1 379	1 369	1 360	5 574	5 473
Insurance revenues before reinsurance	764	740	726	714	683	2 945	2 679
Non-life	*640*	*631*	*613*	*598*	*584*	*2 482*	*2 280*
Life	*124*	*109*	*114*	*116*	*99*	*463*	*399*
Dividend income	13	11	26	7	12	57	59
Net result from financial instruments at fair value through P&L and Insurance finance income and expense [1]	-74	-42	3	-55	-40	-168	9
Net fee and commission income	700	641	623	614	600	2 578	2 349
Net other income	27	45	51	58	60	181	656
Total income	2 863	2 787	2 809	2 708	2 674	11 167	11 224
Operating expenses (excl. directly attributable from insurance)	-1 126	-1 058	-950	-1 431	-1 085	-4 565	-4 616
Total operating expenses excluding bank and insurance taxes	*-1 201*	*-1 135*	*-1 074*	*-1 063*	*-1 169*	*-4 474*	*-4 438*
Total bank and insurance taxes	*-55*	*-47*	*-2*	*-518*	*-36*	*-623*	*-687*
Minus: operating expenses allocated to insurance service expenses	*131*	*124*	*126*	*150*	*120*	*532*	*509*
Insurance service expenses before reinsurance	-635	-688	-590	-563	-567	-2 475	-2 120
Of which Insurance commission paid	*-103*	*-99*	*-92*	*-89*	*-94*	*-383*	*-340*
Non-Life	*-561*	*-615*	*-514*	*-489*	*-509*	*-2 179*	*-1 870*
Life	*-74*	*-72*	*-76*	*-73*	*-58*	*-296*	*-251*
Net result from reinsurance contracts held	-4	28	-24	-18	-16	-17	-90
Impairment	-78	-69	-85	-16	-170	-248	-215
Of which: on financial assets at amortised cost and at fair value through other comprehensive income[2]	*-50*	*-61*	*-72*	*-16*	*5*	*-199*	*16*
Share in results of associated companies & joint ventures	-1	78	2	0	0	80	-4
Result before tax	1 020	1 079	1 162	680	836	3 941	4 179
Income tax expense	96	-211	-237	-175	-159	-527	-778
Result after tax	1 115	868	925	506	677	3 414	3 401
attributable to minority interests	0	0	0	0	0	-1	-1
attributable to equity holders of the parent	**1 116**	**868**	**925**	**506**	**677**	**3 415**	**3 402**
Basic earnings per share (EUR)	2.75	2.14	2.25	1.18	1.59	8.33	8.04
Diluted earnings per share (EUR)	2.75	2.14	2.25	1.18	1.59	8.33	8.04

Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)	31-12-2024	30-09-2024	30-06-2024	31-03-2024	31-12-2023
Total assets	373 048	353 261	361 945	359 477	346 921
Loans & advances to customers	192 067	188 623	187 502	183 722	183 613
Securities (equity and debt instruments)	80 339	75 929	73 941	73 561	73 696
Deposits from customers	228 747	221 851	221 844	216 314	216 501
Insurance contract liabilities	17 111	17 012	16 521	16 602	16 784
Liabilities under investment contracts, insurance	15 671	15 193	14 780	14 319	13 461
Total equity	24 311	23 300	22 936	23 917	24 260

Selected ratios KBC Group (consolidated)	FY2024	FY2023
Return on equity[3]	15%	16%
Cost/income ratio, group - excl. non-operating items - excl. all bank and insurance taxes	 47% 43%	 49% 43%
Combined ratio, non-life insurance	90%	87%
Common equity ratio (CET1), Basel III, Danish Compromise. - fully loaded - transitional	 15.0% 13.9%	 15.2% 13.8%
Credit cost ratio[4]	0.10%	0.00%
Impaired loans ratio	2.0%	2.1%
for loans more than 90 days past due	1.0%	1.0%
Net stable funding ratio (NSFR)	139%	136%
Liquidity coverage ratio (LCR)	158%	159%

1 As of 2024, we have combined 'Net result from financial instruments at fair value through P&L' (also referred to as 'Trading & fair value income') and 'Insurance finance income and expense' in one P&L line for the sake of simplification. The figures for past periods have been retroactively restated.
2 Also referred to as 'Loan loss impairment'.
3 14% for full-year 2024 and 15% for full-year 2023 when non-operating items are excluded.
4 A negative figure indicates a net impairment release (positively affecting results).

Analysis of the quarter (4Q2024)

Total income: 2 863 million euros

+3% quarter-on-quarter and +7% year-on-year

Net interest income amounted to 1 433 million euros in the quarter under review, up 3% quarter-on-quarter and 5% year-on-year. The 3% quarter-on-quarter increase was due to the higher commercial transformation result (thanks mainly to continued increasing reinvestment yields), a higher level of interest income from lending activities (the positive impact of loan volume growth was only partly offset by the negative impact of pressure on loan margins in some core markets), a positive correction of 9 million euros arising from a change in the accounting approach to mortgage brokerage fees in Bulgaria (the impact for full-year 2024 was recorded entirely in the fourth quarter), a higher level of interest income from short-term cash management activities and lower costs related to the minimum required reserves held with central banks (driven by central bank policy rate cuts). These items were offset in part by a lower level of interest income from customer term deposits (due mainly to the success of the campaigns run in the third quarter of 2024 to recover customer money following the maturity of the Belgian state note issued in September 2023).
The 5% year-on-year increase was attributable primarily to an increase in the commercial transformation result, the lower funding cost of participations, lower costs related to the minimum required reserves held with central banks and slightly higher level of income from lending activities. These items were partly offset by lower interest income from customer term deposits, the lower level of interest income in Ireland (following the sale of the loan and deposit portfolios and subsequent liquidation process), lower interest income from the dealing room, lower interest income from inflation-linked bonds and a negative forex effect (depreciation of the Czech koruna and Hungarian forint).
The net interest margin for the quarter under review amounted to 2.08%, stable quarter-on-quarter but up 9 basis points year-on-year. For guidance regarding expected net interest income in 2025 and the years to come, please refer to the section entitled ‘Our guidance’.
Customer loan volume (192 billion euros) was up 2% quarter-on-quarter and 5% year-on-year. At first sight, customer deposits (229 billion euros) were up 3% quarter-on-quarter and 6% year-on-year. However, when excluding volatile, low-margin short-term deposits at KBC Bank’s foreign branches (driven by short-term cash management opportunities), customer deposits were up 2% quarter-on-quarter and 7% year-on-year. In Belgium, these figures amounted to 2% and 10%, respectively. The year-on-year increase benefited from the successful return of customer money in the third quarter of 2024 following the maturity of the Belgian state note issued in September 2023. The growth figures above exclude the forex-related impact.

The **insurance service result** (insurance revenues before reinsurance – insurance service expenses before reinsurance + net result from reinsurance contracts held; the two latter items are not part of total income) amounted to 125 million euros and breaks down into 76 million euros for non-life insurance and 49 million euros for life insurance.
The **non-life** insurance service result rose by 69% quarter-on-quarter, as the previous quarter had been more materially impacted by storms and floods (including Storm Boris in Central Europe – mainly the Czech Republic). It was up 27% year-on-year, due to increased insurance revenues and a higher reinsurance result, which more than offset the increase in insurance service expenses.
The **life** insurance service result was up 38% quarter-on-quarter and 24% year-on-year, in both cases essentially owing to higher insurance revenues offsetting higher insurance service expenses.
The combined ratio of the non-life insurance activities amounted to 90% for full-year 2024 (88% when excluding the net impact of -33 million euros of Storm Boris), compared to 87% for full-year 2023. Non-life insurance sales came to 591 million euros and were up 8% year-on-year, with growth in all countries and all the main classes. Sales of life insurance products amounted to 730 million euros and were down 8% on the very high level recorded in the previous quarter (which had benefited from the inflow of customer money from the maturing state note and the successful launch of structured issues in Belgium, though this was partly offset by the traditionally high volume in tax-incentivised pension savings products in the fourth quarter in Belgium), but up 7% on the level recorded in the year-earlier quarter (higher sales of guaranteed-interest products and hybrid products, partly offset by lower sales of unit-linked products). Overall, the share of guaranteed-interest products and unit-linked products in our life insurance sales in the quarter under review amounted to 55% and 36%, respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder.
For guidance regarding expected insurance revenues and the combined ratio in 2025 and the years to come, please refer to the section entitled ‘Our guidance’.

Net fee and commission income amounted to 700 million euros, up 9% and 17% on its level in the previous and year-earlier quarters, respectively. The quarter-on-quarter increase was attributable to 9% growth in fee income from our asset management activities (largely related to the increase in assets under management, see below) and 10% growth in fees from our banking activities (thanks mainly to the increase in payment services fees and securities-related fees).
The 17% year-on-year increase in net fee and commission income was accounted for by 19% growth in fees for our asset management services and a 15% rise in banking fees, slightly offset by a negative forex effect. Note that roughly 20 million euros of net fee and commission income in the quarter under review were some year-end effects (linked to the performance of the Czech pension fund and a positive full-year 2024 correction in banking services from a changed accounting approach in Hungary), and therefore may not be extrapolated going forward.
At the end of December 2024, our total assets under management amounted to 276 billion euros, up 2% quarter-on-quarter (almost entirely related to the positive quarter-on-quarter market performance). Assets under management grew by 13% year-on-year, with net inflows accounting for +3 percentage points and the positive market performance for +10 percentage points.

Trading & fair value income and insurance finance income and expense amounted to -74 million euros, down 31 million euros quarter-on-quarter and 34 million euros year-on-year. In both cases the decrease was attributable to a number of factors, including negative changes in the market value of derivatives used for asset/liability management purposes, partly offset by less negative market value adjustments (xVA).

The **other remaining income items** included dividend income of 13 million euros and net other income of 27 million euros, below its (50-million-euro) normal run rate, due mainly to a negative 28-million-euro one-off item relating to a legal case in Hungary.

Operating expenses excluding bank and insurance taxes: 1 201 million euros

+6% quarter-on-quarter and +3% year-on-year

Operating expenses excluding bank and insurance taxes amounted to 1 201 million euros in the fourth quarter of 2024, up 6% on their level in the previous quarter and 3% year-on-year. The 6% quarter-on-quarter increase was due in part to seasonally higher marketing expenses and professional fee expenses, higher ICT expenses, regulatory costs, facilities expenses and depreciation charges. Operating expenses excluding bank and insurance taxes were up 3% on their year-earlier level, due primarily to higher staff costs (mainly inflation and wage indexation, partly offset by fewer FTEs), ICT expenses, regulatory costs, depreciation charges and marketing expenses, partly offset by lower costs related to Ireland (due to the sale transaction), lower facilities expenses, lower professional fee expenses and a forex effect.

Bank and insurance taxes in the quarter under review amounted to 55 million euros, compared to 47 million euros in the previous quarter and 36 million euros in the year-earlier quarter. The quarter-on-quarter increase was accounted for mainly by increased national taxes (primarily in Hungary).

Operating expenses excluding bank and insurance taxes but including insurance commissions paid rose by 1.6% on a full-year basis to 4.86 billion euros, in line with our guidance of an increase below 1.7% year-on-year.

When certain non-operating items are excluded, the cost/income ratio for full-year 2024 amounted to 47%, compared to 49% for full-year 2023. When excluding all bank and insurance taxes, the cost-income ratio amounted to 43%, stable compared to full-year 2023.

For guidance regarding expected operating expenses in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

Loan loss impairment: 50-million-euro net charge

versus a 61-million-euro net charge in the previous quarter and a 5-million-euro net release in the year-earlier quarter

In the quarter under review, we recorded a 50-million-euro net loan loss impairment charge, compared to a net charge of 61 million euros in the previous quarter and a net release of 5 million euros in the year-earlier quarter. The net impairment charge in the quarter under review included a charge of 100 million euros in respect of our loan book (18 million euros of which related to lowering the backstop shortfall for old non-performing loans in Belgium) and a reversal of 50 million euros following the update of the reserve for geopolitical and macroeconomic uncertainties. As a consequence, the outstanding reserve for geopolitical and macroeconomic uncertainties amounted to 117 million euros at the end of December 2024.

As a consequence, the credit cost ratio amounted to 0.10% for full-year 2024 (0.16% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties), compared to 0.00% for full-year 2023 (0.07% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties). At the end of December 2024, 2.0% of our total loan book was classified as impaired ('Stage 3'), compared to 2.1% at year-end 2023. Impaired loans that are more than 90 days past due amounted to 1.0% of the loan book, the same level as at year-end 2023.

For guidance regarding the expected credit cost ratio in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

Impairment charges on assets *other than loans* amounted to 28 million euros, compared to 7 million euros in the previous quarter and 175 million euros in the year-earlier quarter. The quarter under review mainly included impairment charges related to software and a 4-million-euro impairment charge related to modification losses from the extension of the interest cap regulation in Hungary.

Net result by business unit

Belgium 487 million euros; Czech Rep. 238 million euros; International Markets 175 million euros; Group Centre 215 million euros

Belgium: the net result (487 million euros) was down 6% on the result for the previous quarter (excluding the 79-million-euro gain recorded under 'Share in results of associated companies & joint-ventures' in the previous quarter). This was due primarily to the combined effect of:

- slightly higher total income (accounted for mainly by higher net fee and commission income, insurance revenues and net interest income, partly offset by lower trading & fair value income);
- higher costs (seasonally higher marketing costs and professional fee expenses, higher ICT expenses and regulatory costs, partly offset by lower staff expenses);
- higher insurance service expenses after reinsurance;
- higher net impairment charges.

Czech Republic: the net result (238 million euros) was up 33% quarter-on-quarter (excluding forex effects). This was essentially attributable to a combination of:

- higher total income (thanks mainly to increased net interest income, net fee and commission income and trading & fair value income);
- higher costs (due primarily to higher ICT expenses and staff costs);
- lower insurance service expenses after reinsurance (storm and flood-related impact in the previous quarter);
- a net impairment release.

International Markets: the 175-million-euro net result breaks down as follows: 26 million euros in Slovakia, 65 million euros in Hungary and 85 million euros in Bulgaria. For the business unit as a whole, the net result was down 15% on the previous quarter's result, due mainly to a combination of:

- slightly higher total income (increase in net fee and commission income and net interest income, partly offset by a decrease in net other income, due mainly to a negative 28-million-euro one-off item relating to a legal case in Hungary);
- higher costs (including increased bank and insurance taxes, especially in Hungary (financial transaction levy));
- slightly higher insurance service expenses after reinsurance;
- higher net impairment charges.

Group Centre: the net result (215 million euros) was 329 million euros higher than the figure recorded in the previous quarter owing mainly to a combination of:

- a less negative level of total income (due primarily to higher net interest income);
- slightly lower costs;
- lower insurance service expenses after reinsurance;
- higher net impairment charges;
- a 318-million-euro one-off tax benefit due to the forthcoming liquidation of Exicon (the remaining activities of KBC Bank Ireland).

A full results table is provided in the 'Additional information' section of the quarterly report. A short analysis of the results per business unit is provided in the analyst presentation (available at www.kbc.com).

	Belgium		Czech Republic		International Markets	
Selected ratios by business unit	**FY2024**	**FY2023**	**FY2024**	**FY2023**	**FY2024**	**FY2023**
Cost/income ratio						
- excl. non-operating items	44%	46%	45%	47%	46%	45%
- excl. all bank and insurance taxes	41%	41%	43%	44%	38%	39%
Combined ratio, non-life insurance	88%	85%	86%	84%	96%[2]	97%[2]
Credit cost ratio[1]	0.19%	0.06%	-0.09%	-0.18%	-0.08%	-0.06%
Impaired loans ratio	2.0%	2.0%	1.3%	1.4%	1.6%	1.8%

1 A negative figure indicates a net impairment release (positively affecting results). See 'Details of ratios and terms' in the quarterly report.
2 Excluding windfall insurance taxes in Hungary, the combined ratio amounted to 93% for full-year 2024 and 94% for full-year 2023.

Solvency and liquidity

Common equity ratio of 15.0%, NSFR of 139%, LCR of 158%

At the end of December 2024, total equity came to 24.3 billion euros and comprised 22.4 billion euros in parent shareholders' equity and 1.9 billion euros in additional tier-1 instruments. Total equity was virtually unchanged on its level at the end of 2023. This was due to the combined effect of:

- the inclusion of the profit for full-year 2024 (+3.4 billion euros);
- the repurchase of own shares (-0.8 billion euros in 2024);
- the payment of the final dividend for 2023 and an extraordinary interim dividend (both in May 2024), as well as an interim dividend for 2024 paid in November 2024 (-1.9 billion euros combined);
- slightly lower revaluation reserves (-0.2 billion euros);
- a net decrease in outstanding additional tier-1 instruments (-0.4 billion euros);
- a number of smaller items.

We have provided details of these changes under 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section of the quarterly report.

In the fourth quarter 2024, risk-weighted assets rose by 3.1 billion euros quarter-on-quarter to 119.9 billion euros, mainly driven by (loan) volume growth (+2.0 billion euros) and 'operational RWAs' (+0.8 billion euros).

Our Board of Directors has decided to propose a total gross dividend of 4.85 euros per share to the General Meeting of Shareholders for the accounting year 2024. That amount includes 0.70 euro per share already paid in May 2024, reflecting the surplus capital above the 15% fully loaded CET1 threshold per end 2023 and 4.15 euros per share, of which an interim dividend of 1 euro per share was already paid in November 2024 and the remaining 3.15 euros per share to be paid in May 2025. When including the proposed dividend of 4.15 euros per share and additional tier-1 coupon, the pay-out ratio would amount to approximately 51% of 2024 net profit.

Our solvency position remained strong, as illustrated by a fully loaded common equity ratio (CET1) of 15.0% at 31 December 2024, compared to 15.2% recorded at the end of 2023. The solvency ratio for KBC Insurance under the Solvency II framework was 200% at the end of December 2024, compared to 206% at the end of 2023. We have provided more details and additional information on solvency under 'Solvency' in the 'Additional information' section of the quarterly report.

Our liquidity position remained excellent too, as reflected in an LCR ratio of 158% and an NSFR ratio of 139%, compared to 159% and 136%, respectively, at the end of 2023, all well above the regulatory minima of 100%.

Analysis of the year-to-date period (FY2024)

Net result for FY2024: 3 415 million euros

stable year-on-year and up 2% when excluding forex effect

Highlights (compared to full-year 2023, unless otherwise stated):

- **Net interest income**: up 2% to 5 574 million euros (up 3% when excluding the forex effect), higher than the guidance of 'approximately 5.5 billion euros'. This was attributable in part to the higher commercial transformation result and higher ALM result, while income from lending activities was stable (as volume growth was offset by lower margins in some core markets). This was partly offset by higher costs related to the minimum required reserves held with central banks, lower interest income from the dealing room, higher wholesale funding costs, the lower level of interest income from short-term cash management activities, a slightly lower level of interest income from customer term deposits, lower net interest income in Ireland (owing to the past sale of the remaining Irish portfolios and subsequent liquidation process), lower interest income from inflation-linked bonds, as well as a negative forex effect. Excluding the forex effect, the volume of customer loans rose by 5%, while deposits (excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches) were up by 7% year-on-year. The net interest margin in 2024 came to 2.09%, up 4 basis points year-on-year.
- **Insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held): down 3% to 453 million euros. The non-life combined ratio for full-year 2024 amounted to 90% (88% when excluding the net impact of -33 million euros of Storm Boris), compared to 87% for full-year 2023. Non-life insurance sales were up 8% (10% excluding the forex effect) to 2 547 million euros, with increases in all the main classes, while life insurance sales were up 25% to 2 906 million euros, thanks to higher sales of unit-linked products, interest-guaranteed products and hybrid products.
- **Net fee and commission income**: up 10% to 2 578 million euros (up 11% when excluding the forex effect). This was attributable primarily to much higher fees for asset management services and a 5% increase in banking-related fees. At the end of 2024, total assets under management were up 13% year-on-year to 276 billion euros due to a combination of net inflows (+3 percentage points) and the effect of a positive market performance in the period under review (+10 percentage points).
- **Trading & fair value income and insurance finance income and expense:** down 177 million euros to -168 million euros. This was due mainly to a lower result from derivatives used for asset/liability management purposes, a negative trend in insurance finance income and expenses (mainly driven by increasing interest accretion), negative market value adjustments (xVA), partly offset by higher dealing room income.
- **All other income items combined**: down 476 million euros to 238 million euros. This came about mainly because of lower net other income, as 2023 had included a 0.4-billion-euro gain on the sale of the loan and deposit portfolios of KBC Bank Ireland (recorded under 'Net other income').
- **Operating expenses excluding bank and insurance taxes**: up 1% to 4 474 million euros (up 2% when excluding the forex effect). This was the result of a combination of higher staff costs (indexation and wage drift, partly offset by fewer FTEs), ICT expenses and higher regulatory costs, which were offset in part by the lower costs in Ireland, lower facilities expenses and a forex effect. Bank and insurance taxes amounted to 623 million euros and were down 9% mainly on account of the lower contribution to the single resolution fund (mainly in Belgium), though partly offset by higher national taxes (mainly in Belgium and Slovakia). The cost/income ratio amounted to 47% when certain non-operating items are excluded (49% for full-year 2023). When bank and insurance taxes are fully excluded, the cost-income ratio for the period under review amounted to 43%, the same as for full-year 2023.
  Operating expenses excluding bank and insurance taxes and including insurance commissions paid rose by 1.6% on a full-year basis to 4.86 billion euros, in line with our guidance of an increase below 1.7% year-on-year.
- **Loan loss impairment**: net charge of 199 million euros, as opposed to a net release of 16 million euros in the reference period. Full-year 2024 included a net charge of 333 million euros for our loan book and a net release of 134 million euros for the reserve for geopolitical and macroeconomic uncertainties. As a result, the credit cost ratio amounted to 0.10%, compared to 0.00% for full-year 2023. Impairment charges on assets other than loans amounted to 49 million euros, compared to 231 million euros in the reference period.
- **The net result of 3 415 million euros for full-year 2024** breaks down as follows: 1 846 million euros for the Belgium Business Unit (down 20 million euros on its year-earlier level), 858 million euros for the Czech Republic Business Unit (up 138 million euros excluding forex effects), 751 million euros for the International Markets Business Unit (up 88 million euros excluding forex effects) and -40 million euros for the Group Centre (down 137 million euros, owing essentially to the 0.4-billion-euro gain realised on the sale of the loan and deposit portfolios of KBC Bank Ireland in the reference period, while 2024 included a 0.3-billion-euro tax benefit on the forthcoming liquidation of Exicon (the remaining activities of KBC Bank Ireland)).

