

KBC BANK BELGIAN COVERED BONDS BASE PROSPECTUS SUPPLEMENT (N°1)
dated 13 February 2024



KBC Bank NV
(incorporated with limited liability in Belgium)

Euro 17,500,000,000
Residential Mortgage Covered Bonds Programme

This base prospectus supplement dated 13 February 2024 (the “**Supplement N°1**”) constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Supplement N°1 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 4 July 2023 (the “**Base Prospectus**”), prepared in connection with the Euro 17,500,000,000 Residential Mortgage Covered Bonds Programme (the “**Programme**”) established by KBC Bank NV (incorporated as a limited liability company under the laws of Belgium, with registered office at Havenlaan 2, B-1080 Brussels and registered with the Crossroads Bank of Enterprises under number 0462.920.226 (Brussels)) (the “**Issuer**”), for the purpose of giving information with regard to the issue of Belgian covered bonds (the “**Covered Bonds**”) under the Programme during a period of twelve (12) months after the date of the Base Prospectus. Terms defined in the Base Prospectus or in any document incorporated by reference in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°1.

This Supplement N°1 has been approved by the Financial Services and Markets Authority (the “**FSMA**”) on 13 February 2024, as competent authority under the Prospectus Regulation. This approval does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement N°1 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°1 is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

I. NEW INFORMATION

a) Introduction

KBC Bank Group updated Green Bond Framework

In November 2023, the Issuer updated its green bond framework (“Green Bond Framework”).

As a result all references throughout in the Base Prospectus to Green Bond Framework are meant to refer to this new Green Bond Framework.

b) Risk Factors

References in the Section Risk Factors – Risk relating to the Covered Bonds, and specifically in the subsection Risks related to the Second Party Opinions, references to the ICMA Green Bond Principles (version 2017) are to be replaced by the ICMA Green Bond Principles (version 2021) and the date of the issuance of the Second Party Opinion of 26 April 2018 is to be replaced by 22 November 2023.

c) Green Bonds

The Section Green Bonds, which can be found on page 189 to and including page 193, is to be replaced by the following section:

Green Bond Framework

Introduction

In November 2023, the Group updated and published its existing framework for the issue of green bonds (the **Green Bond Framework**) under which the KBC Group NV, the Issuer or any of its other subsidiaries can attract funding to finance and/or refinance "green" or "sustainable" projects with a positive environmental benefit, in accordance with certain prescribed eligibility criteria, through the issuance of bonds (any bonds issued by reference to the Green Bond Framework are referred to as **Green Bonds**).

The Issuer's Green Bond Framework is publicly available on the Issuer's website (<https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html>). The Issuer's Green Bond Framework is not incorporated by reference in, and does not form part of, this Base Prospectus.

The KBC Green Bond Framework is in line with the ICMA Green Bond Principles (ICMA GBP), 2021 (with 2022 Annex). The Framework aims to gradually incorporate the criteria for environmentally sustainable economic activities, included in the EU Taxonomy Climate Delegated Act (June 2021) and intends to further align with these criteria when practically feasible. KBC intends to gradually further align its Green Bond Framework with emerging good practices, such as criteria of the European Green Bond Standard ("EU GBS") and other relevant forthcoming regulatory requirements and guidelines

This section contains a short summary of the Green Bond Framework as at the date of the Base Prospectus, as supplemented from time to time. Prospective investors should take note that the Green Bond Framework may be amended, supplemented or replaced from time to time. This summary does not replace, and must be read in conjunction with, the Issuer's Green Bond Framework.

For all Green Bonds, (i) the use of proceeds, (ii) the process for project evaluation and selection, (iii) the management of the net proceeds, (iv) the reporting on allocation and impact and (v) the external review will be carried out in accordance with the Green Bond Framework.

Use of proceeds

An amount equivalent to the net proceeds of Green Bond issuances is exclusively used to finance and/or refinance, in whole or in part, projects and activities falling within the following categories: 1) Energy Efficient Buildings, 2) Renewable Energy 3) Clean Transportation, (the **Use of Proceeds Categories**).

To qualify as eligible assets (the **Green Bond Eligible Assets**), the selected loans are required to meet the following eligibility criteria:

1. Energy Efficient Buildings	
	<ul style="list-style-type: none">• Mortgage loans and commercial loans to (re)finance new and existent residential buildings smaller than 5.000m2, in Belgium which meet the following criteria:<ul style="list-style-type: none">○ Buildings built after 31/12/2020 with Primary Energy Demand (PED) at least 10% lower than the threshold set in the national nearly zero-energy building (NZEB) requirements○ Buildings built before 31/12/2020 that have at least an Energy performance Certificate (EPC) class A, or are within the top 15 % of the national or regional building

	stock expressed as operational Primary Energy Demand (PED).
2. Renewable Energy	
<i>Renewable energy power generation</i>	<ul style="list-style-type: none"> • Loans to (re)finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources in the EU and the UK: <ul style="list-style-type: none"> ○ Onshore and offshore wind energy ○ Solar energy
3. Clean Transportation	
<i>Low carbon land transport</i>	<ul style="list-style-type: none"> • (Re)financing of the purchase, renting, leasing and operation of zero-emission vehicles in Belgium: <ul style="list-style-type: none"> ○ Fully electric, hydrogen or other non-fossil fuel based vehicles for the transportation of passengers

The allocation of the proceeds of the Green Bonds to the underlying Green Bond Eligible Assets may not meet all investors' expectations and in particular, may not be aligned with future guidelines and/or regulatory or legislative criteria regarding sustainability performance.