ESG developments, risk statement and economic views

ESG developments

At KBC, we recognise the importance of transparently reporting on our sustainability efforts. Transparent disclosure is essential for making informed decisions and achieving our sustainability objectives. In accordance with the CSRD (Corporate Sustainability Reporting Directive), we will publish our first Sustainability Statement for reporting year 2024 as an integral part of our Annual Report. Our adherence to these reporting requirements reaffirms our longstanding track record in sustainability-related disclosures and shows our commitment to the goal of fostering a sustainable and resilient economy. Our outstanding sustainability ratings clearly validate our efforts. We are also proud to be included for the third consecutive year in the CDP Climate A List. This recognition highlights KBC's leading role in climate-related disclosures.

Risk statement

As we are mainly active in banking, insurance and asset management, we are exposed to a number of typical risks for these financial sectors such as – but not limited to – credit default risk, counterparty credit risk, concentration risk, movements in interest rates, currency risk, market risk, liquidity and funding risk, insurance underwriting risk, changes in regulations, operational risk, customer litigation, competition from other and new players, as well as the economy in general. KBC closely monitors and manages each of these risks within a strict risk framework, but they may all have a negative impact on asset values or could generate additional charges beyond anticipated levels.

At present, a number of factors are considered to constitute the main challenges for the financial sector. These stem primarily from geopolitical risks which have increased significantly over the past few years (including the war in Ukraine, conflicts in the Middle East and trade wars). These risks result or may result in shocks for the global economic system (e.g., GDP and inflation) and the financial markets (including interest rates). European economies, including KBC's home markets, are affected too, creating an uncertain business environment, including for financial institutions. Regulatory and compliance risks (in relation to capital requirements, anti-money laundering regulations, GDPR and ESG/sustainability) also remain a dominant theme for the sector, as does enhanced consumer protection. Digitalisation (with technology, including AI, as a catalyst) presents both opportunities and threats to the business model of traditional financial institutions, while climate and environmental-related risks are becoming increasingly prevalent (as recently evidenced by Storm Boris in Central Europe). Cyber risk has become one of the main threats during the past few years, not just for the financial sector, but for the economy as a whole. The war in Ukraine and geopolitical tensions in general have triggered an increase in attacks worldwide. Finally, we have seen governments across Europe taking additional measures to support their budgets (via increased tax contributions from the financial sector) and their citizens and corporate sector (by, for instance, implementing interest rate caps on loans or by pushing for higher rates on savings accounts).

We provide risk management data in our annual reports, quarterly reports and dedicated risk reports, all of which are available at www.kbc.com.

Our view on economic growth

Driven primarily by private consumption, US growth in the fourth quarter amounted to 0.6%, somewhat lower than in the third quarter (0.8%). Growth is expected to remain at about 0.6% in the first quarter of 2025, despite labour market tightness that is expected to ease further.

Euro area growth in the fourth quarter came in at 0.0%, after 0.4% in the third. The manufacturing sector continues to exhibit a persistent weakness, while the expected service sector recovery has not (yet) materialised. Growth is expected to continue at about its current pace in the first half of 2025 and to pick up in the second half of 2025 on the back of recovering domestic consumption.

Quarter-on-quarter growth in Belgium came in at 0.2% in the fourth quarter, after 0.3% in the third. Relatively strong domestic demand continued to outweigh the negative contribution to growth of net exports. For the first half of 2025, we expect growth to remain broadly in line with that of the euro area.

The Czech economy grew by 0.5% in the fourth quarter, the same as in the third quarter. This was supported by private consumption, against the background of a weak and delayed industrial recovery. Hungarian economic growth recovered to 0.5% in the fourth quarter after contracting by 0.6% in the third quarter. According to our estimates, fourth-quarter growth in Bulgaria and Slovakia was relatively strong, amounting to 0.6% and 0.5%, respectively.

The main risk to our short-term outlook for European growth is the repercussion of the US elections in November, in particular with respect to trade policy. Other risks include the persistence of the current weakness in the global manufacturing sector. Specific European risk factors include political instability and ongoing government budget discussions in the EU for 2025.

Our view on interest rates and foreign exchange rates

The disinflationary process in the euro area and the US paused in the fourth quarter. In the euro area, headline inflation rose again in December, going up to 2.4% and being driven mainly by higher energy prices, the weak euro exchange rate and statistical base effects. The impact of energy prices and potential trade tariffs in the course of 2025 are likely to exert some upward pressure on headline inflation.

The ECB continued its easing cycle and cut its deposit rate in October and December 2024, as well as in January 2025, by 25 basis points each time to its current level of 2.75%. The ECB is expected to cut its policy rate further in the first half of 2025.

The Fed also continued its easing cycle in the fourth quarter by cutting its policy rate in November and December by 25 basis points each time. After a pause in January 2025, the Fed is now expected to continue cutting its policy rate in the course of 2025, but is expected to take a more cautious stance in order to assess the impact of new US economic policies.

Ten-year bond yields in the US and Germany moved higher during the fourth quarter, with the US-German spread widening sharply. The main driver was robust US economic growth and expectations regarding the US presidential elections and the likely inflationary impact of new US policies, in particular with respect to trade tariffs. As a result, the US-German yield spread widened, leading to a stronger dollar against the euro.

The Czech National Bank reduced its policy rate at the end of September and November 2024, as well as in February 2025, by 25 basis points each time to 3.75%. One more 25-basis-point rate cut is expected in the first half of 2025. Since the beginning of the fourth quarter, the Czech koruna has been volatile and relatively weak, due mainly to higher US interest rates, a generally stronger US dollar and overall risk sentiment. The koruna is expected to broadly remain stable in the coming quarters.

At the end of September 2024, the National Bank of Hungary cut its policy rate by 25 basis points to 6.5%. The Hungarian central bank is expected to pause its easing cycle in the first quarter of 2025 because of high energy prices, accelerating growth of domestic consumption and the weakness of the Hungarian forint. During the fourth quarter of 2024, the forint depreciated against the euro by about 3%, and this weakness persisted into the start of 2025. It has been caused by higher interest rates in the US and stronger US dollar, political risks, uncertainty about access to EU funds and a weak export-oriented sector. Besides the possibility of a temporary strengthening correction in the first quarter of 2025, the forint is expected to continue depreciating in the following quarters due mainly to a higher inflation trajectory compared to the euro area.

Our guidance

Guidance for full-year 2025

- Total income: at least +5.5% year-on-year
- Net interest income: at least 5.7 billion euros, supported by organic loan volume growth of approximately 4% (based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts)
- Insurance revenues (before reinsurance): at least +7% year-on-year
- Operating expenses (excluding bank and insurance taxes): below +2.5% year-on-year (below full-year 2024 growth excluding Ireland of +2.7%)
- Combined ratio: below 91%
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points

Medium to long-term guidance

- CAGR total income (2024-2027): at least +6%
- CAGR net interest income (2024-2027): at least +5% (based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts)
- CAGR insurance revenues (before reinsurance): at least +7%
- CAGR operating expenses (excluding bank and insurance taxes) (2024-2027): below +3%
- Combined ratio: below 91%
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points

Basel IV *(unchanged)*

Moving towards the Basel IV era and assuming a static balance sheet (1H2024) and all other parameters *ceteris paribus*, without mitigating actions, KBC projects:

- a first-time application impact of +1.0 billion euros in risk-weighted assets at 1 January 2025;
- a further impact of +7.5 billion euros in risk-weighted assets by 1 January 2033;

resulting in a fully loaded impact of +8.5 billion euros in risk-weighted assets.

Capital distribution policy

- The updated dividend policy and capital deployment plan will be published along with the results for the first quarter of 2025.

Statement of the auditor

The statutory auditor, PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL, represented by Damien Walgrave and Jeroen Bockaert, has confirmed that its audit work, which is substantially complete, has not to date revealed any significant matters requiring adjustments to the 2024 consolidated income statement, the condensed consolidated statement of comprehensive income, the consolidated balance sheet and the consolidated statement of changes in equity and explanatory notes, comprising a summary of significant accounting policies and other explanatory notes, as included in this press release.

Upcoming events and references

Agenda	Annual report for FY2024: 31 March 2025 AGM: 30 April 2025 Dividend: ex-coupon date: 6 May 2025, record date: 7 May 2025, payment date: 8 May 2025 (subject to approval of the AGM) 1Q2025 results: 15 May 2025 Other events: www.kbc.com / Investor Relations / Financial calendar
More information on 4Q2024	Quarterly report: www.kbc.com / Investor Relations / Reports Company presentation: www.kbc.com / Investor Relations / Presentations

KBC Group

Condensed interim consolidated financial statements according to IFRS

4Q 2024 and FY 2024

Glossary:

AC: Amortised Cost
ALM: Asset Liability Management
AT1: Additional tier-1 instruments
BBA: Building block approach
CSM: Contractual service margin
ECL: Expected Credit Loss
FA: Financial Assets
FV: Fair Value
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
GCA: Gross Carrying Amount
HFT: Held For Trading
IFIE: Insurance finance income and expense
MFVPL: Mandatorily Measured at Fair Value through Profit or Loss (including HFT)
OCI: Other Comprehensive Income
OPEX: Operating expenses
P&L: Income statement
PAA: Premium allocation approach
POCI: Purchased or Originated Credit Impaired Assets
SPPI: Solely payments of principal and interest
SRB: Single Resolution Board
R/E: Retained Earnings
UL: Unit linked
VFA: Variable fee approach

Consolidated income statement

(in millions of EUR)	Note	2024	2023	4Q 2024	3Q 2024	4Q 2023
Net interest income	3.1	5 574	5 473	1 433	1 394	1 360
Interest income	*3.1*	*19 746*	*20 170*	*4 620*	*4 901*	*5 391*
Interest expense	*3.1*	*-14 172*	*-14 697*	*-3 187*	*-3 508*	*-4 031*
Insurance revenues before reinsurance	3.6	2 945	2 679	764	740	683
Non-life	*3.6*	*2 482*	*2 280*	*640*	*631*	*584*
Life	*3.6*	*463*	*399*	*124*	*109*	*99*
Dividend income		57	59	13	11	12
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for insurance contracts issued)	3.3	- 168	9	- 74	- 42	- 40
Net result from financial instruments at fair value through profit or loss	*3.3*	*173*	*322*	*9*	*46*	*58*
Insurance finance income and expense (for insurance contracts issued)	*3.6*	*- 341*	*- 313*	*- 83*	*- 88*	*- 98*
Net fee and commission income	3.4	2 578	2 349	700	641	600
Fee and commission income	*3.4*	*3 253*	*2 991*	*875*	*815*	*771*
Fee and commission expense	*3.4*	*- 675*	*- 642*	*- 175*	*- 174*	*- 171*
Net other income	3.5	181	656	27	45	60
TOTAL INCOME		11 167	11 224	2 863	2 787	2 674
Operating expenses (excluding Opex allocated to insurance expenses)	3.7	-4 565	-4 616	-1 126	-1 058	-1 085
Total Opex without bank and insurance tax	*3.7*	*-4 474*	*-4 438*	*-1 201*	*-1 135*	*-1 169*
Total bank and insurance tax	*3.7*	*- 623*	*- 687*	*- 55*	*- 47*	*- 36*
Minus: Opex allocated to insurance service expenses	*3.7*	*532*	*509*	*131*	*124*	*120*
Insurance service expenses before reinsurance	3.6	-2 475	-2 120	- 635	- 688	- 567
Of which insurance commissions paid	3.6	*- 383*	*- 340*	*- 103*	*- 99*	*- 94*
Non-life	3.6	*-2 179*	*-1 870*	*- 561*	*- 615*	*- 509*
Of which Non-life - Claim related expenses	3.6	*-1 414*	*-1 157*	*- 364*	*- 427*	*- 328*
Life	3.6	*- 296*	*- 251*	*- 74*	*- 72*	*- 58*
Net result from reinsurance contracts held	3.6	- 17	- 90	- 4	28	- 16
Impairment	3.9	- 248	- 215	- 78	- 69	- 170
on FA at amortised cost and at FVOCI	*3.9*	*- 199*	*16*	*- 50*	*- 61*	*5*
on goodwill	*3.9*	*0*	*- 109*	*0*	*0*	*- 109*
other	*3.9*	*- 49*	*- 122*	*- 28*	*- 7*	*- 66*
Share in results of associated companies and joint ventures	3.10	80	- 4	- 1	78	0
RESULT BEFORE TAX		3 941	4 179	1 020	1 079	836
Income tax expense	3.11	- 527	- 778	96	- 211	- 159
Net post-tax result from discontinued operations		0	0	0	0	0
RESULT AFTER TAX		3 414	3 401	1 115	868	677
attributable to minority interests		- 1	- 1	0	0	0
attributable to equity holders of the parent		**3 415**	**3 402**	**1 116**	**868**	**677**
Earnings per share (in EUR)						
Ordinary		8.33	8.04	2.75	2.14	1.59
Diluted		8.33	8.04	2.75	2.14	1.59

In order to provide a more transparent view, we have combined the P&L lines ‘Net result from financial instruments at fair value through profit or loss’ and ‘Insurance finance income and expense (for insurance contracts issued)’. In this way, the change in the fair value of the unit-linked liabilities, measured under IFRS 17 (Variable Fee Approach) (included in ‘Insurance finance income and expense (for insurance contracts issued)’) is offset by the change in the fair value of underlying unit-linked assets (included in ‘Net result from financial instruments at fair value through profit or loss’).

Consolidated statement of comprehensive income (condensed)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
RESULT AFTER TAX	**3 414**	**3 401**	**1 115**	**868**	**677**
Attributable to minority interests	- 1	- 1	0	0	0
Attributable to equity holders of the parent	3 415	3 402	1 116	868	677
OCI THAT MAY BE RECYCLED TO PROFIT OR LOSS	**- 370**	**370**	**- 164**	**- 58**	**23**
Net change in revaluation reserve (FVOCI debt instruments)	- 88	499	- 122	269	583
Net change in hedging reserve (cashflow hedges)	72	358	- 27	10	113
Net change in translation differences	- 227	- 115	- 33	- 61	- 75
Hedge of net investments in foreign operations	42	52	- 9	27	36
Net insurance finance income and expense from (re)insurance contracts issued	- 166	- 428	29	- 302	- 639
Net insurance finance income and expense from reinsurance contracts held	0	6	- 1	1	6
Net change in respect of associated companies and joint ventures	0	0	0	0	0
Other movements	- 2	- 1	- 1	- 2	0
OCI THAT WILL NOT BE RECYCLED TO PROFIT OR LOSS	**247**	**125**	**51**	**8**	**47**
Net change in revaluation reserve (FVOCI equity instruments)	178	159	40	- 6	51
Net change in defined benefit plans	69	- 34	11	14	- 5
Net change in own credit risk	0	0	0	0	0
Net change in respect of associated companies and joint ventures	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	**3 292**	**3 896**	**1 003**	**818**	**746**
Attributable to minority interests	- 1	- 1	0	0	0
Attributable to equity holders of the parent	3 292	3 897	1 003	818	747

The largest movements in other comprehensive income (2024 and 2023):

- Net change in revaluation reserve (FVOCI debt instruments): the -88 million euros in 2024 is mainly explained by higher interest rates mainly in government bonds in most countries partly compensated by the unwinding effect of the negative outstanding revaluation reserve. The +499 million euros in 2023 is mainly explained by lower interest rates and the unwinding effect of the negative outstanding revaluation reserve.
- Net change in hedging reserve (cash flow hedge): the +72 million euros in 2024 and the +358 million euros in 2023 can for a large part be explained by the unwinding effect of the negative outstanding cash flow hedge reserve and for 2023 also the positive MtM on the net receiver swaps position due to lower interest rates.
- The net change in translation differences: the -227 million euros in 2024 was mainly caused by the depreciation of the CZK and HUF versus the EUR. This was partly offset by the hedge of net investments in foreign operations (+42 million euros). The -115 million euros in 2023 was mainly caused by the depreciation of the CZK versus the EUR, partly compensated by the appreciation of the HUF versus the EUR. This was partly offset by the hedge of net investments in foreign operations (+52 million euros). The hedging policy of FX participations aims to stabilize the group capital ratio (and not parent shareholders' equity).
- The net change in net insurance finance income and expense from (re)insurance contracts issued and held in 2024 of -166 million euros is explained by a migration in 2Q 2024 of contracts of Belgian individual pension agreements from the portfolio 'Risk and Savings' towards the portfolio 'Hybrid products' (for more information see note 5.6 further in this report), the EUR risk free interest rate decrease and the unwinding effect of the outstanding positive IFIE through OCI. The -422 million euros in 2023 is explained by the interest rate decrease and by the unwinding effect of the outstanding positive IFIE through OCI.
- Net change in revaluation reserve (FVOCI equity instruments): the +178 million euros in 2024 and the +159 million euros in 2023 is mainly explained by positive fair value movements driven by better stock markets.
- Net change in defined benefit plans: the +69 million euros in 2024 is mainly explained by the effect of the lower expected inflation rate and the positive return of the plan assets, partly offset by the slightly lower discount rate applied on the obligations.
  The -34 million euros in 2023 is mainly explained by the impact of the lower discount rate applied on the obligations, partly offset by the positive return of the plan assets and the lower expected inflation rate.

Consolidated balance sheet

(in millions of EUR)	Note	31-12-2024	31-12-2023
ASSETS			
Cash, cash balances with central banks and other demand deposits with credit institutions		46 834	34 530
Financial assets	4.0	318 540	306 047
Amortised cost	*4.0*	*265 875*	*263 625*
Fair value through OCI	*4.0*	*24 261*	*18 587*
Fair value through profit or loss	*4.0*	*28 132*	*23 539*
of which held for trading	*4.0*	*10 509*	*8 327*
Hedging derivatives	*4.0*	*271*	*295*
Reinsurers' contract assets held		119	64
Profit/loss on positions in portfolios hedged for interest rate risk		-1 930	-2 402
Tax assets		1 002	900
Current tax assets		*59*	*176*
Deferred tax assets		*942*	*724*
Non-current assets held for sale and disposal groups		1	4
Investments in associated companies and joint ventures		116	30
Property, equipment and investment property		3 981	3 702
Goodwill and other intangible assets		2 475	2 355
Other assets		1 911	1 691
TOTAL ASSETS		373 048	346 921
LIABILITIES AND EQUITY			
Financial liabilities	4.0	328 723	303 116
Amortised cost	*4.0*	*306 050*	*280 874*
Fair value through profit or loss	*4.0*	*22 356*	*21 840*
of which held for trading	*4.0*	*5 677*	*7 050*
Hedging derivatives	*4.0*	*316*	*401*
Insurance contract liabilities	5.6	17 111	16 784
Non-life	*5.6*	*3 186*	*2 922*
Life	*5.6*	*13 925*	*13 862*
Profit/loss on positions in portfolios hedged for interest rate risk		- 386	- 505
Tax liabilities		470	472
Current tax liabilities		*121*	*99*
Deferred tax liabilities		*349*	*373*
Liabilities associated with disposal groups		0	0
Provisions for risks and charges		141	183
Other liabilities		2 678	2 611
TOTAL LIABILITIES		348 737	322 661
Total equity	5.10	24 311	24 260
Parent shareholders' equity	5.10	22 447	22 010
Additional tier-1 instruments included in equity	5.10	1 864	2 250
Minority interests		0	0
TOTAL LIABILITIES AND EQUITY		373 048	346 921

The increase of the total liabilities in 2024 can for the largest part be explained by higher customer deposits and higher repos, partly offset by lower deposits from credit institutions and investment firms. The increase of customer deposits is driven for a large part by the successful recuperation of the maturity of the Belgian state note issued in September 2023 (for more details see note 4.1).

The total assets increase in 2024 can for the largest part be explained by higher loans and advances to customers, higher cash and cash balances with central banks and increased bond portfolio, partly offset by lower reverse repos.

Consolidated statement of changes in equity

(in millions of EUR)	Issued and paid up share capital	Share premium	Treasury shares	Retained earnings	Total revaluation reserves	Parent shareholders' equity	AT1 instruments included in equity	Minority interests	Total equity
2024									
Balance at the beginning of the period	1 461	5 548	- 497	14 332	1 166	22 010	2 250	0	24 260
Restatement related to previous year(s)	0	0	0	- 41	0	- 41	0	0	- 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
Subtotal	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 AT1	0	0	0	- 84	0	- 84	0	0	- 84
Issue/repurchase of AT1 included in equity	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 on 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 minorities 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
2023									
Balance at the beginning of the period	1 461	5 542	0	12 626	690	20 319	1 500	0	21 819
Net result for the period	0	0	0	3 402	0	3 402	0	- 1	3 401
Other comprehensive income for the period	0	0	0	- 1	497	495	0	0	495
Subtotal	0	0	0	3 400	497	3 897	0	- 1	3 896
Dividends	0	0	0	- 1 663	0	- 1 663	0	0	- 1 663
Coupon on AT1	0	0	0	- 50	0	- 50	0	0	- 50
Issue/repurchase of AT1 included in equity	0	0	0	- 3	0	- 3	750	0	747
Capital increase	0	6	0	0	0	7	0	0	7
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	21	- 21	0	0	0	0
Purchase/sale of treasury shares	0	0	- 497	0	0	- 497	0	0	- 497
Change in scope	0	0	0	0	0	0	0	1	1
Change in minorities interests	0	0	0	0	0	0	0	0	0
Total change	0	6	- 497	1 705	476	1 691	750	0	2 441
Balance at the end of the period	1 461	5 548	- 497	14 332	1 166	22 010	2 250	0	24 260

2024

The Annual General Meeting on 2 May 2024 approved a final gross dividend of 4.15 euros per share related to the accounting year 2023, of which:

- an interim dividend of 1.00 euro per share, as decided by KBC Group's Board of Directors of 9 August 2023 and paid on 15 November 2023 (was deducted from retained earnings in 3Q 2023)
- an ordinary dividend of 3.15 euros per share based on the outstanding number of shares entitled to dividend, which excludes the shares bought in the share buyback programme till the ex-coupon date of 13 May 2024 and paid on 15 May 2024, was deducted from retained earnings in 2Q 2024.

In line with our announced capital deployment plan for full year 2023, the Board of Directors decided to distribute the surplus capital above the fully loaded CET1 ratio of 15% in the form of an extraordinary interim dividend of 0.70 euros per share on 29 May 2024 (280 million euros in total), which was also deducted from retained earnings in 2Q 2024.

Furthermore, the Board of Directors will propose to the Annual General Meeting of shareholders on 30 April 2025 a total gross dividend of 4.15 euros per share related to the accounting year 2024, of which:

- an interim dividend of 1.00 euro per share (396 million euros in total), as decided by KBC Group's Board of Directors of 7 August 2024 and paid on 14 November 2024 (was deducted from retained earnings in 3Q 2024)
- an final ordinary dividend of 3.15 euros per share based on the outstanding number of shares entitled to dividend (1 249 million euros in total), will be deducted from retained earnings in 2Q 2025.

Restatement related to previous year(s): adjustment of tax calculation in the Czech Republic. Given the relatively limited impact, the balance sheet and income statement for 2023 were not retroactively restated.

Issue/repurchase of AT1 included in equity: on 5 March 2024, KBC Group NV called the Additional Tier-1 Securities (AT1) issued in 2019 for 500 million euros. On 17 September 2024, KBC Group NV issued 750 million euros in AT1 Securities.
On 18 September 2024, KBC Group NV announced the repurchase of part of the AT1 Securities issued in 2018 via a cash tender offer for an aggregate principal amount of 636 million euros. For more information, see note 5.10 further in this report.

Treasury shares: within the framework of the share buyback programme of 1.3 billion euros announced on 10 August 2023, the total number of own shares repurchased by KBC during to the programme amounted to 20 980 823 at 31 July 2024, completion date of the share buyback programme.

For more information: https://www.kbc.com/en/share-buy-back and Solvency section further in this report.

2023

The 'Dividends' item in 2023 (1 663 million euros) includes the final dividend of 3.00 euros per share (1 252 million euros paid in May 2023) and the interim dividend of 1.00 euro per share (411 million euros paid in November 2023)

Composition of the 'Total revaluation reserves' column in the previous table (in millions of EUR)	31-12-2024	31-12-2023
Total	997	1 166
Revaluation reserve (FVOCI debt instruments)	- 684	- 596
Revaluation reserve (FVOCI equity instruments)	353	222
Hedging reserve (cashflow hedges)	- 507	- 579
Translation differences	- 468	- 240
Hedge of net investments in foreign operations	169	127
Remeasurement of defined benefit plans	503	434
Own credit risk through OCI	0	0
Insurance finance income and expense through OCI after reinsurance	1 633	1 799

Consolidated cash flow statement

More details will be available in the annual report of 2024.

Notes the accounting policies

Statement of compliance (note 1.1 in the annual accounts 2023)

The condensed interim financial statements of the KBC Group for the period ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards as adopted for use in the European Union ('endorsed IFRS'). The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with the International Financial Reporting Standards as adopted for use in the European Union ('endorsed IFRS').

The following IFRS standards were issued but not yet effective in 2024. KBC will apply these standards when they become mandatory.

- IFRS 18 Presentation and Disclosure in Financial Statements, effective as of 2027, mainly limited presentation impact expected
- IFRS 19 Subsidiaries without public accountability, no impact expected.

The IASB published several limited amendments to existing IFRSs and IFRICs. They will be applied when they become mandatory, but their impact is currently estimated to be negligible.

As of 1 January 2024, KBC has revised its multi-tier approach for the assessment of a significant increase in credit risk (please refer to Note 1.2: Summary of material accounting policies 'Significant increase in credit risk since initial recognition' in the annual accounts 2023). The indicators based on 12-months probability of default ('Internal rating' and 'Internal rating backstop') are replaced by an assessment based on lifetime probability of default and a watch list indicator. KBC applied the revised approach for the first time in 1Q 2024. This change in accounting estimate resulted in an ECL release of 17 million euros, included in Impairment on financial assets at amortised cost and at fair value through OCI (for more information see note 1.2).

Change to the presentation of the Consolidated income statement: see narrative below the Consolidated income statement.

Summary of significant accounting policies (note 1.2 in the annual accounts 2023)

A summary of the main accounting policies is provided in the group's annual accounts as at 31 December 2023. As mentioned in note 1.1 the paragraph regarding 'Significant increase in credit risk since initial recognition' has been updated as follows:

In accordance with the ECL model, financial assets attract life-time ECL once their credit risk increases significantly after initial recognition. Therefore, the assessment of a significant increase in credit risk defines 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 (MTA) for the bond portfolio on the one hand and for the loan portfolio on the other hand.

For the bond portfolio the MTA consists of three tiers:

- Low credit exception: 12-months ECL is always recognised for bonds if they have a low credit risk at 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 of 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 (e.g. amongst others due to the coronavirus crisis), uncertainties about geopolitical events (e.g. due to an outbreak of 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 to 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. a bond that has 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.

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 financial asset 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 LTPD upon initial recognition to that on the reporting date. KBC does the assessment at the level of the facility for each reporting period. The relative change in LTPD that triggers staging is an increase of 200%.
- Forbearance: forborne financial assets are always considered as stage 2, unless they are already defaulted, in which case, they are moved into stage 3.
- Days past due: KBC uses the backstop defined in the standard. A financial asset that is more than 30 days past due is moved into stage 2.
- Watch list: KBC uses the watch list criterion as a backstop for its loan portfolio to move into stage 2. The watch list includes exposures with an increased credit risk but which are not (yet) classified as default/non-performing and which are subject to enhanced monitoring and review by the bank. KBC does the assessment at the level of the client for each reporting period.
- Management assessment: lastly, management reviews and assesses 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.

A financial asset is considered as stage 3 as soon as it meets the definition of default. The MTA is symmetrical, i.e. a credit that has 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.

Main exchange rates used:

	Exchange rate at 31-12-2024		Average exchange rate in FY 2024	
		Changes relative to 31-12-2023		Changes relative to the average FY 2023
	1 EUR = …	Positive: appreciation relative to EUR	1 EUR = …	Positive: appreciation relative to EUR
	… currency	Negative: depreciation relative to EUR	… currency	Negative: depreciation relative to EUR
CZK	25.185	-2%	25.137	-5%
HUF	411.35	-7%	395.88	-4%

Notes on segment reporting

Segment reporting according to the management structure of the group (note 2.2 in the annual accounts 2023)

For a description on the management structure and linked reporting presentation, reference is made to note 2.1 in the annual accounts 2023.

As a result of the Irish sale transaction in February 2023, the results of KBC Bank Ireland in 2024 (included in Group Centre) have become immaterial and are hence not disclosed anymore separately as of 2024. Regarding the impact of the sale of the Irish loan and deposit portfolios to Bank of Ireland Group, see further in note 6.6.

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	*Of which: Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
2024								
Net interest income	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 & 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 Opex allocated to insurance service expenses)	-2 496	- 854	-1 041	*- 493*	*- 267*	*- 280*	- 175	-4 565
Total Opex without banking and insurance tax	*-2 514*	*- 924*	*- 857*	*- 302*	*- 261*	*- 294*	*- 178*	*-4 474*
Total Banking and insurance tax	*- 285*	*- 40*	*- 300*	*- 245*	*- 34*	*- 21*	*1*	*- 623*
Minus: Opex allocated 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
of which on FA at AC and at fair value through OCI	*- 246*	*34*	*25*	*23*	*18*	*- 16*	*- 12*	*- 199*
Share in results of associated companies 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**

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	*Of which: Hungary*	*Slovakia*	*Bulgaria*	Group Centre	*Of which: Ireland*	Total
2023									
Net interest income	3 248	1 271	1 179	*529*	*254*	*396*	- 225	*64*	5 473
Insurance revenues before reinsurance	1 637	555	473	*189*	*96*	*189*	14	*0*	2 679
Non-life	1 387	459	420	*169*	*79*	*172*	14	*0*	2 280
Life	250	96	53	*20*	*17*	*16*	0	*0*	399
Dividend income	53	0	1	*0*	*0*	*1*	4	*0*	59
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for insurance contracts issued)	- 198	64	55	*52*	*1*	*3*	88	*- 4*	9
Net fee and commission income	1 537	324	493	*260*	*84*	*149*	- 6	*- 1*	2 349
Net other income	235	5	15	*- 3*	*11*	*6*	400	*409*	656
TOTAL INCOME	6 512	2 220	2 216	*1 026*	*446*	*744*	276	*467*	11 224
Operating expenses (excluding Opex allocated to insurance service expenses)	-2 532	- 865	- 962	*- 463*	*- 229*	*- 270*	- 256	*- 112*	-4 616
Total Opex without banking and insurance tax	*-2 463*	*- 916*	*- 805*	*- 275*	*- 250*	*- 281*	*- 254*	*- 107*	*-4 438*
Total Banking and insurance tax	*- 361*	*- 60*	*- 262*	*- 238*	*- 4*	*- 20*	*- 4*	*- 4*	*- 687*
Minus: Opex allocated to insurance service expenses	*292*	*111*	*104*	*49*	*25*	*30*	*2*	*0*	*509*
Insurance service expenses before reinsurance	-1 285	- 420	- 414	*- 186*	*- 90*	*- 139*	- 1	*0*	-2 120
Of which insurance commissions paid	- 220	- 65	- 55	*- 12*	*- 10*	*- 33*	- 1	*0*	- 340
Non-Life	*-1 116*	*- 368*	*- 384*	*- 173*	*- 80*	*- 131*	*- 1*	*0*	*-1 870*
Of which Non-life - Claim related expenses	*- 734*	*- 213*	*- 211*	*- 85*	*- 51*	*- 75*	*2*	*0*	*-1 157*
Life	*- 169*	*- 52*	*- 30*	*- 12*	*- 10*	*- 8*	*0*	*0*	*- 251*
Net result from reinsurance contracts held	- 63	- 16	- 15	*- 3*	*1*	*- 13*	4	*0*	- 90
Impairment	- 114	- 57	- 36	*- 38*	*6*	*- 4*	- 7	*- 2*	- 215
of which on FA at AC and at fair value through OCI	*- 82*	*70*	*19*	*11*	*8*	*0*	*8*	*9*	*16*
Share in results of associated companies and joint ventures	- 3	- 1	0	0	0	0	0	0	- 4
RESULT BEFORE TAX	2 515	860	789	*336*	*134*	*318*	15	*354*	4 179
Income tax expense	- 650	- 97	- 112	*- 51*	*- 30*	*- 32*	82	*- 24*	- 778
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	*0*	0
RESULT AFTER TAX	1 865	763	676	*285*	*105*	*286*	97	*330*	3 401
attributable to minority interests	- 1	0	0	*0*	*0*	*0*	0	*0*	- 1
attributable to equity holders of the parent	**1 866**	**763**	**676**	***285***	***105***	***286***	**97**	***330***	**3 402**

Other notes

Net interest income (note 3.1 in the annual accounts 2023)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total	5 574	5 473	1 433	1 394	1 360
Interest income	19 746	20 170	4 620	4 901	5 391
Interest income on financial instruments calculated using the effective interest rate method					
Financial assets at AC	9 803	10 233	2 396	2 445	2 688
Financial assets at FVOCI	507	384	153	129	123
Hedging derivatives	6 011	5 094	1 383	1 517	1 515
Financial liabilities (negative interest)	5	11	1	0	2
Other	1 580	2 143	317	346	475
Interest income on other financial instruments					
Financial assets MFVPL other than held for trading	70	55	19	18	16
Financial assets held for trading	1 770	2 250	350	447	574
Of which economic hedges	*1 566*	*2 085*	*298*	*389*	*531*
Other financial assets at FVPL	0	0	0	0	0
Interest expense	-14 172	-14 697	-3 187	-3 508	-4 031
Interest expense on financial instruments calculated using the effective interest rate method					
Financial liabilities at AC	-6 565	-6 757	-1 534	-1 601	-1 854
Financial assets (negative interest)	- 1	- 1	0	0	0
Hedging derivatives	-5 903	-5 277	-1 350	-1 498	-1 542
Other	- 5	- 5	- 1	- 1	- 1
Interest expense on other financial instruments					
Financial liabilities held for trading	-1 641	-2 599	- 292	- 394	- 621
Of which economic hedges	*-1 596*	*-2 546*	*- 283*	*- 385*	*- 604*
Other financial liabilities at FVPL	- 62	- 68	- 11	- 15	- 18
Net interest expense relating to defined benefit plans	5	10	2	1	4

The interest income on financial instruments calculated using the effective interest rate method – other, is mainly related to interest income on cash balances with central banks. These cash and cash balances are mainly funded with short term liabilities, such as certificates of deposits and repos. The interest expense related to this funding is part of interest expense on financial liabilities at AC. Net interest margin on this activity is narrow, resulting in limited net interest income.

Central Banks decided as of 2023 to increase the Minimum Reserve Requirements (MRR) and/or reduce the remuneration on these deposits. This results in an impact on net interest income of about -41 million euros in 4Q 2024, compared to -46 million euros in 3Q 2024 and -55 million euros in 4Q 2023 (-190 and -126 million euros respectively for 2024 and 2023).

Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued) (note 3.3 in the annual accounts 2023)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total	- 168	9	- 74	- 42	- 40
Breakdown by driver					
Dealing room income	294	288	66	64	78
MTM ALM derivatives and other	- 189	- 47	- 68	- 19	- 18
Market value adjustments (xVA)	- 24	- 15	- 6	- 24	- 41
Result on investment backing UL contracts - under IFRS 17 & Insurance finance income and expense	- 249	- 217	- 66	- 63	- 59

Result on investment backing UL contracts - under IFRS 17 & Insurance finance income and expense: in order to provide a more transparent view, we have combined the P&L lines 'Net result from financial instruments at fair value through profit or loss' and 'Insurance finance income and expense (for insurance contracts issued)'. In this way, the change in the fair value of the unit-linked liabilities, measured under IFRS 17 (Variable Fee Approach) (included in 'Insurance finance income and expense (for insurance contracts issued)') is offset by the change in the fair value of underlying unit-linked assets (included in 'Net result from financial instruments at fair value through profit or loss'). The remaining amount mainly includes the interest accretion within IFIE (see note 3.6).

The result from financial instruments at fair value through profit or loss and Insurance finance income and expenses in 4Q 2024 is 31 million euros more negative compared to 3Q 2024.

The quarter-on-quarter evolution is explained as follows:

- More negative MTM ALM derivatives and other income in 4Q 2024 compared to 3Q 2024
- Slightly more negative result on investments backing unit-linked contracts under IFRS 17 & Insurance Finance Income and Expense in 4Q 2024 compared to 3Q 2023, due to increased interest accretion

Partly compensated by:

- Less negative impact from market value adjustments (xVA) in 4Q 2024 compared to 3Q 2024, mainly the result of increased CZK yield curves and counterparties' creditworthiness
- Higher dealing room income in 4Q 2024 in Czech Republic, more than compensating for decrease in Belgium

The result from financial instruments at fair value through profit or loss and Insurance finance income and expenses in 2024 is 177 million euros lower compared to 2023.

The year-on-year evolution is for a large part explained by:

- More negative MTM ALM derivatives and other income in 2024 compared to 2023
- More negative impact from market value adjustments (xVA) in 2024 compared to 2023
- More negative result on investments backing unit-linked contracts under IFRS 17 & Insurance Finance Income and Expense in 2024 compared to 2023, due to increased interest accretion

Partly compensated by:

- Higher dealing room income in Belgium, more than compensating for lower dealing room income in Czech Republic and Hungary

Net fee and commission income (note 3.4 in the annual accounts 2023)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total	2 578	2 349	700	641	600
Fee and commission income	3 253	2 991	875	815	771
Fee and commission expense	- 675	- 642	- 175	- 174	- 171
Breakdown by type					
Asset Management Services	1 421	1 247	384	354	323
Fee and commission income	*1 478*	*1 305*	*398*	*367*	*338*
Fee and commission expense	*- 57*	*- 59*	*- 13*	*- 13*	*- 14*
Banking Services	1 108	1 057	304	276	265
Fee and commission income	*1 721*	*1 632*	*465*	*437*	*421*
Fee and commission expense	*- 613*	*- 575*	*- 160*	*- 160*	*- 156*
Other	*49*	*45*	*11*	*11*	*12*
Fee and commission income	*54*	*53*	*12*	*12*	*12*
Fee and commission expense	*- 5*	*- 8*	*- 1*	*- 1*	*0*

- Asset Management Services include management fees, entry fees and distribution fees on mutual funds and unit-linked life products (under IFRS 9).
- Banking Services include credit- and guarantee related fees, payment service fees, network income, securities related fees, distribution fees banking products and other banking services.
- The distribution commissions paid regarding insurance contracts (life and non-life under IFRS 17) are presented in the income statement as Insurance Service Expenses (for more information, see note 3.7).
- The line Other includes distribution fees from third party insurance companies (not under IFRS 17) and platformication revenues.