Process for project evaluation and selection

Upon submission of projects by the business units, the Green and Social Bond Committee, comprised of representatives including at least one general manager from Group Treasury, Corporate Sustainability and representatives from the business units (in scope of Eligible Green Assets), will verify the compliance of the projects with the Use of Proceeds requirements and select projects as Eligible Green Assets. The Eligible Green Assets are furthermore evaluated by an assessment against KBC's sustainability policies and the standards of the KBC Group Sustainability Framework¹, where applicable.

The Green and Social Bond Committee will document the assessment process with the view to demonstrate to an independent auditor that funded loans meet the applicable eligibility criteria.

Management of proceeds

The net proceeds of the Green Bonds will be managed by the Treasury team of the Issuer on a portfolio basis. As long as any Green Bonds are outstanding, it is intended to exclusively allocate an amount equivalent to the net proceeds of the Green Bond Portfolio or Eligible Green Assets in line with the above mentioned eligibility criteria and evaluation and selection process. The Issuer will label all allocated Eligible Green Assets in its internal information systems and will monitor these allocations at least on an annual basis. If an asset no longer meets the eligibility criteria, the Issuer will remove the loan from the Green Bond portfolio and will strive to replace it with an Eligible Green Asset as soon as possible, subject to availability.

Pending the full allocation of the proceeds to Eligible Green Assets, or in case insufficient Eligible Green Assets are available, the Issuer commits to hold the balance of net proceeds not allocated to Eligible Green Assets within the treasury of the Group, invested in money market products, cash and/or cash equivalent.

¹ The KBC Group Sustainability Framework is not incorporated by reference into and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA

Reporting

The Issuer intends to publicly report on the allocation and the non-financial impact of the Eligible Green Assets included in its Green Bond portfolio on portfolio level, at least on an annual basis.

The report will be published on KBC's website (www.kbc.com/en/investor-relations/debt-issuance/kbc-group.html). Any reports made available on the Issuer's website do not form part of, and are not incorporated by reference into, this Base Prospectus..

External review

KBC intends to appoint one or more external parties to provide a pre-issuance verification in the form of a Second Party Opinion on the Green Bond Framework and a post-issuance verification on the green bonds issued. The pre-issuance verification verifies alignment of the green bonds with one or more of the appropriate standards in the green bonds market (such as the ICMA GBP, the EU Taxonomy or any other similar standards, as applicable and as selected by the Issuer). The post-issuance verification verifies the relevant allocation report when net proceeds from an issuance of green bonds have been allocated in full towards Eligible Green Assets. The Second Party Opinion is available on the Issuer's website (<https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html>) and is not incorporated in and does not form part of this Base Prospectus and may be, amended, updated, expanded or replaced from time to time.

The Issuer will request on an annual basis a post-issuance verification, starting one year after issuance and until maturity, in the form of a limited assurance report of the allocation of the Green Bond proceeds to Green Bond Eligible Assets, provided by a reputable external auditor.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or the limited assurance report, or any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds, and in particular as to whether any Eligible Green Assets fulfil any environmental or other criteria. Any such opinion, report or certification is not nor should be deemed to be, a recommendation by the Issuer, the Dealers, or any other person to buy, sell or hold any Green Bonds. As a result, neither the Issuer nor the Dealers will be, or shall be deemed, liable for any issue in connection with its content. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds, as set out in the section "*Responsibility Statement*".

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement N°1 for the purposes of the Prospectus Regulation, except where such information or other documents are specifically incorporated by reference or attached to this Supplement N°1.

Due to this new information the Base Prospectus is amended as described below.

d) General information

The section "*Changes since the most recent published financial statements*" on page 77 of the Base Prospectus shall read as follows:

Save as disclosed in the section entitled "*Recent events*" on pages 75 and following of the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 3 April 2023, i.e. the date of its last published audited financial statements.

There has been no significant change in the financial position of the Group nor in the solvency of the Issuer since 31 December 2023, i.e. the end of the last financial period for which financial information has been published.

II. GENERAL

Save as disclosed in this Supplement N°1, there has been no other significant new factor, material mistake, inaccuracy or change relating to the information included in the Base Prospectus since 4 July 2023, the date of the publication of the Base Prospectus.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°1 and (b) any statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Copies of this Supplement N°1 will be available without charge (i) at the specified office of the Issuer and the Paying Agent, (ii) on the website of Euronext Brussels (www.euronext.com) and (iii) on the website of the Issuer (www.kbc.com²).

13 February 2024



Innocenzo Soi
Authorized signatory
on behalf of KBC Bank NV



Rik Janssen
Authorized signatory
on behalf of KBC Bank NV