Net other income (note 3.5 in the annual accounts 2023)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total	181	656	27	45	60
of which gains or losses on					
Sale of financial assets measured at amortised cost	- 36	- 22	- 7	- 10	- 4
Sale of debt instruments at FVOCI	2	- 7	1	1	- 1
Repurchase of financial liabilities measured at amortised cost	0	0	0	0	0
of which other, including:	215	685	33	54	65
Income from operational leasing activities	120	101	28	34	19
Income from VAB Group	47	39	13	12	10
Legal cases	- 28	- 2	- 28	0	0
Gain on sale of KBC Bank Ireland's loan and deposit portfolios	0	405	0	0	0
Gain on sale of a participation in Belgium	0	18	0	0	18
Recovery of Belgian bank and insurance tax from 2016 (incl. moratorium interest)	0	48	0	0	0

In 2024:

- Realized loss on sale of low yielding bonds at amortised cost and FVOCI (total -33 million euros), spread over all quarters of 2024
- Legal case in Hungary (-28 million euros) in 4Q 2024

In 2023:

- Gain on sale in Ireland: positive one-off impact of the sale transaction of KBC Bank Ireland's loan assets and its deposit book (+405 million euros in 1Q 2023) (for more information, see note 6.6).
- Recuperation of Belgian banking taxes (2016) and linked moratorium interests (+48 million euros) in 1Q 2023
- Realized loss on sale of low yielding bonds at amortised cost and FVOCI in Belgium, Czech Republic, Hungary and Group Re (total -29 million euros, mainly in 3Q 2023)
- Realized gain on sale of a participation under equity method in Belgium (+18 million euros in 4Q 2023)

Breakdown of the insurance results (note 3.6 in the annual accounts 2023)

The table below includes intragroup transactions between bank and insurance entities (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, distribution commissions intra-group…) in order to give a more accurate view of the profitability of the insurance business.

(in millions of EUR)	Life	*of which life direct participating (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 expenses	**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 P&L	*92*	*92*	*0*	*0*	*92*
Net other income	*4*	*0*	*4*	*1*	*9*
Impairment	*2*	*0*	*1*	*0*	*2*
Total insurance finance income and expenses 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 re. 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*
Commissions received	*9*	*—*	*11*	*—*	*20*
Amounts recoverable from reinsurer	*23*	*—*	*99*	*—*	*122*
Total (ceded) reinsurance finance income and expense	*0*	*—*	*- 1*	*—*	*- 2*
Net insurance and investment result after reinsurance	**313**	***12***	**352**	**8**	**674**
Non-directly attributable income and expenses	**23**	**- 2**	**- 56**	**16**	**- 17**
Net fee and commission income	*75*	*0*	*- 2*	*28*	*102*
Net other income	*—*	*—*	*—*	*80*	*80*
Operating expenses (incl. banking and insurance tax)	*- 51*	*- 2*	*- 53*	*- 91*	*- 196*
Impairment - Other	*- 1*	*0*	*- 1*	*0*	*- 3*
Share in results of assoc. comp & joint-ventures	*—*	*—*	*—*	*0*	*0*
Income tax	**—**	**—**	**—**	**- 142**	**- 142**
Result after tax	**336**	***10***	**296**	**- 117**	***515***
Attributable to minority interest	*—*	*—*	*—*	*—*	*—*
Attributable to equity holders of the parent	**—**	**—**	**—**	**—**	***515***

The insurance service expenses Non-life increased from -1 872 million euros in 2023 to -2 181 million euros in 2024 mainly due to higher claim related expenses (-257 million euros), which is a.o. due to impact of inflation, sector wide update of claims inflation on bodily injury claims in Belgium, higher number of normal claims and the higher storm impact before reinsurance (related to storm Boris with a claim related impact of -80 million before reinsurance (for the largest part in the Czech Republic) and -33 million euros after reinsurance, mainly in 3Q 2024).

(in millions of EUR)	Life	*of which life direct participating (VFA)*	Non-life	Non-technical	Total
2023					
Insurance service result	**149**	***12***	**418**	**—**	**567**
Insurance revenues before reinsurance	*400*	*25*	2 290	—	2 690
Insurance service expenses	*- 251*	*- 12*	*- 1 872*	—	*- 2 123*
Of which Non-life - Claim related expenses	—	—	*- 1 159*	—	*- 1 159*
Investment result and insurance finance income and expenses	**151**	***0***	**63**	***19***	***233***
Investment result on assets	**434**	***96***	**93**	**19**	**546**
Net interest income	*304*	*0*	87	1	392
Dividend income	*22*	*0*	4	14	40
Net result from financial instruments at fair value through P&L	*100*	*96*	0	6	106
Net other income	*10*	*0*	2	- 3	10
Impairment	*- 1*	*0*	0	0	- 2
Total insurance finance income and expenses before reinsurance	**- 283**	***- 96***	**- 30**	**—**	**- 313**
Interest accretion	*- 186*	—	- 31	—	- 217
Effect of changes in financial assumptions and foreign exchange differences	*- 1*	*0*	1	—	- 1
Changes in fair value re. liabilities of IFRS 17 unit linked contracts	*- 96*	*- 96*	—	—	- 96
Net insurance and investment result before reinsurance	**300**	***12***	**481**	**19**	**800**
Net result from reinsurance contracts held	**- 3**	**—**	**- 87**	**—**	**- 90**
Premiums paid to the reinsurer	*- 30*	—	- 95	—	- 125
Commissions received	*7*	—	10	—	17
Amounts recoverable from reinsurer	*21*	—	0	—	21
Total (ceded) reinsurance finance income and expenses	*0*	—	- 2	—	- 2
Net insurance and investment result after reinsurance	**297**	***12***	**394**	**19**	**710**
Non-directly attributable income and expenses	**11**	***- 1***	**- 50**	**8**	**- 31**
Net fee and commission income	*67*	*0*	- 2	24	90
Net other income	—	—	—	68	68
Operating expenses (incl. banking and insurance tax)	*- 48*	*- 1*	- 48	- 83	- 179
Impairment - Other	*- 9*	*0*	- 1	0	- 10
Share in results of assoc. comp & joint-ventures	—	—	—	0	0
Income tax	**—**	**—**	**—**	**- 152**	**- 152**
Result after tax	**308**	***11***	**344**	**- 124**	**527**
Attributable to minority interest	—	—	—	—	—
Attributable to equity holders of the parent	**—**	**—**	**—**	**—**	**527**

The non-technical account includes also results of non-insurance companies such as VAB group and ADD.

The column ‘of which life direct participating (VFA)’ relates to results of long-term unit-linked contracts in Central and Eastern Europe.

Total insurance finance income and expenses before reinsurance includes changes in fair value of underlying assets of contracts measured under VFA, which represents the fair value movement of unit-linked liabilities, valued under IFRS 17 (variable fee approach), with the offsetting impact in fair value movement of underlying unit-linked assets in net result from financial instruments at fair value through profit or loss (see also note 3.3, result on investment backing UL contracts - under IFRS 17).

Amounts recoverable from reinsurer for Life also contains profit sharing (if any).

Operating expenses – income statement (note 3.7 in the annual accounts 2023)

The total Operating expenses by nature include also Opex allocated to insurance service expenses (directly attributable from insurance) in order to provide a comprehensive overview of the total cost evolution.

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total Operating expenses by nature	**-5 097**	**-5 125**	**-1 257**	**-1 183**	**-1 205**
Staff Expenses	-2 708	-2 677	- 683	- 683	- 667
General administrative expenses	-2 007	-2 062	- 474	- 402	- 443
ICT Expenses	*- 641*	*- 634*	*- 176*	*- 168*	*- 167*
Facility Expenses	*- 250*	*- 265*	*- 68*	*- 64*	*- 72*
Marketing & communication expenses	*- 111*	*- 108*	*- 44*	*- 25*	*- 40*
Professional fees	*- 142*	*- 144*	*- 42*	*- 35*	*- 45*
Bank and insurance tax	*- 623*	*- 687*	*- 55*	*- 47*	*- 36*
Other	*- 240*	*- 224*	*- 89*	*- 63*	*- 82*
Depreciation and amortisation of fixed assets	- 382	- 386	- 100	- 97	- 96

The operating expenses for 4Q 2024 include -55 million euros related to bank and insurance levies (-47 million euros in 3Q 2024; -36 million euros in 4Q 2023). Application of IFRIC 21 (Levies) has as a consequence that the majority of the levies are taken upfront in expense of the first quarter of the year.

The Belgian government decided in 3Q 2023 to increase the national bank taxes by: (1) higher bank taxes for deposits on the balance sheet above 50 billion euros (impact amounts to -28 million euros in 2024, booked in 1Q 2024) and (2) abolishment of the income tax deductibility of the banking taxes (see note 3.11 further in this report).
Additionally, a further increase of the bank taxes was expected following an increase of the contribution to the Deposit Guarantee Scheme, amounting to -34 million euros booked upfront in 1Q 2024 (of which -28 million euros in Belgium). In 2Q 2024 the final invoice was 32 million euros lower (fully in Belgium), mainly as a result of lower covered deposits than anticipated by the Belgian government.

2024 includes -71 million euros extraordinary sectoral tax in K&H Hungary (booked in 1Q 2024), compared to -101 million euros in 2023 (respectively -79 and -22 million euros booked in 1Q 2023 and 2Q 2023).
On 8 July 2024, the Hungarian government announced an increase of the financial transaction levy, resulting in -48 million euros booked in 4Q 2024 compared to -37 million euros in 3Q 2024.
Mid-January 2024 the Slovak Parliament introduced a special bank levy resulting in -33 million euros additional bank taxes in 2024 (-8 million euros both in 1Q and 2Q 2024, -9 million euros in 3Q 2024 and -8 million euros in 4Q 2024).

After reaching the target level of 1% of the covered deposits for the Single Resolution Fund in 2023, no annual contribution has been collected in 2024 in the eurozone countries (in 2024 still -25 million euros related to contribution from non-eurozone countries, of which -27 million euros booked in 1Q 2024). In 2023, the total contribution to the Single Resolution Fund amounted to -136 million euros.

Impairment – income statement (note 3.9 in the annual accounts 2023)

(in millions of EUR)	2024	2023	4Q 2024	3Q 2024	4Q 2023
Total	**- 248**	**- 215**	**- 78**	**- 69**	**- 170**
Impairment on financial assets at AC and at FVOCI	- 199	16	- 50	- 61	5
By IFRS category					
Impairment on financial assets at AC	*- 201*	*17*	*- 50*	*- 63*	*7*
Impairment on financial assets at FVOCI	*2*	*- 1*	*0*	*2*	*- 2*
By product					
Loans and advances	*- 224*	*- 5*	*- 59*	*- 76*	*14*
Debt securities	*4*	*6*	*0*	*4*	*- 4*
Off-balance-sheet commitments and financial guarantees	*21*	*15*	*10*	*10*	*- 4*
By type					
Stage 1 (12-month ECL)	*- 30*	*- 41*	*- 34*	*17*	*4*
Stage 2 (lifetime ECL)	*162*	*160*	*77*	*34*	*60*
Stage 3 (non-performing; lifetime ECL)	*- 283*	*- 92*	*- 78*	*- 104*	*- 57*
Purchased or originated credit impaired assets	*- 49*	*- 11*	*- 15*	*- 9*	*- 2*
By division/country					
Belgium	*- 246*	*- 82*	*- 48*	*- 40*	*- 10*
Czech Republic	*34*	*70*	*13*	*- 17*	*14*
International Markets	*25*	*19*	*0*	*- 4*	*1*
Slovakia	*18*	*8*	*4*	*- 3*	*2*
Hungary	*23*	*11*	*- 1*	*6*	*- 1*
Bulgaria	*- 16*	*0*	*- 3*	*- 7*	*- 1*
Group Centre	*- 12*	*8*	*- 15*	*- 1*	*0*
Impairment on goodwill	0	- 109	0	0	- 109
Impairment on other	- 49	- 122	- 28	- 7	- 66
Intangible fixed assets (other than goodwill)	- 36	- 77	- 24	- 4	- 50
Property, plant and equipment (including investment property)	- 2	- 15	1	- 2	- 5
Associated companies and joint ventures	0	0	0	0	0
Other	- 11	- 30	- 5	- 1	- 10

The impairment on financial assets at AC and at FVOCI in 2024 include:

- A net impairment release of 134 million euros for the geopolitical and macroeconomic uncertainties (of which 50 million euros release in 4Q 2024, 71 million euros release in 3Q 2024, 14 million euros charge in 2Q 2024 and 27 million euros release in 1Q 2024). The 50 million euros ECL release in 4Q 2024 is driven mainly by the release of a collective shift in staging, which is now captured via the regular staging process (see note 4.2.1) and further driven by the evolution of micro- and macroeconomic indicators. In 2023 a net impairment release of 155 million euros was recorded (of which 35 million euros in 4Q 2023, 59 million euros in 3Q 2023, 40 million euros in 2Q 2023 and 21 million euros in 1Q 2023).
  The outstanding balance of ECL for the geopolitical and macroeconomic uncertainties amounts to 117 million euros at the end of 2024. As a reminder, this is determined based on individual counterparties and sectors deemed to have incurred an increase in credit risk because they are either exposed to macroeconomic risks (e.g. high(er) inflation, high(er) interest rates, high(er) energy prices, …) or indirectly exposed to military conflicts, such as the one in Ukraine.
- Additionally, the impairments on financial assets at AC and at FVOCI in 2024 include 333 million euros net charge (100 million euros in 4Q 2024, 132 million euros in 3Q 2024, 58 million euros in 2Q 2024 and 43 million euros in 1Q 2024, largely in stage 3 mainly for a limited number of large corporate files in the business units Belgium, Czech Republic,

Hungary and Slovakia). The impairments on financial assets at AC and at FVOCI in 2024 includes 72 million euros additional impairments reducing the backstop shortfall for old non-performing loans in Belgium (54 million euros in 3Q 2024 and 18 million euros in 4Q 2024).

In 2023, the impairments on financial assets at AC and at FVOCI, include 139 million euros net charge (30 million euros in 4Q 2023, 95 million euros in 3Q 2023, 17 million euros charge in 2Q 2023 and a net release of 3 million euros in 1Q 2023, related to a number of corporate and retail files mainly in Belgium and Bulgaria largely in stage 3).

The impairments on intangible asset (other than goodwill) in 2024 (-36 million euros, of which -24 million euros in 4Q 2024, -4 million euros in 3Q 2024 and -8 million euros in 2Q 2024) and in 2023 (-77 million euros, in 3Q and 4Q 2023) are related to software impairments in most countries.

The impairments on property and equipment in 2024 (-2 million euros) are related to bank office buildings and equipment. The impairments on property and equipment in 2023 (-15 million euros) are mainly related to the full write down of leased assets in Ireland (-11 million euros in 2Q 2023).

The impairment on other (Other) in 2024 (-11 million euros, for a large part booked in 2Q and 4Q 2024) and in 2023 (-30 million euros, booked in 2Q 2023 and 4Q 2023) are mainly related to modification losses, following the extension of the interest cap regulation for mortgages in Hungary until 30 June 2025 (and for 2023 until 1 July 2024 for mortgages and SMEs).

Share in results of associated companies and joint ventures (note 3.10 in the annual accounts 2023)

The share in results of associated companies and joint ventures in 2024 includes a one-off gain of 79 million euros (related to Isabel NV, booked in 3Q 2024).

Income tax expense (note 3.11 in the annual accounts 2023)

In 2023, income tax expense was impacted by the non-tax deductibility as of 2023 (for 80%) of the Belgian national banking and insurance taxes, increasing the income tax expenses with about 36 million euros (impact fully in 1Q 2023). The Belgian government decided to abolish the remainder of the tax deductibility of the banking taxes (versus the current 20%) as of 2024, increasing the income tax expenses in 2024 with about 11 million euros.

On 14 December 2023, Belgium, where ultimate parent company KBC Group NV has its registered office, laid down the Pillar Two global minimum tax in statute and declared that it would take effect on 1 January 2024. Under these rules, KBC is required to pay top-up tax (in Belgium or abroad) on the profits of its subsidiaries and permanent establishments, which are taxed at an effective tax rate of less than 15%. Based on the 2024 results, the additional top-up tax amounts to roughly 20 million euros (mainly Bulgaria and the Czech Republic). 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.

Based on the approval received from the Irish Department of Finance on 13 September 2023, to transfer the remaining positions of KBC Bank Ireland to KBC Bank Dublin branch, which was implemented in December 2023, the main hurdles to start the legal liquidation process of KBC Bank Ireland have been taken. On 30 April 2024, KBC Bank Ireland returned its banking license to the Central Bank of Ireland.

In the meantime the official authorization of the Irish tax authorities to liquidate KBC Bank Ireland has been received, so that there are no obstacles anymore for the liquidation (expected in 1Q 2025). As was mentioned in the 3Q 2024 quarterly report (note 3.11), the closing of the liquidation process could give rise to a tax deductible loss in KBC Bank NV for which no deferred tax assets were recognized, as we considered this as a contingent asset until 3Q 2024 subject to official authorization of the Irish tax authorities to liquidate Exicon (ex-KBC Bank Ireland). This leads to a tax benefit (deferred income tax) in P&L of 318 million euros in 4Q 2024 in Group Centre.

Financial assets and liabilities: breakdown by portfolio and product (note 4.1 in the annual accounts 2023)

(in millions of EUR)	Measured at amortised cost (AC)	Measured at fair value through other comprehensive income (FVOCI)	Mandatorily measured at fair value through profit or loss (MFVPL) excl. HFT	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL ASSETS, 31-12-2024							
Loans and advances to credit institutions and investment firms (excl. reverse repos)	2 438	0	0	1	0	0	2 439
of which repayable on demand and term loans at not more than three months							*225*
Loans and advances to customers (excl. 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	21 083	0	0	0	0	0	21 083
with credit institutions and investment firms	*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
Investment contracts (insurance)	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 and investment firms	*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	1 154	0	0	0	0	0	1 154
Total	265 875	24 261	17 624	10 509	0	271	318 540
FINANCIAL ASSETS, 31-12-2023							
Loans and advances to credit institutions and investment firms (excl. reverse repos)	2 779	0	0	1	0	0	2 779
of which repayable on demand and term loans at not more than three months							*222*
Loans and advances to customers (excl. reverse repos)	182 777	0	836	0	0	0	183 613
Trade receivables	*2 680*	*0*	*0*	*0*	*0*	*0*	*2 680*
Consumer credit	*6 604*	*0*	*608*	*0*	*0*	*0*	*7 211*
Mortgage loans	*75 254*	*0*	*228*	*0*	*0*	*0*	*75 482*
Term loans	*85 694*	*0*	*0*	*0*	*0*	*0*	*85 694*
Finance lease	*7 197*	*0*	*0*	*0*	*0*	*0*	*7 197*
Current account advances	*4 626*	*0*	*0*	*0*	*0*	*0*	*4 626*
Other	*723*	*0*	*0*	*0*	*0*	*0*	*723*
Reverse repos	25 501	0	0	0	0	0	25 501
with credit institutions and investment firms	*25 356*	*0*	*0*	*0*	*0*	*0*	*25 356*
with customers	*144*	*0*	*0*	*0*	*0*	*0*	*144*
Equity instruments	0	1 695	14	570	0	0	2 279
Investment contracts (insurance)	0	0	14 348	0	0	0	14 348
Debt securities issued by	51 372	16 892	14	3 138	0	0	71 417
Public bodies	*43 337*	*13 206*	*0*	*2 966*	*0*	*0*	*59 509*
Credit institutions and investment firms	*5 658*	*1 826*	*0*	*12*	*0*	*0*	*7 496*
Corporates	*2 377*	*1 861*	*14*	*160*	*0*	*0*	*4 412*
Derivatives	0	0	0	4 618	0	295	4 914
Other	1 196	0	0	0	0	0	1 196
Total	263 625	18 587	15 212	8 327	0	295	306 047

(in millions of EUR)	Measured at amortised cost (AC)	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL LIABILITIES, 31-12-2024					
Deposits from credit institutions and investment firms (excl. repos)	12 852	0	0	0	12 852
of which repayable on demand					*6 456*
Deposits from customers and debt securities (excl. repos)	270 030	22	1 035	0	271 087
Demand 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, customer deposits	*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	20 985	94	0	0	21 079
with credit institutions and investment firms	*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	2 157	0	0	0	2 157
Total	306 050	5 677	16 680	316	328 723
FINANCIAL LIABILITIES, 31-12-2023					
Deposits from credit institutions and investment firms (excl. repos)	15 013	0	0	0	15 013
of which repayable on demand					*6 136*
Deposits from customers and debt securities (excl. repos)	258 051	81	1 359	0	259 491
Demand deposits	*107 568*	*0*	*0*	*0*	*107 568*
Time deposits	*37 770*	*81*	*194*	*0*	*38 044*
Savings accounts	*70 810*	*0*	*0*	*0*	*70 810*
Savings certificates	*79*	*0*	*0*	*0*	*79*
Subtotal, customer deposits	*216 227*	*81*	*194*	*0*	*216 501*
Certificates of deposit	*16 840*	*0*	*6*	*0*	*16 846*
Non-convertible bonds	*22 294*	*0*	*1 045*	*0*	*23 339*
Non-convertible subordinated liabilities	*2 690*	*0*	*114*	*0*	*2 804*
Repos	5 235	40	0	0	5 275
with credit institutions and investment firms	*3 259*	*40*	*0*	*0*	*3 298*
with customers	*1 976*	*0*	*0*	*0*	*1 976*
Liabilities under investment contracts	29	0	13 432	0	13 461
Derivatives	0	5 501	0	401	5 902
Short positions	0	1 428	0	0	1 428
In equity instruments	*0*	*6*	*0*	*0*	*6*
In debt securities	*0*	*1 421*	*0*	*0*	*1 421*
Other	2 546	0	0	0	2 547
Total	280 874	7 050	14 791	401	303 116

Deposits from credit institutions and investment firms: included funding from the ECB's TLTRO programme. In 2023 an amount of 12.9 billion euros was repaid (of which 10.9 billion euros at maturity in 2Q 2023 and 2 billion euros in 1Q 2023). In 1H 2024 the last remaining parts matured (an amount of 2.2 billion euros in 1Q 2024 and 0.4 billion euros in 2Q 2024).

In September 2024, the state note issued by the Kingdom of Belgium with a tenor of 1 year for an amount of 22 billion euros, came to maturity, initiating temporary special offers by banks in Belgium in order to attempt to recover the money. For KBC this resulted in a net inflow of core customer money of 6.5 billion euros in 3Q 2024 (of which 6.0 billion euros time deposits, 1.2 billion euros saving certificates and 0.9 billion other inflows (i.e. mutual funds and Life insurance products), partly offset by a transfer from demand and saving deposits of -1.6 billion euros), compared to an outflow to the state note of 5.7 billion euros in 3Q 2023. Note that following the relaunch of the (retail) saving certificates in Belgium, this product is now retroactively included as part of the subtotal of customer deposits.

Impaired financial assets (note 4.2.1 in the annual accounts 2023)

(in millions of EUR)	Carrying value before impairment	Impairment	Carrying value after impairment
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
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
31-12-2023			
FINANCIAL ASSETS AT AMORTISED COST			
Loans and advances *	213 531	- 2 474	211 057
Stage 1 (12-month ECL)	175 853	- 146	175 708
Stage 2 (lifetime ECL)	33 571	- 490	33 081
Stage 3 (lifetime ECL)	3 694	- 1 750	1 944
Purchased or originated credit impaired assets (POCI)	412	- 88	324
Debt Securities	51 384	- 12	51 372
Stage 1 (12-month ECL)	51 300	- 6	51 294
Stage 2 (lifetime ECL)	80	- 4	76
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	16 897	- 5	16 892
Stage 1 (12-month ECL)	16 864	- 4	16 861
Stage 2 (lifetime ECL)	33	- 1	32
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0

(*) The carrying value after impairment in this note is equal to the sum of the lines Loans and advances to credit institutions and investment firms (excl. reverse repos), Loans and advances to customers (excl. reverse repos) and Reverse repos in note 4.1 (in the column Measured at amortised cost)

A collective shift (since 2022) of an exposure of 12.0 billion euros from stage 1 to stage 2 was applied at 31 December 2023. It concerned stage 1 portfolios that were either:

- vulnerable to the geopolitical and macroeconomic uncertainties or
- indirectly exposed to military conflicts, such as the one in Ukraine.

In 1Q 2024 a combined net stage shift from stage 2 to stage 1 has taken place of approximately 8.5 billion euros in gross carrying amount with a net ECL release of 17 million euros. For the majority this was caused by the implementation of the new multi-tier approach for staging (see note 1.2) and for the remainder by a shift for KBC Commercial Finance exposure in Belgium where the relative change in credit risk has been revisited based on the very low historical credit losses in this portfolio and taking into account the very short maturities. Both movements were introduced to better reflect the underlying credit risk since origination. The remaining positive staging evolution in 2024 is driven mainly by the continuous update of staging for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine), which is fully captured as of 4Q 2024 via the regular staging process.

Financial assets and liabilities measured at fair value – fair value hierarchy (note 4.5 in the annual accounts 2023)

For more details on how KBC defines and determines (i) fair value and the fair value hierarchy and (ii) level 3 valuations reference is made to notes 4.4 up to and including 4.7 of the annual accounts 2023.

(in millions of EUR) Fair value hierarchy	Level 1	Level 2	Level 3	31-12-2024 Total	Level 1	Level 2	Level 3	31-12-2023 Total
FINANCIAL ASSETS AT FAIR VALUE								
Mandatorily measured at fair value through profit or loss (other than held for trading)	16 539	75	1 009	17 624	14 253	107	851	15 212
Held for trading	3 354	6 097	1 057	10 509	2 991	4 625	711	8 327
Designated at fair value	0	0	0	0	0	0	0	0
At fair value through OCI	21 410	2 200	651	24 261	15 290	2 628	669	18 587
Hedging derivatives	0	271	0	271	0	295	0	295
Total	41 303	8 644	2 717	52 665	32 534	7 656	2 231	42 422
FINANCIAL LIABILITIES AT FAIR VALUE								
Held for trading	883	3 388	1 406	5 677	1 429	4 582	1 039	7 050
Designated at fair value	15 644	186	850	16 680	13 432	202	1 157	14 791
Hedging derivatives	0	265	51	316	0	306	95	401
Total	16 527	3 838	2 307	22 673	14 862	5 090	2 290	22 242

Financial assets and liabilities measured at fair value – transfers between level 1 and 2 (note 4.6 in the annual accounts 2023)

During 2024, KBC transferred about 201 million euros worth of financial assets and liabilities out of level 1 and into level 2. It also reclassified approximately 445 million euros worth of financial assets and liabilities from level 2 to level 1. Most of these reclassifications were carried out due to a change in the liquidity of government and corporate bonds.

Financial assets and liabilities measured at fair value – focus on level 3 (note 4.7 in the annual accounts 2023)

In 2024 significant movements in financial assets and liabilities classified in level 3 of the fair value hierarchy included the following:

- Financial assets measured at fair value through profit and loss: the fair value of loans and advances increased by 107 million euros, mostly due to new transactions and changes in market parameters, partly offset by deals that reached maturity. The fair value of debt securities has increased by 55 million euros, mainly due to new acquisitions.
- Financial assets held for trading: the fair value of derivatives increased by 349 million euros, primarily due to changes in market parameters and new acquisitions, partly offset by sales of existing positions.
- Financial assets measured at fair value through other comprehensive income: the fair value of debt securities has decreased by 36 million euros, primarily due to transfers out of level 3, partly offset by new acquisitions. The fair value of equity instruments increased by 19 million euros, mostly due to acquisitions, partly offset by sales of existing positions
- Financial liabilities held for trading: the fair value of derivatives increased by 367 million euros, mostly due to changes in market parameters and new transactions, partly offset by sales of existing positions.
- Financial liabilities designated at fair value: the fair value of debt securities issued decreased by 307 million euros, primarily due to deals that reached maturity and sales of existing positions, only partially offset by acquisitions and changes in market parameters.
- Financial liabilities relating to hedging derivatives: the fair value of derivatives decreased by 43 million euros due to changes in market parameters.

Insurance contract liabilities (note 5.6 in the annual accounts 2023)

The Contractual Service Margin (CSM) as included in the insurance contract liabilities, evolved from 2 244 million euros at the end of 2023 to 2 276 million euros at the end of 2024, or an increase of 32 million euros. In 2Q 2024, a migration of Belgian contracts of individual pension agreements from the portfolio ‘Risk and Savings’ towards the portfolio ‘Hybrid products’ has been performed as the policyholders are offered the option to invest in Class 23. The net impact on the CSM is an increase of 96 million euros in 2Q 2024.

Excluding the migration, there is a decrease in CSM of 64 million euros compared to the end of 2023, which is mainly driven by negative change in best estimates reflected in the CSM (-98m; mainly driven by parameter updates and changes in non-economic & experience variances), while CSM of new business (+185 million euros) was slightly higher compared to the CSM release in the income statement (-165 million euros).

Parent shareholders’ equity and AT1 instruments (note 5.10 in the annual accounts 2023)

Quantities	31-12-2024	31-12-2023
Ordinary shares	417 544 151	417 305 876
of which ordinary shares that entitle the holder to a dividend payment	*396 563 328*	*408 508 807*
of which treasury shares	*20 980 825*	*8 801 316*
Additional information		
Par value per share (in EUR)	3.51	3.51
Number of shares issued but not fully paid up	0	0

The ordinary shares of KBC Group NV have no nominal value and are quoted on Euronext Brussels.

The treasury shares almost entirely relate to shares bought in the share buyback programme.

In September 2023, KBC Group NV issued Additional Tier-1 securities for 750 million euros (perpetual with a first callable after 5 years; temporary write-down trigger should the common equity ratio fall below 5.125%; initial coupon of 8.00% per year payable every six months).

In March 2024, KBC Group NV called the Additional Tier-1 securities it issued in 2019. The European Central Bank (ECB) granted KBC permission to call this instrument, which had a nominal value of 500 million euros, and at the same time to call the subordinated inter-company loan of the same amount that KBC Group NV granted to KBC Bank NV.

In September 2024, KBC Group NV issued Additional Tier-1 securities for 750 million euros (perpetual with a first callable after 5 years; temporary write-down trigger should the common equity ratio fall below 5.125%; initial coupon of 6.25% per year payable every six months). Additionally, KBC Group NV announced the repurchase of part of the Additional Tier-1 securities issued in 2018 via a cash tender offer for an aggregate principal amount of 636 million euros.

In December 2024, the number of KBC Group NV shares went up by 238 275 to 417 544 151 (in December 2023 the number of shares went up by 136 462 to 417 305 876), due to new shares being issued following the yearly capital increases reserved for staff.

Off-balance-sheet commitments and financial guarantees given and received (note 6.1 in the annual accounts 2023)

KBC has in the years 2016-2022 provided irrevocable payment commitments (IPC’s) for an amount of 90 million euros to the Single Resolution Fund (SRF) which are covered fully by cash collateral. In line with industry practice, following accounting treatment is applied to IPC’s:

- The amount of cash collateral is recognized as a financial asset.
- The hypothetic fund call in case of a resolution is reported as a contingent liability.

The recognition of the cash collateral as a financial asset is based on the consideration that, in any scenario, the collateral should be returned to the bank and that interest is received on the amount outstanding. In 4Q 2023, the General Court of the EU ruled that in a scenario in which a bank loses its banking license, it has no claim on the cash collateral. KBC decided to await the outcome of the appeal in this case at the European Court of Justice before considering the potential implications on the accounting treatment of IPC’s.

The 90 million euros is deducted in the calculation of the common equity capital (CET1).

Main changes in the scope of consolidation (note 6.6 in the annual accounts 2023)

On 3 February 2023, KBC Bank Ireland closed the sale of substantially all of its assets and liabilities to Bank of Ireland Group. The transaction had an impact on KBC Group's P&L (1Q 2023) of +0.4 billion euros (for more information on the impact on the P&L of 2022 and 2023, see note 6.6 in the Annual report of 2023).

On 30 April 2024, KBC Bank Ireland returned its banking license to the Central Bank of Ireland and subsequently has been renamed as Exicon. The expected closing of the liquidation process in 1Q 2025 leads to a tax benefit (deferred income tax) in P&L of 318 million euros in 4Q 2024 (for more information see note 3.11 in this report).

Post-balance sheet events (note 6.8 in the annual accounts 2023)

Significant non-adjusting events between the balance sheet date (31 December 2024) and the publication of this report (13 February 2025):

None

KBC Group

Additional Information

4Q 2024 and FY 2024

Credit risk

Snapshot of the loan portfolio (banking activities)

The main source of credit risk is the loan portfolio of the bank. It includes all the loans and guarantees that KBC has granted to individuals, companies, governments and banks. Debt securities in the investment portfolio are included if they are issued by companies or banks. Government bonds are not included. The loan portfolio as defined in this section differs from ‘Loans and advances to customers’ in Note 4.1 of the ‘Consolidated financial statements’ section of the annual accounts 2023. For more information, please refer to ‘Details of ratios and terms on KBC Group level’.

A snapshot of the banking portfolio is shown in the table below. Further on in this chapter, extensive information is provided on the credit portfolio of each business unit.

Credit risk: loan portfolio overview	31-12-2024	31-12-2023
Total loan portfolio (in billions of EUR) [1]		
Amount outstanding and undrawn	263	258
Amount outstanding	211	203
Loan portfolio breakdown by business unit (as a % of the outstanding portfolio)		
Belgium	64.5%	64.7%
Czech Republic	19.4%	19.3%
International Markets	15.6%	15.4%
Group Centre [2]	0.5%	0.6%
Loan portfolio breakdown by counterparty sector (as a % of the outstanding portfolio)		
Private individuals	40.8%	40.8%
Finance and insurance	5.3%	6.0%
Governments	2.9%	2.7%
Corporates	51.0%	50.5%
Services	10.7%	10.5%
Distribution	8.2%	8.3%
Real estate [3]	6.9%	6.9%
Building & construction	4.8%	4.5%
Agriculture, farming, fishing	2.7%	2.9%
Automotive	2.7%	2.6%
Food Producers	2.0%	1.8%
Electricity	1.9%	1.8%
Metals	1.5%	1.6%
Chemicals	1.4%	1.5%
Machinery & Heavy equipment	0.9%	1.0%
Oil, gas & other fuels	0.9%	0.9%
Shipping	0.8%	0.8%
Hotels, bars & restaurants	0.7%	0.8%
Electrotechnics	0.5%	0.6%
Beverages	0.5%	0.4%
Timber & wooden furniture	0.5%	0.5%
Other [4]	3.3%	3.3%
Loan portfolio breakdown by region (as a % of the outstanding portfolio)		
Belgium	54.9%	54.8%
Czech Republic	18.6%	18.4%
Slovakia	6.1%	6.3%
Hungary	4.0%	4.1%
Bulgaria	5.6%	5.1%
Rest of Western Europe	7.6%	7.6%
Rest of Central and Eastern Europe	0.2%	0.2%
North America	1.1%	1.4%
Asia	0.9%	0.9%
Other	1.0%	1.1%
Loan portfolio breakdown by counterparty (as % of the outstanding portfolio)		
Retail	40.7%	40.8%
of which: mortgages	36.8%	37.1%
of which: consumer finance	3.9%	3.7%
SME	22.0%	21.8%
Corporate	37.3%	37.4%

	31-12-2024	31-12-2023
Loan portfolio breakdown by IFRS 9 ECL stage (as % of the outstanding portfolio)		
Stage 1 (credit risk has not increased significantly since initial recognition)	90.2%	80.1%
of which: PD 1 - 4	64.5%	64.5%
of which: PD 5 - 9 including unrated	25.7%	15.5%
Stage 2 (credit risk has increased significantly since initial recognition – not credit impaired) incl. POCI [5]	7.8%	17.9%
of which: PD 1 - 4	2.2%	5.1%
of which: PD 5 - 9 including unrated	5.6%	12.7%
Stage 3 (credit risk has increased significantly since initial recognition – credit impaired) incl. POCI [5]	2.0%	2.1%
of which: PD 10 impaired loans	0.9%	1.1%
of which: more than 90 days past due (PD 11+12)	1.0%	1.0%
Impaired loan portfolio (in millions of EUR)		
Impaired loans (PD10 + 11 + 12)	4 171	4 221
of which: more than 90 days past due	2 178	2 051
Impaired loans ratio (%)		
Belgium	2.0%	2.0%
Czech Republic	1.3%	1.4%
International Markets	1.6%	1.8%
Group Centre [2]	38.3%	36.2%
Total	2.0%	2.1%
of which: more than 90 days past due	1.0%	1.0%
Loan loss impairment (in millions of EUR)		
Loan loss Impairment for Stage 1 portfolio	201	168
Loan loss Impairment for Stage 2 portfolio	340	502
Loan loss Impairment for Stage 3 portfolio	1 979	1 888
of which: more than 90 days past due	1 492	1 459
Cover ratio of impaired loans (%)		
Loan loss impairments for stage 3 portfolio / impaired loans	47.4%	44.7%
of which: more than 90 days past due	68.5%	71.2%
Cover ratio of impaired loans, mortgage loans excluded (%)		
Loan loss impairments for stage 3 portfolio / impaired loans, mortgage loans excluded	50.5%	47.4%
of which: more than 90 days past due	71.4%	74.2%
Credit cost ratio (%)		
Belgium	0.19%	0.06%
Czech Republic	-0.09%	-0.18%
International Markets	-0.08%	-0.06%
Slovakia	-0.14%	-0.07%
Hungary	-0.27%	-0.14%
Bulgaria	0.14%	0.00%
Group Centre	1.58%	0.07%
Total	0.10%	0.00%

[1] Outstanding portfolio includes all on-balance sheet commitments and off-balance sheet guarantees but excludes off-balance sheet undrawn commitments; the amounts are measured in Gross Carrying Amounts
[2] Business Unit Group Centre = part of non-legacy portfolio assigned to BU Group, activities in wind-down (e.g. ex-Antwerp Diamond Bank). The presence of the residual portfolios of the activities in wind-down explains the high share of impaired loans
[3] Real estate = Income producing commercial real estate to 3rd parties
[4] Other includes corporate sectors not exceeding 0.5% concentration and unidentified sectors
[5] Purchased or originated credit impaired assets

The decrease of the Stage 2 ratio in 2024 is mainly caused by a revised staging methodology as from January 2024 (change from indicator based on 12 months probability of default to lifetime) and for the remainder by a shift for KBC Commercial Finance exposure where the relative change in credit risk has been revisited based on the very low historical credit losses in this portfolio and the very short maturities. Furthermore, there is a continuous update of staging for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine).

Impaired loans are loans for which full (re)payment of the contractual cash flows is deemed unlikely. This coincides with KBC's Probability-of-Default-classes 10, 11 and 12 (see annual accounts FY 2023 - section on credit risk for more information on PD classification). These impaired loans are equal to 'non-performing loans' under the definition used by EBA.

Loan portfolio per Business Unit (banking activities)

Legend:

- **ind. LTV - Indexed Loan To Value:** current outstanding loan / current value of property
- **Impaired loans:** loans for which full (re)payment is deemed unlikely (coincides with KBC's PD-classes 10, 11 or 12)
- **Impaired loans that are more than 90 days past due:** loans that are more than 90 days overdue and/or loans which have been terminated/cancelled or bankrupt obligors (coincides with KBC's PD-classes 11 and 12)
- Stage 1+2 impairments: impairments for non-impaired exposure (i.e. exposure with PD < PD 10)
- Stage 3 impairments: loan loss impairments for impaired exposure (i.e. exposure with PD 10, 11 or 12)
- **Cover ratio impaired loans:** stage 3 impairments / impaired loans

Loan portfolio per Business Unit 31-12-2024, in millions of EUR	Business Unit Belgium[1]			Business Unit Czech Republic			Business Unit International Markets			Business Unit Group Centre[2]		
Total portfolio outstanding	**136 047**			**40 983**			**32 901**			**971**		
Counterparty break down		% outst.			% outst.			% outst.			% outst.	
retail	47 216	35%		23 367	57%		15 193	46%		0	0%	
o/w mortgages	45 513	33%		20 500	50%		11 637	35%		0	0%	
o/w consumer finance	1 703	1%		2 867	7%		3 556	11%		0	0%	
SME	36 394	27%		5 898	14%		4 115	13%		0	0%	
corporate	52 437	39%		11 718	29%		13 594	41%		971	100%	
Mortgage loans		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV
total	45 513	33%	53%	20 500	50%	51%	11 637	35%	58%	0	0%	0%
o/w FX mortgages	0	0%	-	0	0%	-	68	0%	38%	0	0%	-
o/w ind. LTV > 100%	388	0%	-	12	0%	-	70	0%	-	0	0%	-
Probability of default (PD)		% outst.			% outst.			% outst.			% outst.	
low risk (PD 1-4; 0.00%-0.80%)	99 674	73%		23 680	58%		16 840	51%		564	58%	
medium risk (PD 5-7; 0.80%-6.40%)	29 566	22%		15 200	37%		14 498	44%		35	4%	
high risk (PD 8-9; 6.40%-100.00%)	3 430	3%		1 548	4%		1 009	3%		0	0%	
impaired loans (PD 10 - 12)	2 715	2%		553	1%		532	2%		372	38%	
unrated	662	0%		2	0%		22	0%		0	0%	
Overall risk indicators		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover
outstanding impaired loans	2 715	1 151	42%	553	241	44%	532	245	46%	372	342	92%
o/w PD 10 impaired loans	1 432	327	23%	229	49	22%	270	75	28%	63	35	55%
o/w more than 90 days past due (PD 11+12)	1 283	824	64%	324	191	59%	262	170	65%	309	307	100%
all impairments (stage 1+2+3)	1 424			379			373			343		
o/w stage 1+2 impairments (incl. POCI)	274			139			127			1		
o/w stage 3 impairments (incl. POCI)	1 151			241			245			342		
2023 Credit cost ratio (CCR)[3]	0.06%			-0.18%			-0.06%			0.07%		
2024 Credit cost ratio (CCR)[3]	0.19%			-0.09%			-0.08%			1.58%		

[1] Business Unit Belgium = KBC Bank (all retail and corporate credit lending activities including the foreign branches, part of non-legacy portfolio assigned to BU Belgium), CBC, KBC Lease Belgium, KBC Immolease, KBC Commercial Finance

[2] Business Unit Group Centre = part of non-legacy portfolio assigned to BU Group and activities in wind-down (e.g. ex-Antwerp Diamond Bank)

[3] CCR at country level in local currency

Loan portfolio Business Unit International Markets

Legend:

- **ind. LTV - Indexed Loan To Value:** current outstanding loan / current value of property
- **Impaired loans:** loans for which full (re)payment is deemed unlikely (coincides with KBC's PD-classes 10, 11 or 12)
- **Impaired loans that are more than 90 days past due:** loans that are more than 90 days overdue and/or loans which have been terminated/cancelled or bankrupt obligors (coincides with KBC's PD-classes 11 and 12)
- Stage 1+2 impairments: impairments for non-impaired exposure (i.e. exposure with PD < PD 10)
- Stage 3 impairments: loan loss impairments for impaired exposure (i.e. exposure with PD 10, 11 or 12)
- **Cover ratio impaired loans:** stage 3 impairments / impaired loans

Loan portfolio Business Unit International Markets

31-12-2024, in millions of EUR	**Slovakia**			**Hungary**			**Bulgaria**		
Total portfolio outstanding	**12 529**			**8 397**			**11 975**		
Counterparty break down		% outst.			% outst.			% outst.	
retail	7 326	58%		2 928	35%		4 939	41%	
o/w mortgages	6 769	54%		1 953	23%		2 915	24%	
o/w consumer finance	557	4%		975	12%		2 024	17%	
SME	1 260	10%		99	1%		2 755	23%	
corporate	3 943	31%		5 370	64%		4 280	36%	
Mortgage loans		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV
total	6 769	54%	61%	1 953	23%	42%	2 915	24%	61%
o/w FX mortgages	0	0%	-	0	0%	40%	68	1%	38%
o/w ind. LTV > 100%	37	0%	-	17	0%		16	0%	-
Probability of default (PD)		% outst.			% outst.			% outst.	
low risk (PD 1-4; 0.00%-0.80%)	8 513	68%		4 327	52%		4 001	33%	
medium risk (PD 5-7; 0.80%-6.40%)	3 277	26%		3 851	46%		7 370	62%	
high risk (PD 8-9; 6.40%-100.00%)	530	4%		117	1%		362	3%	
impaired loans (PD 10 - 12)	189	2%		101	1%		242	2%	
unrated	21	0%		2	0%		0	0%	
Overall risk indicators		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover
outstanding impaired loans	189	91	48%	101	34	33%	242	120	50%
o/w PD 10 impaired loans	84	25	29%	76	19	25%	110	32	29%
o/w more than 90 days past due (PD 11+12)	105	67	64%	25	15	58%	132	88	67%
all impairments (stage 1+2+3)	126			68			178		
o/w stage 1+2 impairments (incl. POCI)	35			35			58		
o/w stage 3 impairments (incl. POCI)	91			34			120		
2023 Credit cost ratio (CCR)[1]	-0.07%			-0.14%			0.00%		
2024 Credit cost ratio (CCR)[1]	-0.14%			-0.27%			0.14%		

[1] CCR at country level in local currency

Solvency

KBC reports its solvency at group, banking and insurance level, calculating it on the basis of IFRS figures and the relevant guidelines issued by the competent regulator.

Solvency KBC Group

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. This regulation entered gradually into force as of 1 January 2014.

KBC makes use of the IFRS 9 transitional measures (applied from the second quarter of 2020). These transitional measures make it possible to add back a portion of the increased impairment charges to common equity capital (CET1), during a transitional period until 31 December 2024.

Based on CRR/CRD, profit can be included in CET1 capital only after the profit appropriation decision by the final decision body, for KBC Group it is the General Meeting. ECB can allow to include interim or annual profit in CET1 capital before the decision by the General Meeting. In that case, the foreseeable dividend should be deducted from the profit that is included in CET1. Considering that our Dividend Policy of “at least 50%” does not include a maximum, KBC Group no longer requests ECB approval to include interim or annual profit in CET1 capital before the decision by the General Meeting.

As such, the annual profit of 2024 and the dividend re. 2024 will be recognised in the official (transitional) CET1 of the 1st quarter 2025, which is reported after the General Meeting. The 2024 interim profit is included in the fully loaded CET1 (taking into account 50% pay-out in line with our Dividend Policy).

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). As of 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 Group has received ECB approval to continue to use the historical carrying value for risk weighting (370%), after having deconsolidated KBC Insurance from the group figures.

In addition to the solvency ratios under CRR/CRD, KBC is considered a financial conglomerate since it covers both significant banking and insurance activities. Therefore KBC also has to disclose its solvency position as calculated in accordance with the Financial Conglomerate Directive (FICOD; 2002/87/EC). This implies that available capital is calculated on the basis of the consolidated position of the group and the eligible items recognised as such under the prevailing sectorial rules, which are CRR/CRD for the banking business and Solvency II for the insurance business. The capital requirement for the insurance business based on Solvency II is multiplied by 12.5 to obtain a risk weighted asset equivalent.

The Internal Rating Based (IRB) approach is since its implementation in 2008 the primary approach to calculate KBC’s risk weighted assets. This is, based on a full application of all the CRR/CDR rules, used for approximately 74% of the weighted credit risks. The remaining weighted credit risks (ca. 26%) are calculated according to the Standardised approach.

The overall capital requirement (CET1) that KBC is to uphold is set at 10.88% (fully loaded, Danish Compromise which includes the CRR/CRD minimum requirement (4.50%), the Pillar 2 Requirement (1.09% P2R, taking into account CRD V Art 104a(4)) and the buffers set by national competent authorities (2.50% Capital Conservation Buffer, 1.50% buffer for other systemically important banks, 0.14% Systemic Risk Buffer and 1.15% Countercyclical Buffer). Furthermore ECB has set a Pillar 2 Guidance of 1.25%.
In line with CRD V Art. 104a(4), ECB allows banks to satisfy the P2R (1.86%) with additional tier-1 instruments (1.75% up to 1.5/8) and tier-2 instruments (1.75% up to 2/8) based on the same relative weights as allowed for meeting the 8% Pillar 1 Requirement. The CET1 requirement related to P2R now includes 100% of the 11bps add-on related to back-stop shortfall for old non-performing loans (exposures defaulted before 01-04-2018).

Distributions (being dividend payments, payments related to additional tier 1 instruments or variable remuneration) are limited in case the combined buffer requirements described above are breached. This limitation is also referred to as “Maximum Distributable Amount” or “MDA” thresholds.
The next table provides an overview of the buffers KBC Group has compared to these thresholds, both on an actuals basis (i.e. versus the regulatory targets that apply at the reporting date) and a fully loaded basis (i.e. versus the regulatory targets that will apply going forward).

Buffer vs. Overall Capital Requirement (in millions of EUR) (consolidated, under CRR, Danish compromise method)	31-12-2024 Fully loaded	31-12-2024 Actuals	31-12-2023 Fully loaded	31-12-2023 Actuals
CET1 Pillar 1 minimum	4.50%	4.50%	4.50%	4.50%
Pillar 2 requirement to be satisfied with CET1	1.09%	1.05%	1.05%	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 (SRyB)	0.14%	0.14%	0.14%	0.21%
Entity-specific countercyclical buffer	1.15%	1.12%	1.24%	0.67%
Overall Capital Requirement (OCR) - with P2R split, CRD Art. 104a(4)	**10.88%**	**10.80%**	**10.92%**	**10.43%**
CET1 used to satisfy shortfall in AT1 bucket	0.27%	0.29%	0.30%	0.30%
CET1 used to satisfy shortfall in T2 bucket	0.30%	0.33%	0.45%	0.36%
CET1 requirement for MDA	**11.45%**	**11.42%**	**11.68%**	**11.09%**
CET1 capital	17 947	16 621	17 236	15 639
CET1 buffer (= buffer compared to MDA)	4 212	2 919	4 036	3 105

Following table groups the solvency on the level of KBC Group according to different methodologies and calculation methods, including the deduction method.

Overview of KBC Group's capital ratios (in millions of EUR) 31-12-2024		numerator (common equity)	denominator (total weighted risk volume)	ratio (%)
Common Equity ratio				
Danish Compromise	Fully loaded	17 947	119 945	14.96%
Deduction Method	Fully loaded	17 303	115 372	15.00%
Financial Conglomerates Directive	Fully loaded	19 456	138 265	14.07%
Danish Compromise	Transitional	16 621	119 950	13.86%
Deduction Method	Transitional	15 843	115 044	13.77%
Financial Conglomerates Directive	Transitional	18 563	138 270	13.43%

KBC's fully loaded CET1 ratio of 14.96% at the end of September 2024 represents a solid capital buffer of 3.51% compared with the Maximum Distributable Amount (MDA) of 11.45%.

The Board of Directors will propose to the Annual General Meeting of shareholders on 30 April 2025 a total gross dividend of 4.85 euros per share related to the accounting year 2024, of which:

- an interim dividend of 0.70 euros per share (280 million euros in total), as decided by KBC Group's Board of Directors of 15 May 2024 and paid on 29 May 2024, reflecting the distribution of the surplus capital above 15% fully loaded CET1 threshold per end 2023
- 4.15 euros per share:
  - an interim dividend of 1.00 euro per share (396 million euros in total), as decided by KBC Group's Board of Directors of 7 August 2024 and paid on 14 November 2024, in line with our Dividend Policy
  - a final ordinary dividend of 3.15 euros per share (1 249 million euros in total) to be paid 8 May 2025

  Therefore, reflecting a pay-out ratio (including 4.15 euros per share and AT1-coupon) of approximately 51% of 2024 net profit.

The EBA Monitoring report on AT1, Tier 2 and TLAC / MREL eligible liabilities instruments (27 June 2024) recommends to use the carrying amounts (including accrued interest and hedge adjustments) instead of nominal amounts for own funds calculation. KBC has applied this EBA recommendation as from 30-09-2024. Implementation of this approach increases the volatility in the Tier 2 capital: as at 31-12-2024 it has a 47 million euros positive impact on Tier 2 capital at KBC Group level (compared to 17 million euros on 30-09-2024).

Moving towards the Basel IV era and applying a static balance sheet (1H 2024) and all other parameters ceteris paribus, without mitigating actions, KBC projects:

- at 1 January 2025, a first-time application impact of +1 billion euros in risk-weighted assets;
- by 1 January 2033, a further impact of +7.5 billion euros in risk-weighted assets;

resulting in a fully loaded impact of +8.5 billion euros in risk-weighted assets.

Solvency ratios KBC Group (Danish Compromise)

In millions of EUR	31-12-2024 Fully loaded	31-12-2024 Transitional	31-12-2023 Fully loaded	31-12-2023 Transitional
Total regulatory capital (after profit appropriation)	22 374	21 048	21 260	19 768
Tier-1 capital	19 811	18 485	18 986	17 389
Common equity	17 947	16 621	17 236	15 639
Parent shareholders' equity (after deconsolidating KBC Insurance)	21 589	18 932	21 181	18 209
Intangible fixed assets, incl deferred tax impact (-)	- 743	- 743	- 712	- 712
Goodwill on consolidation, incl deferred tax impact (-)	- 1 052	- 1 052	- 1 070	- 1 070
Minority interests	0	0	0	0
Hedging reserve (cash flow hedges) (-)	508	508	579	579
Valuation diff. in financial liabilities at fair value - own credit risk (-)	- 29	- 29	- 29	- 29
Value adjustment due to the requirements for prudent valuation (-)	- 35	- 35	- 24	- 24
Dividend payout (-)	- 1 249	0	- 1 287	0
Share buyback (part not yet executed) (-)	0	0	- 803	- 803
Coupon of AT1 instruments (-)	- 27	- 27	- 26	- 26
Deduction re. financing provided to shareholders (-)	- 23	- 23	- 56	- 56
Deduction re. Irrevocable payment commitments (-)	- 90	- 90	- 90	- 90
Deduction re NPL backstops (-)	- 205	- 205	- 204	- 204
Deduction re pension plan assets (-)	- 205	- 205	- 121	- 121
IRB provision shortfall (-)	- 141	- 66	- 4	0
Deferred tax assets on losses carried forward (-)	- 353	- 353	- 98	- 98
Transitional adjustments to CET1	0	7	0	84
Limit on deferred tax assets from timing differences relying on future profitability and significant participations in financial sector entities (-)	0	0	0	0
Additional going concern capital	1 864	1 864	1 750	1 750
CRR compliant AT1 instruments	1 864	1 864	1 750	1 750
Minority interests to be included in additional going concern capital	0	0	0	0
Tier 2 capital	2 563	2 563	2 273	2 379
IRB provision excess (+)	167	167	277	265
Transitional adjustments to T2	0	0	0	- 60
Subordinated liabilities	2 396	2 396	1 997	2 174
Subordinated loans non-consolidated financial sector entities (-)	0	0	0	0
Minority interests to be included in tier 2 capital	0	0	0	0
Total weighted risk volume	119 945	119 950	113 038	113 029
Banking	110 082	110 087	103 201	103 192
Insurance	9 133	9 133	9 133	9 133
Holding activities	734	734	710	710
Elimination of intercompany transactions	- 5	- 5	- 6	- 6
Solvency ratios				
Common equity ratio	14.96%	13.86%	15.25%	13.84%
Tier-1 ratio	16.52%	15.41%	16.80%	15.38%
Total capital ratio	18.65%	17.55%	18.81%	17.49%

Note:

- For the composition of the banking RWA, see section ‘Solvency banking and insurance activities separately’ further in this report.
- As at 31-12-2024, the difference between the fully loaded total own funds (22 374 million euros, profit after proposed final dividend re. 2024 is included) and the transitional own funds (21 048 million euros, profit after proposed final dividend re. 2024 is not included) is explained by the net result for 2024 (+3 333 million euros under the Danish Compromise method), the ordinary dividend for 2024 pay-out (-1,645 million euros dividend accrual, of which -396 million euros interim dividend of 2024), the extraordinary interim dividend (-280 million euros, paid out in 2Q 2024), the impact of the IFRS 9 transitional measures and IRB excess/shortfall (-81 million euros).
- At year-end 2023, the difference between the fully loaded total own funds (21 260 million euros; profit and dividend re. 2023 is included) and the transitional own funds (19 768 million euros; profit and dividend re. 2023 is not included) is explained by the net result for 2023 (+3 383 million euros under the Danish Compromise method), the proposed final dividend (-1 698 million euros dividend accrual), the impact of the IFRS 9 transitional measures and IRB excess/shortfall (-15 million euros) and the grandfathered tier-2 subordinated debt instruments (-177 million euros).
- In September 2024, KBC Group issued a new AT1 for an amount of 750 million euros and at the same has repurchased 636 million euro from the 1 billion euro AT1 instrument that was issued in April 2018 and has a first call date on 24-10-2025.

Leverage ratio KBC Group

Leverage ratio KBC Group In millions of EUR	31-12-2024 Fully loaded	31-12-2024 Transitional	31-12-2023 Fully loaded	31-12-2023 Transitional
Tier-1 capital	19 811	18 485	18 986	17 389
Total exposures	360 085	360 092	333 791	333 894
Total Assets	373 048	373 048	346 921	346 921
Deconsolidation KBC Insurance	-33 734	-33 734	-30 980	-30 980
Transitional adjustment	0	7	0	103
Adjustment for derivatives	- 885	- 885	-1 341	-1 341
Adjustment for regulatory corrections in determining Basel III Tier-1 capital	-2 681	-2 681	-2 286	-2 286
Adjustment for securities financing transaction exposures	1 686	1 686	1 357	1 357
Central Bank exposure	0	0	0	0
Off-balance sheet exposures	22 651	22 651	20 119	20 119
Leverage ratio	5.50%	5.13%	5.69%	5.21%

At the end of December 2024, the fully loaded leverage ratio decreased compared to December 2023, due to higher leverage ratio exposure chiefly as a result of higher total assets (for more information see balance sheet in the Consolidated financial statements section).

Solvency banking and insurance activities separately

As is the case for the KBC group, the solvency of KBC Bank is calculated based on CRR/CRD. The solvency of KBC Insurance is calculated on the basis of Solvency II rules as they became effective on 1 January 2016.

The tables below show the tier-1 and CAD ratios calculated under Basel III (CRR/CRD) for KBC Bank, as well as the solvency ratio of KBC Insurance under Solvency II.

Regulatory capital requirements KBC Bank (consolidated) (in millions of EUR)	31-12-2024 Fully loaded	31-12-2024 Transitional	31-12-2023 Fully loaded	31-12-2023 Transitional
Total regulatory capital, after profit appropriation	20 296	18 981	19 375	17 952
Tier-1 capital	17 755	16 440	16 924	15 573
Common equity	15 891	14 576	15 174	13 823
Parent shareholders' equity	18 559	16 665	17 695	15 450
Solvency adjustments	-2 668	-2 088	-2 521	-1 627
Additional going concern capital	1 864	1 864	1 750	1 750
Tier-2 capital	2 541	2 541	2 451	2 379
Total weighted risk volume	110 082	110 087	103 201	103 192
Credit risk	94 213	94 218	88 051	88 042
Market risk	2 026	2 026	2 116	2 116
Operation risk	13 843	13 843	13 034	13 034
Common equity ratio	14.4%	13.2%	14.7%	13.4%

Solvency II, KBC Insurance consolidated (in millions of EUR)	**31-12-2024**	**31-12-2023**
Own Funds	4 392	4 130
Tier 1	3 891	3 629
IFRS Parent shareholders’ equity	3 331	3 302
Dividend payout	- 91	- 233
Deduction intangible assets and goodwill (after tax)	- 207	- 198
Valuation differences (after tax)	633	597
Volatility adjustment	189	137
Other	37	25
Tier 2	501	501
Subordinated liabilities	501	501
Solvency Capital Requirement (SCR)	2 196	2 005
Market risk	1 533	1 434
Non-life	821	786
Life	1 222	1 131
Health	321	278
Counterparty	121	124
Diversification	-1 385	-1 293
Other	- 435	- 455
Solvency II ratio	200%	206%

In 2023 and 2024 an interim dividend of 200 million euros has been upstreamed to KBC Group.

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 the level of KBC Group with 'bail-in' as the primary resolution tool. MREL measures the amount of own funds and eligible liabilities that can be credibly and feasibly bailed-in.

In June 2024, the SRB formally communicated to KBC binding MREL targets (under BRRD2), expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE):

- 28.48% of RWA as from 4Q 2024 (including transitional Combined Buffer Requirement[1] of 5.25% as from 4Q 2024)
- 7.42% of LRE

Besides a total MREL amount, BRRD2 also requires KBC to maintain a certain part of MREL in subordinated format (i.e. instruments subordinated to liabilities, excluded from bail-in).

The binding subordinated MREL targets are:

- 24.05% of RWA as from 4Q 2024 (including the Combined Buffer Requirement[1] of 5.25% as from 4Q 2024)
- 7.42% of LRE

At the end of December 2024, the MREL ratio stands at 30.7% as a % of RWA (versus 30.7% as at the end 2023) and at 10.2% as % of LRE (versus 10.4% as at the end of 2023). The stable MREL ratio in % of RWA reflects the higher total weighted risk volume which is absorbed by retained earnings and growth in issued MREL debt. The small decrease of the MREL ratio in % of LRE is driven mainly by the increased leverage exposure which is only partly offset by the growth in available MREL.

(1) Combined Buffer Requirement (transitional) = Conservation Buffer (2.50%) + O-SII Buffer (1.50%) + Countercyclical Buffer (1.12%) + Systemic Risk Buffer (0.14%) comes on top of the MREL target as a percentage of RWA

Income statement, volumes and ratios of KBC Group and per business unit

Details on our segments or business units are available in the company presentation.

Note: The ECB approved to apply the IFRS9 transitional arrangements from 2Q 2020, as such the difference between fully loaded and the transitional measures are assigned to Group Centre. In other words, the RWA, allocated capital and the ROAC of the different countries remain based on fully loaded.

KBC Group (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	5 574	5 473	1 433	1 394	1 379	1 369	1 360
Insurance revenues before reinsurance	2 945	2 679	764	740	726	714	683
Non-life	2 482	2 280	640	631	613	598	584
Life	463	399	124	109	114	116	99
Dividend income	57	59	13	11	26	7	12
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 168	9	- 74	- 42	3	- 55	- 40
Net fee and commission income	2 578	2 349	700	641	623	614	600
Net other income	181	656	27	45	51	58	60
TOTAL INCOME	11 167	11 224	2 863	2 787	2 809	2 708	2 674
Operating expenses (excluding Opex allocated to insurance service expenses)	- 4 565	- 4 616	- 1 126	- 1 058	- 950	- 1 431	- 1 085
Total Opex without bank and insurance tax	- 4 474	- 4 438	- 1 201	- 1 135	- 1 074	- 1 063	- 1 169
Total bank and insurance tax	- 623	- 687	- 55	- 47	- 2	- 518	- 36
Minus: Opex allocated to insurance service expenses	532	509	131	124	126	150	120
Insurance service expenses before reinsurance	- 2 475	- 2 120	- 635	- 688	- 590	- 563	- 567
Of which Insurance commissions paid	- 383	- 340	- 103	- 99	- 92	- 89	- 94
Non-life	- 2 179	- 1 870	- 561	- 615	- 514	- 489	- 509
of which Non-life - Claim related expenses	- 1 414	- 1 157	- 364	- 427	- 331	- 293	- 328
Life	- 296	- 251	- 74	- 72	- 76	- 73	- 58
Net result from reinsurance contracts held	- 17	- 90	- 4	28	- 24	- 18	- 16
Impairment	- 248	- 215	- 78	- 69	- 85	- 16	- 170
on FA at amortised cost and at FVOCI	- 199	16	- 50	- 61	- 72	- 16	5
on goodwill	0	- 109	0	0	0	0	- 109
other	- 49	- 122	- 28	- 7	- 13	0	- 66
Share in results of associated companies and joint ventures	80	- 4	- 1	78	2	0	0
RESULT BEFORE TAX	3 941	4 179	1 020	1 079	1 162	680	836
Income tax expense	- 527	- 778	96	- 211	- 237	- 175	- 159
RESULT AFTER TAX	3 414	3 401	1 115	868	925	506	677
attributable to minority interests	- 1	- 1	0	0	0	0	0
attributable to equity holders of the parent	**3 415**	**3 402**	**1 116**	**868**	**925**	**506**	**677**
Banking	2 871	2 832	967	774	774	356	566
Insurance	515	527	139	104	139	133	108
Holding activities	29	43	10	- 9	13	16	3
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	192 067	183 613	192 067	188 623	187 502	183 722	183 613
of which Mortgage loans (end of period)	*78 059*	*75 482*	*78 059*	*76 926*	*76 236*	*75 311*	*75 482*
Customer deposits and debt certificates excl. repos (end of period)	271 087	259 491	271 087	263 071	271 610	263 700	259 491
Insurance related liabilities (including Inv. Contracts)							
Life insurance	29 596	27 323	29 596	29 020	28 272	27 938	27 323
Liabilities under investment contracts (IFRS 9)	*15 671*	*13 461*	*15 671*	*15 193*	*14 780*	*14 319*	*13 461*
Insurance contract liabilities (IFRS 17)	*13 925*	*13 862*	*13 925*	*13 827*	*13 492*	*13 618*	*13 862*
Non-life insurance	3 186	2 922	3 186	3 186	3 029	2 984	2 922
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	119 945	113 038	119 945	116 817	115 635	114 101	113 038
Required capital, insurance (end of period)	2 196	2 005	2 196	2 206	2 153	2 055	2 005
Allocated capital (end of period)	14 297	13 788	14 297	13 965	13 783	13 517	13 788
Return on allocated capital (ROAC, YTD)	25%	25%	25%	22%	21%	15%	25%
Cost/income ratio without banking and insurance tax (YTD)	43%	43%	43%	43%	42%	43%	43%
Combined ratio, non-life insurance (YTD)	90%	87%	90%	89%	87%	85%	87%
Net interest margin, banking (QTD)	2.09%	2.05%	2.08%	2.08%	2.10%	2.08%	1.99%

Business unit Belgium (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	3 305	3 248	837	828	831	809	809
Insurance revenues before reinsurance	1 805	1 637	469	447	445	443	416
Non-life	1 501	1 387	387	379	371	365	355
Life	303	250	83	68	74	78	61
Dividend income	50	53	12	7	24	7	11
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 343	- 198	- 113	- 65	- 64	- 101	- 86
Net fee and commission income	1 684	1 537	446	419	409	409	393
Net other income	201	235	51	49	46	54	57
TOTAL INCOME	6 702	6 512	1 703	1 686	1 692	1 621	1 600
Operating expenses (excluding Opex allocated to insurance service expenses)	- 2 496	- 2 532	- 589	- 563	- 503	- 841	- 583
Total Opex without bank and insurance tax	- 2 514	- 2 463	- 666	- 634	- 609	- 606	- 643
Total bank and insurance tax	- 285	- 361	0	0	32	- 317	- 8
Minus: Opex allocated to insurance service expenses	303	292	76	71	73	82	68
Insurance service expenses before reinsurance	- 1 449	- 1 285	- 386	- 360	- 363	- 340	- 341
Of which Insurance commissions paid	- 242	- 220	- 63	- 62	- 59	- 57	- 57
Non-life	- 1 247	- 1 116	- 337	- 311	- 311	- 289	- 305
of which Non-life - Claim related expenses	- 837	- 734	- 228	- 209	- 210	- 191	- 211
Life	- 203	- 169	- 49	- 49	- 53	- 52	- 36
Net result from reinsurance contracts held	- 63	- 63	- 10	- 20	- 9	- 24	- 19
Impairment	- 260	- 114	- 58	- 42	- 123	- 37	- 28
on FA at amortised cost and at FVOCI	- 246	- 82	- 48	- 40	- 122	- 37	- 10
on goodwill	0	0	0	0	0	0	0
other	- 14	- 33	- 11	- 2	- 1	0	- 18
Share in results of associated companies and joint ventures	80	- 3	0	78	1	0	1
RESULT BEFORE TAX	2 513	2 515	660	779	694	380	630
Income tax expense	- 667	- 650	- 173	- 182	- 176	- 137	- 156
RESULT AFTER TAX	1 846	1 865	487	598	518	242	474
attributable to minority interests	- 1	- 1	0	0	0	0	0
attributable to equity holders of the parent	**1 846**	**1 866**	**487**	**598**	**519**	**243**	**474**
Banking	1 445	1 469	391	503	407	143	392
Insurance	402	397	96	95	111	99	82
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	123 887	119 168	123 887	121 832	121 459	119 331	119 168
of which Mortgage loans (end of period)	*46 297*	*45 394*	*46 297*	*45 970*	*45 613*	*45 397*	*45 394*
Customer deposits and debt certificates excl. repos (end of period)	164 483	154 238	164 483	157 465	165 002	157 665	154 238
Insurance related liabilities (including Inv. Contracts)							
Life insurance	27 862	25 572	27 862	27 266	26 530	26 213	25 572
Liabilities under investment contracts (IFRS 9)	*15 671*	*13 461*	*15 671*	*15 193*	*14 780*	*14 319*	*13 461*
Insurance contract liabilities (IFRS 17)	*12 191*	*12 111*	*12 191*	*12 073*	*11 750*	*11 894*	*12 111*
Non-life insurance	2 371	2 204	2 371	2 361	2 298	2 282	2 204
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	67 340	62 030	67 340	65 297	63 753	63 063	62 030
Required capital, insurance (end of period)	1 868	1 694	1 868	1 906	1 801	1 785	1 694
Allocated capital (end of period)	9 221	8 728	9 221	9 036	8 763	8 672	8 728
Return on allocated capital (ROAC, YTD)	21%	22%	21%	21%	18%	11%	22%
Cost/income ratio without banking and insurance tax (YTD)	41%	41%	41%	41%	40%	41%	41%
Combined ratio, non-life insurance (YTD)	88%	85%	88%	87%	86%	86%	85%
Net interest margin, banking (QTD)	1.94%	1.94%	1.90%	1.94%	1.97%	1.94%	1.90%

Business unit Czech Republic (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	1 298	1 271	335	325	323	315	322
Insurance revenues before reinsurance	585	555	153	151	144	138	142
Non-life	485	459	126	126	119	114	117
Life	100	96	26	25	25	24	25
Dividend income	1	0	0	0	1	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	72	64	28	11	10	22	13
Net fee and commission income	352	324	97	87	84	84	81
Net other income	3	5	0	0	- 1	5	3
TOTAL INCOME	2 312	2 220	614	573	561	564	560
Operating expenses (excluding Opex allocated to insurance service expenses)	- 854	- 865	- 222	- 207	- 196	- 229	- 210
Total Opex without bank and insurance tax	- 924	- 916	- 249	- 234	- 221	- 220	- 237
Total bank and insurance tax	- 40	- 60	- 1	- 1	- 3	- 35	0
Minus: Opex allocated to insurance service expenses	110	111	28	29	27	26	27
Insurance service expenses before reinsurance	- 531	- 420	- 130	- 198	- 104	- 99	- 113
Of which Insurance commissions paid	- 73	- 65	- 21	- 20	- 16	- 17	- 21
Non-life	- 477	- 368	- 115	- 185	- 91	- 86	- 100
of which Non-life - Claim related expenses	- 318	- 213	- 73	- 143	- 53	- 49	- 57
Life	- 54	- 52	- 16	- 13	- 12	- 13	- 13
Net result from reinsurance contracts held	61	- 16	10	60	- 6	- 4	- 2
Impairment	31	- 57	11	- 17	41	- 4	- 114
on FA at amortised cost and at FVOCI	34	70	13	- 17	41	- 4	14
on goodwill	0	- 109	0	0	0	0	- 109
other	- 3	- 18	- 2	0	- 1	0	- 19
Share in results of associated companies and joint ventures	0	- 1	- 1	0	0	0	- 1
RESULT BEFORE TAX	1 019	860	282	211	297	229	121
Income tax expense	- 161	- 97	- 44	- 32	- 52	- 33	- 19
RESULT AFTER TAX	858	763	238	179	244	197	102
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**858**	**763**	**238**	**179**	**244**	**197**	**102**
Banking	752	646	210	165	213	164	73
Insurance	106	117	28	15	31	32	29
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	38 338	36 470	38 338	37 756	37 422	36 262	36 470
of which Mortgage loans (end of period)	*20 028*	*19 641*	*20 028*	*19 738*	*19 685*	*19 283*	*19 641*
Customer deposits and debt certificates excl. repos (end of period)	52 709	52 642	52 709	51 867	51 939	51 435	52 642
Insurance related liabilities (including Inv. Contracts)							
Life insurance	835	931	835	862	868	891	931
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*835*	*931*	*835*	*862*	*868*	*891*	*931*
Non-life insurance	413	357	413	422	349	343	357
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	18 530	17 515	18 530	18 389	18 124	17 488	17 515
Required capital, insurance (end of period)	169	165	169	166	170	163	165
Allocated capital (end of period)	2 193	2 152	2 193	2 174	2 149	2 073	2 152
Return on allocated capital (ROAC, YTD)	40%	35%	40%	39%	42%	38%	35%
Cost/income ratio without banking and insurance tax (YTD)	43%	44%	43%	43%	42%	42%	44%
Combined ratio, non-life insurance (YTD)	86%	84%	86%	87%	80%	79%	84%
Net interest margin, banking (QTD)	2.42%	2.30%	2.46%	2.40%	2.42%	2.39%	2.29%

Business unit International Markets (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	1 290	1 179	328	321	317	324	308
Insurance revenues before reinsurance	541	473	139	138	133	130	122
Non-life	481	420	123	123	119	116	109
Life	60	53	16	15	15	15	13
Dividend income	1	1	0	1	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	55	55	7	8	14	26	8
Net fee and commission income	546	493	158	136	131	122	127
Net other income	- 6	15	- 21	0	9	6	0
TOTAL INCOME	2 427	2 216	610	604	605	608	566
Operating expenses (excluding Opex allocated to insurance service expenses)	- 1 041	- 962	- 264	- 236	- 215	- 326	- 222
Total Opex without bank and insurance tax	- 857	- 805	- 236	- 214	- 207	- 200	- 219
Total bank and insurance tax	- 300	- 262	- 55	- 46	- 32	- 167	- 28
Minus: Opex allocated to insurance service expenses	117	104	26	25	25	41	26
Insurance service expenses before reinsurance	- 493	- 414	- 120	- 127	- 121	- 125	- 114
Of which Insurance commissions paid	- 68	- 55	- 19	- 17	- 17	- 15	- 16
Non-life	- 454	- 384	- 110	- 117	- 111	- 116	- 105
of which Non-life - Claim related expenses	- 260	- 211	- 65	- 73	- 67	- 55	- 62
Life	- 39	- 30	- 10	- 9	- 11	- 9	- 9
Net result from reinsurance contracts held	1	- 15	- 2	6	- 3	0	- 1
Impairment	- 7	- 36	- 15	- 9	- 3	20	- 24
on FA at amortised cost and at FVOCI	25	19	0	- 4	9	20	1
on goodwill	0	0	0	0	0	0	0
other	- 32	- 56	- 15	- 6	- 11	0	- 25
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0
RESULT BEFORE TAX	888	789	209	239	263	177	206
Income tax expense	- 137	- 112	- 34	- 34	- 39	- 30	- 27
RESULT AFTER TAX	751	676	175	205	224	146	178
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**751**	**676**	**175**	**205**	**224**	**146**	**178**
Banking	699	631	158	187	212	141	171
Insurance	52	45	17	18	12	6	7
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	29 842	27 975	29 842	29 035	28 621	28 129	27 975
of which Mortgage loans (end of period)	*11 735*	*10 447*	*11 735*	*11 218*	*10 937*	*10 631*	*10 447*
Customer deposits and debt certificates excl. repos (end of period)	32 832	31 687	32 832	32 189	31 730	31 702	31 687
Insurance related liabilities (including Inv. Contracts)							
Life insurance	899	820	899	891	875	833	820
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*899*	*820*	*899*	*891*	*875*	*833*	*820*
Non-life insurance	382	343	382	379	362	345	343
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	23 757	22 980	23 757	22 758	23 382	23 082	22 980
Required capital, insurance (end of period)	188	167	188	183	179	171	167
Allocated capital (end of period)	2 782	2 773	2 782	2 668	2 732	2 691	2 773
Return on allocated capital (ROAC, YTD)	28%	25%	28%	29%	27%	22%	25%
Cost/income ratio without banking and insurance tax (YTD)	38%	39%	38%	37%	36%	35%	39%
Combined ratio, non-life insurance (YTD)	96%	97%	96%	97%	100%	102%	97%
Net interest margin, banking (QTD)	3.25%	3.26%	3.16%	3.18%	3.27%	3.40%	3.27%

Note: The combined ratio, non-life insurance includes a significant windfall tax fully booked in first quarter. Excluding the windfall tax, the combined ratio amounted to 93% in 2024, 92% in 9M 2024 & 1H 2024, 88% in 1Q 2024 and 94% in 2023.

Slovakia (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	276	254	70	69	69	67	65
Insurance revenues before reinsurance	108	96	28	28	27	26	25
Non-life	87	79	22	22	22	21	20
Life	21	17	6	5	5	5	4
Dividend income	0	0	0	0	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	5	1	0	- 1	2	3	- 6
Net fee and commission income	88	84	25	21	21	21	22
Net other income	9	11	1	0	5	3	2
TOTAL INCOME	485	446	124	116	125	121	108
Operating expenses (excluding Opex allocated to insurance service expenses)	- 267	- 229	- 69	- 69	- 66	- 64	- 59
Total Opex without bank and insurance tax	- 261	- 250	- 68	- 66	- 64	- 62	- 66
Total bank and insurance tax	- 34	- 4	- 8	- 9	- 8	- 9	0
Minus: Opex allocated to insurance service expenses	28	25	7	7	7	7	7
Insurance service expenses before reinsurance	- 113	- 90	- 29	- 28	- 32	- 24	- 30
Of which Insurance commissions paid	- 13	- 10	- 4	- 3	- 3	- 3	- 4
Non-life	- 99	- 80	- 26	- 24	- 28	- 21	- 27
of which Non-life - Claim related expenses	- 67	- 51	- 17	- 16	- 21	- 13	- 18
Life	- 14	- 10	- 3	- 4	- 4	- 3	- 3
Net result from reinsurance contracts held	3	1	1	3	0	- 1	4
Impairment	17	6	3	- 3	6	11	0
on FA at amortised cost and at FVOCI	18	8	4	- 3	6	11	2
on goodwill	0	0	0	0	0	0	0
other	0	- 2	0	0	0	0	- 2
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0
RESULT BEFORE TAX	125	134	30	20	33	43	24
Income tax expense	- 24	- 30	- 4	- 4	- 7	- 9	- 6
RESULT AFTER TAX	101	105	26	16	27	34	18
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**101**	**105**	**26**	**16**	**27**	**34**	**18**
Banking	101	98	25	13	30	33	18
Insurance	0	6	1	2	- 4	1	0
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	11 887	11 589	11 887	11 672	11 667	11 625	11 589
of which Mortgage loans (end of period)	*6 729*	*6 451*	*6 729*	*6 622*	*6 578*	*6 504*	*6 451*
Customer deposits and debt certificates excl. repos (end of period)	9 360	8 836	9 360	9 228	8 961	8 830	8 836
Insurance related liabilities (including Inv. Contracts)							
Life insurance	174	168	174	173	173	165	168
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*174*	*168*	*174*	*173*	*173*	*165*	*168*
Non-life insurance	75	58	75	72	68	59	58
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	7 949	7 911	7 949	7 768	7 827	7 817	7 911
Required capital, insurance (end of period)	33	29	33	32	32	30	29
Allocated capital (end of period)	901	926	901	880	886	884	926
Return on allocated capital (ROAC, YTD)	11%	13%	11%	11%	14%	15%	13%
Cost/income ratio without banking and insurance tax (YTD)	57%	58%	57%	56%	54%	54%	58%
Combined ratio, non-life insurance (YTD)	112%	101%	112%	112%	120%	107%	101%

Hungary (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	571	529	141	143	138	149	140
Insurance revenues before reinsurance	203	189	50	52	50	52	48
Non-life	184	169	45	47	45	47	43
Life	20	20	5	5	5	5	5
Dividend income	0	0	0	0	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	52	52	8	9	12	22	14
Net fee and commission income	302	260	92	75	71	63	69
Net other income	- 24	- 3	- 28	- 2	3	3	- 3
TOTAL INCOME	1 104	1 026	263	277	275	289	267
Operating expenses (excluding Opex allocated to insurance service expenses)	- 493	- 463	- 124	- 103	- 87	- 179	- 93
Total Opex without bank and insurance tax	- 302	- 275	- 87	- 75	- 72	- 69	- 75
Total bank and insurance tax	- 245	- 238	- 46	- 37	- 24	- 137	- 28
Minus: Opex allocated to insurance service expenses	54	49	9	9	9	27	10
Insurance service expenses before reinsurance	- 206	- 186	- 42	- 53	- 44	- 66	- 44
Of which Insurance commissions paid	- 13	- 12	- 3	- 3	- 4	- 2	- 3
Non-life	- 192	- 173	- 39	- 50	- 40	- 63	- 41
of which Non-life - Claim related expenses	- 97	- 85	- 21	- 31	- 21	- 25	- 22
Life	- 13	- 12	- 3	- 3	- 4	- 3	- 3
Net result from reinsurance contracts held	8	- 3	- 1	6	- 2	5	- 1
Impairment	- 6	- 38	- 15	1	- 3	11	- 21
on FA at amortised cost and at FVOCI	23	11	- 1	6	8	10	- 1
on goodwill	0	0	0	0	0	0	0
other	- 29	- 50	- 14	- 5	- 11	0	- 20
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0
RESULT BEFORE TAX	407	336	81	127	139	60	108
Income tax expense	- 62	- 51	- 17	- 17	- 18	- 10	- 14
RESULT AFTER TAX	345	285	65	110	121	50	94
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**345**	**285**	**65**	**110**	**121**	**50**	**94**
Banking	334	282	57	105	115	58	91
Insurance	11	3	8	5	6	- 8	3
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	6 857	6 764	6 857	6 860	6 773	6 640	6 764
of which Mortgage loans (end of period)	*1 937*	*1 818*	*1 937*	*1 980*	*1 903*	*1 815*	*1 818*
Customer deposits and debt certificates excl. repos (end of period)	9 607	9 610	9 607	9 587	9 536	9 577	9 610
Insurance related liabilities (including Inv. Contracts)							
Life insurance	308	299	308	316	315	305	299
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*308*	*299*	*308*	*316*	*315*	*305*	*299*
Non-life insurance	119	114	119	125	119	117	114
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	6 661	6 646	6 661	6 491	6 777	6 641	6 646
Required capital, insurance (end of period)	64	59	64	62	62	58	59
Allocated capital (end of period)	791	812	791	771	802	784	812
Return on allocated capital (ROAC, YTD)	44%	30%	44%	48%	43%	25%	30%
Cost/income ratio without banking and insurance tax (YTD)	29%	28%	29%	27%	26%	25%	28%
Combined ratio, non-life insurance (YTD)	100%	105%	100%	104%	109%	124%	105%

Note: The combined ratio, non-life insurance includes a significant windfall tax fully booked in first quarter. Excluding the windfall tax, the combined ratio amounted to 91% in 2024, 92% in 9M 2024, 90% in 1H 2024, 89% in 1Q 2024 and 97% in 2023.

Bulgaria **(in millions of EUR)**	**FY 2024**	**FY 2023**	**4Q 2024**	**3Q 2024**	**2Q 2024**	**1Q 2024**	**4Q 2023**
Breakdown P&L							
Net interest income	443	396	117	110	110	107	103
Insurance revenues before reinsurance	229	189	61	59	57	53	50
Non-life	210	172	56	54	52	48	45
Life	19	16	5	5	5	5	5
Dividend income	1	1	0	1	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 2	3	0	- 1	- 1	0	0
Net fee and commission income	156	149	41	40	38	37	37
Net other income	9	6	6	2	1	0	1
TOTAL INCOME	837	744	224	211	205	197	192
Operating expenses (excluding Opex allocated to insurance service expenses)	- 280	- 270	- 71	- 64	- 62	- 83	- 70
Total Opex without bank and insurance tax	- 294	- 281	- 81	- 72	- 71	- 70	- 78
Total bank and insurance tax	- 21	- 20	0	0	0	- 21	0
Minus: Opex allocated to insurance service expenses	35	30	10	9	9	8	9
Insurance service expenses before reinsurance	- 175	- 139	- 49	- 45	- 45	- 35	- 40
Of which Insurance commissions paid	- 41	- 33	- 11	- 10	- 10	- 9	- 9
Non-life	- 163	- 131	- 46	- 43	- 42	- 32	- 38
of which Non-life - Claim related expenses	- 95	- 75	- 27	- 26	- 26	- 17	- 22
Life	- 12	- 8	- 3	- 3	- 3	- 3	- 3
Net result from reinsurance contracts held	- 10	- 13	- 2	- 2	- 1	- 4	- 4
Impairment	- 18	- 4	- 4	- 7	- 5	- 2	- 3
on FA at amortised cost and at FVOCI	- 16	0	- 3	- 7	- 5	- 2	- 1
on goodwill	0	0	0	0	0	0	0
other	- 2	- 4	- 1	- 1	0	0	- 3
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0
RESULT BEFORE TAX	355	318	98	92	91	74	74
Income tax expense	- 51	- 32	- 14	- 12	- 14	- 11	- 7
RESULT AFTER TAX	304	286	85	80	76	63	67
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**304**	**286**	**85**	**80**	**76**	**63**	**67**
Banking	263	250	76	69	67	50	62
Insurance	41	36	8	11	9	13	4
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	11 098	9 623	11 098	10 503	10 182	9 864	9 623
of which Mortgage loans (end of period)	*3 068*	*2 178*	*3 068*	*2 616*	*2 456*	*2 312*	*2 178*
Customer deposits and debt certificates excl. repos (end of period)	13 865	13 241	13 865	13 373	13 234	13 295	13 241
Insurance related liabilities (including Inv. Contracts)							
Life insurance	417	353	417	402	387	364	353
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*417*	*353*	*417*	*402*	*387*	*364*	*353*
Non-life insurance	188	171	188	182	176	169	171
Performance Indicators							
Risk-weighted assets, banking (Basel III fully loaded, end of period)	9 148	8 423	9 148	8 499	8 778	8 623	8 423
Required capital, insurance (end of period)	91	80	91	89	85	83	80
Allocated capital (end of period)	1 090	1 035	1 090	1 017	1 044	1 024	1 035
Return on allocated capital (ROAC, YTD)	29%	30%	29%	29%	27%	25%	30%
Cost/income ratio without banking and insurance tax (YTD)	40%	42%	40%	40%	40%	40%	42%
Combined ratio, non-life insurance (YTD)	86%	87%	86%	85%	83%	79%	87%

Note: 4Q 2024 includes a reclassification of term loans to mortgage loans (+0.3 billion euros).

Business unit Group Centre (in millions of EUR)	FY 2024	FY 2023	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Breakdown P&L							
Net interest income	- 319	- 225	- 68	- 80	- 92	- 79	- 79
Insurance revenues before reinsurance	14	14	4	4	4	4	4
Non-life	14	14	4	4	4	4	4
Life	0	0	0	0	0	0	0
Dividend income	4	4	0	2	1	0	1
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	48	88	4	4	42	- 1	25
Net fee and commission income	- 4	- 6	- 1	- 1	- 1	- 1	- 1
Net other income	- 17	400	- 2	- 4	- 3	- 7	- 1
TOTAL INCOME	- 273	276	- 63	- 76	- 49	- 85	- 52
Operating expenses (excluding Opex allocated to insurance service expenses)	- 175	- 256	- 50	- 52	- 36	- 36	- 70
Total Opex without bank and insurance tax	- 178	- 254	- 51	- 53	- 37	- 37	- 70
Total bank and insurance tax	1	- 4	0	0	0	1	0
Minus: Opex allocated to insurance service expenses	2	2	1	1	1	1	0
Insurance service expenses before reinsurance	- 2	- 1	1	- 2	- 1	1	1
Of which Insurance commissions paid	- 1	- 1	0	0	0	0	0
Non-life	- 2	- 1	1	- 2	- 1	1	1
of which Non-life - Claim related expenses	1	2	2	- 2	- 1	2	2
Life	0	0	0	0	0	0	0
Net result from reinsurance contracts held	- 17	4	- 3	- 18	- 6	10	5
Impairment	- 12	- 7	- 16	- 1	1	4	- 4
on FA at amortised cost and at FVOCI	- 12	8	- 15	- 1	1	4	0
other	0	- 15	0	0	0	0	- 4
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0
RESULT BEFORE TAX	- 479	15	- 131	- 150	- 92	- 105	- 120
Income tax expense	439	82	346	36	30	26	43
RESULT AFTER TAX	- 40	97	215	- 114	- 61	- 80	- 77
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	**- 40**	**97**	**215**	**- 114**	**- 61**	**- 80**	**- 77**
Banking	- 25	87	207	- 81	- 59	- 92	- 71
Insurance	- 45	- 32	- 2	- 24	- 16	- 4	- 9
Holding activities	29	43	10	- 9	13	16	3
Breakdown Loans and deposits							
Total customer loans excluding reverse repos (end of period)	0	0	0	0	0	0	0
of which Mortgage loans (end of period)	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Customer deposits and debt certificates excl. repos (end of period)	21 063	20 924	21 063	21 550	22 938	22 898	20 924
Performance Indicators							
Risk-weighted assets, banking (end of period, Basel III fully loaded)	1 184	1 380	1 184	1 241	1 243	1 335	1 380
Risk-weighted assets, insurance (end of period, Basel III fully loaded)	9 133	9 133	9 133	9 133	9 133	9 133	9 133
Required capital, insurance (end of period)	- 28	- 22	- 28	- 48	2	- 65	- 22
Allocated capital (end of period)	101	134	101	87	138	81	134

Note: 4Q 2024 includes a tax benefit (deferred income tax) of 318 million euros (see note 3.11)

Details of ratios and terms on KBC Group level

Basic and diluted earnings per share

Gives an idea of the amount of profit over a certain period that is attributable to one share (and, where applicable, including dilutive instruments).

Calculation (in millions of EUR)	Reference	2024	2023
Result after tax, attributable to equity holders of the parent (A)	'Consolidated income statement'	3 415	3 402
-			
Coupon on the additional tier-1 instruments included in equity (B)	'Consolidated statement of changes in equity'	- 84	- 64
/			
Average number of ordinary shares less treasury shares (in millions) in the period (C)	Note 5.10	400	415
or			
Average number of ordinary shares plus dilutive options less treasury shares in the period (D)		400	415
Basic = (A-B) / (C) (in EUR)		8.33	8.04
Diluted = (A-B) / (D) (in EUR)		8.33	8.04

Combined ratio (non-life insurance – including reinsurance)

Gives insight into the technical profitability of the short-term non-life insurance business, more particularly the extent to which insurance premiums adequately cover claim payments and expenses. The combined ratio is defined net of reinsurance.

Calculation (in millions of EUR or %)	Reference	2024	2023
Non-life PAA – Claims and claim related costs net of reinsurance (A)	Note 3.6, component of 'Insurance revenues before reinsurance' & of 'Net result from reinsurance contracts held'	1 362	1 204
+			
Costs other than claims and commissions (B)	Note 3.6, component of 'Insurance Service Expenses' & of 'Non-directly attributable income and expenses' & of 'Net result from reinsurance contracts held'	729	676
/			
Non-life PAA - Net earned expected premiums received (C)	Note 3.6, component of 'Insurance revenues before reinsurance' & of 'Net result from reinsurance contracts held'	2 331	2 160
= (A+B) / (C)		89.7%	87.0%

Common equity ratio

A risk-weighted measure of the group's solvency based on common equity tier-1 capital (the ratios given here are based on the Danish compromise). Changes to the capital rules are gradually being implemented to allow banks to build up the necessary capital buffers. The capital position of a bank, when account is taken of the transition period, is referred to as the 'transitional' view. The capital position based on full application of all the rules – as would be the case after this transition period – is referred to as 'fully loaded'.

A detailed calculation can be found under 'Solvency KBC Group' section.

Cost/income ratio without banking and insurance tax (group)

Gives an impression of the relative cost efficiency (costs relative to income without banking and insurance tax, but including insurance commissions paid) of the group.

Calculation (in millions of EUR or %)	Reference	2024	2023
Cost/income ratio			
Total Opex without bank and insurance tax (A) +	Consolidated income statement	4 474	4 438
Insurance commissions paid (B)	Note 3.6, component of 'Insurance Service Expenses'	383	340
/			
Total income (C)	Consolidated income statement	11 167	11 224
=(A+B) / (C)		43.5%	42.6%

Where relevant, we also exclude the exceptional and/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. The adjustments include: MTM ALM derivatives (fully excluded) and one-off items. The Cost/Income ratio adjusted for specific items is 47% in 2024 (versus 49% in 2023).

Cover ratio

Indicates the proportion of impaired loans (see 'Impaired loans ratio' for definition) that are covered by impairment charges. The numerator and denominator in the formula relate to all impaired loans, but may be limited to impaired loans that are more than 90 days past due (the figures for that particular calculation are given in the 'Credit risk' section.

Calculation (in millions of EUR or %)	Reference	2024	2023
Stage 3 impairment on loans (A)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	1 979	1 888
/			
Outstanding impaired loans (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	4 171	4 221
= (A) / (B)		47.4%	44.7%

Credit cost ratio

Gives an idea of loan impairment charges recognised in the income statement 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.

Calculation (in millions of EUR or %)	Reference	2024	2023
Net changes in impairment for credit risks (A)	'Consolidated income statement': component of 'Impairment'	207	- 9
/			
Average outstanding loan portfolio (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	206 928	200 270
= (A) (annualised) / (B)		0.10%	0.00%

Note: a negative % is a release

In 2024, the credit cost ratio without the outstanding ECL for geopolitical and macroeconomic uncertainties, amounts to 0.16% (versus 0.07% in 2023).

Impaired loans ratio

Indicates the proportion of impaired loans in the loan portfolio (see 'Loan portfolio' for definition) and, therefore, gives an idea of the creditworthiness of the portfolio. Impaired loans are loans where it is unlikely that the full contractual principal and interest will be repaid/paid. These loans have a KBC default status of PD 10, PD 11 or PD 12. Where appropriate, the numerator in the formula may be limited to impaired loans that are more than 90 days past due (PD 11 + PD 12). Relevant figures for that calculation are given in the 'Credit Risk' section.

Calculation (in millions of EUR or %)	Reference	2024	2023
Amount outstanding of impaired loans (A)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	4 171	4 221
/			
Total outstanding loan portfolio (B)	'Credit risk: loan portfolio overview in the 'Credit risk' section	210 903	202 953
= (A) / (B)		2.0%	2.1%

Leverage ratio

Gives an idea of the group's solvency, based on a simple non-risk-weighted ratio.

A detailed calculation can be found under 'Solvency KBC Group' section.

Liquidity coverage ratio (LCR)

Gives an idea of the bank's liquidity position in the short term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-month period. It is the average of 12 end-of-month LCR figures.

Calculation (in millions of EUR or %)	Reference	2024	2023
Stock of high-quality liquid assets (A)	Based on the European Commission's Delegated Act on LCR and the European Banking Authority's guidelines for LCR disclosure	100 631	101 555
/			
Total net cash outflows over the next 30 calendar days (B)		63 588	63 805
= (A) / (B)		158%	159%

KBCs large stock of high-quality liquid assets (approximately 101 billion euros 2024), which consist of cash and bonds which can be repoed in the private market and at the central banks. Note that the 101 billion euros consist of:

- 43 billion euros (or 42%) 'Cash & Central Bank receivables' (= liquidity that could at all times be used instantaneously to cover outflows)
- 58 billion euros (or 58%) 'LCR eligible bonds' which are reported at fair value at all times, independent of IFRS classification

Loan Portfolio

Gives an idea of the magnitude of (what are mainly traditional) lending activities.

Calculation (in millions of EUR or %)	Reference	2024	2023
Loans and advances to customers (A)	Note 4.1, component of 'Loans and advances to customers'	192 067	183 613
+			
Reverse repos (not with Central Banks) (B)	Note 4.1, component of 'Reverse repos with credit institutions and investment firms'	424	763
+			
Debt instruments issued by corporates and by credit institutions and investment firms (not with Central Banks) (banking) (C)	Note 4.1, component of 'Debt instruments issued by corporates and by credit institutions and investment firms'	5 690	6 681
+			
Other exposures to credit institutions (D)		3 207	3 301
+			
Financial guarantees granted to clients and other commitments (E)	Note 6.1, component of 'Financial guarantees given'	10 476	10 263
+			
Impairment on loans (F)	Note 4.2, component of 'Impairment'	2 455	2 483
+			
Insurance entities (G)	Note 4.1, component of 'Loans and advances to customers'	- 1 847	- 1 927
+			
Non-loan-related receivables (H)		- 499	- 528
+			
Other (I)	Component of Note 4.1	- 1 071	- 1 694
Gross Carrying amount = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)		210 903	202 954

Net interest margin

Gives an idea of 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.

Calculation (in millions of EUR or %)	Reference	2024	2023
Net interest income of the banking activities (A)	'Consolidated income statement': component of 'Net interest income'	5 063	4 812
/			
Average interest-bearing assets of the banking activities (B)	'Consolidated balance sheet': component of 'Total assets'	238 600	231 869
= (A) (annualised x360/number of calendar days) / (B)		2.09%	2.05%

The net interest margin is the net interest income of the banking activities, excluding dealing rooms and the net interest impact of ALM FX swaps and repos.

Net stable funding ratio (NSFR)

Gives an idea of the bank's structural liquidity position in the long term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-year period.

Calculation (in millions of EUR or %)	Reference	2024	2023
Available amount of stable funding (A)	Regulation (EU) 2019/876 dd. 20-05-2019	221 939	208 412
/			
Required amount of stable funding (B)		159 835	153 372
= (A) / (B)		139%	136%

Parent shareholders’ equity per share

Gives the carrying value of a KBC share, i.e. the value in euros represented by each share in the parent shareholders' equity of KBC.

Calculation (in millions of EUR or number)	Reference	2024	2023
Parent shareholders’ equity (A)	‘Consolidated balance sheet'	22 447	22 010
/			
Number of ordinary shares less treasury shares (at period-end) (B)	Note 5.10	397	409
= (A) / (B) (in EUR)		56.60	53.88

KBC Group launched a share buyback program for the purpose of distributing the surplus capital from 11th August 2023 until 31st July 2024, for a maximum amount of 1.3 billion euros. At the end of September 2024, the total number of shares entitled to dividend reduced with 20 980 823 shares.

Return on allocated capital (ROAC) for a particular business unit

Gives an idea of the relative profitability of a business unit, more specifically the ratio of the net result to the capital allocated to the business unit.

Calculation (in millions of EUR or %)	Reference	2024	2023
BELGIUM BUSINESS UNIT			
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	1 846	1 866
/			
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under Basel III) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		8 832	8 343
= (A) annualised / (B)		20.9%	22.4%
CZECH REPUBLIC BUSINESS UNIT			
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	858	763
/			
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under Basel III) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		2 133	2 165
= (A) annualised / (B)		40.3%	35.0%
INTERNATIONAL MARKETS BUSINESS UNIT			
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	751	676
/			
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under Basel III) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		2 710	2 705
= (A) annualised / (B)		27.7%	25.0%

Return on equity

Gives an idea of the relative profitability of the group, more specifically the ratio of the net result to equity.

Calculation (in millions of EUR or %)	Reference	2024	2023
Result after tax, attributable to equity holders of the parent (A)	'Consolidated income statement'	3 415	3 402
-			
Coupon on the additional tier-1 instruments included in equity (B)	'Consolidated statement of changes in equity'	- 84	- 64
/			
Average parent shareholders' equity (C)	'Consolidated statement of changes in equity'	22 228	21 164
= (A-B) (annualised) / (C)		15.0%	15.8%

In 2024, the return on equity amounts to 14% when excluding one-offs.

Sales Life (insurance)

Total sales of life insurance compromise new business of guaranteed interest contracts, unit-linked investment contracts and hybrid contracts.

Calculation (in millions of EUR or %)	Reference	2024	2023
Guaranteed Interest products		1 219	979
+			
Unit-Linked products		1 490	1 218
+			
Hybrid products		197	131
Total sales Life (A)+ (B) + (C)		2 906	2 328

Solvency ratio (insurance)

Measures the solvency of the insurance business, as calculated under Solvency II.

A detailed calculation can be found under 'Solvency banking and insurance activities separately' section.

Total assets under management

Total assets under management (AuM) consist of direct client money (Assets under Distribution towards retail, private banking and institutional clients), KBC Group assets (incl. pension fund), fund-of-funds assets and investment advice. Total AuM comprise assets managed by the group's various asset management companies (KBC Asset Management, ČSOB Asset Management, etc.), as well as assets under advisory management at KBC Bank. The size and development of total AuM are major factors behind net fee and commission income (generating entry and management fees) and hence determine a large part of any change in this income line.

Calculation (in billions of EUR or quantity)	Reference	2024	2023
Belgium Business Unit (A)	Company presentation on www.kbc.com	245	218
+			
Czech Republic Business Unit (B)		19	17
+			
International Markets Business Unit (C)		11	9
A)+(B)+(C)		276	244