

KBC GROUP NV BASE PROSPECTUS SUPPLEMENT (N°1)

dated 22 August 2023



KBC Group NV

(incorporated with limited liability in Belgium)

EUR 20,000,000,000

Euro Medium Term Note Programme

This supplement dated 22 August 2023 (the “**Supplement N°1**”) constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129, as amended from time to time (the “**Prospectus Regulation**”). The Supplement N°1 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 23 May 2023, (the “**Base Prospectus**”), prepared in connection with the EUR 20,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by KBC Group NV, incorporated as a limited liability company under the laws of Belgium, with registered office at Havenlaan 2, 1080 Brussels and registered with the Crossroads Bank of Enterprises VAT BE0403.227.515 (Brussels) (the “**Issuer**”). 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 FSMA, 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. The Issuer confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement N°1 is in accordance with the facts and does not omit anything likely to affect the import of such information.

I. New information

(a) Introduction

KBC Group Quarterly Report 2Q2023

On 10 August 2023, the Issuer published its extended quarterly report for the second quarter 2023 in the document “*KBC Group Quarterly Report 2Q2023*” accompanied by a press release entitled “*KBC Group: Second-quarter result of 966 million euros*”.

In order to ensure that the information contained in the Base Prospectus is up-to-date as required by the Prospectus Regulation, the aforementioned documents will be incorporated by reference in the Base Prospectus. A copy of these documents, incorporated by reference in the Base Prospectus, can

be obtained from the registered office of the Issuer, the website of the Issuer (www.kbc.com/investor) and from the website of Euronext Brussels (www.euronext.com).

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.

(b) Documents incorporated by reference

(1) The section “*Documents incorporated by reference*” on page 49 of the Base Prospectus will be supplemented by adding the following point to the list of documents which are incorporated and form part of the Base Prospectus:

(j) the extended quarterly report for the second quarter of 2023 of the Issuer (available on <https://www.kbc.com/content/dam/kbcom/doc/investor-relations/Results/2q2023/2q2023-quarterly-report-en.pdf?zone=>).

(k) the press release dated 10 August 2023 entitled “KBC Group: Second-quarter result of 966 million euros” (available on <https://www.kbc.com/content/dam/kbcom/doc/newsroom/pressreleases/2023/2q2023-pb-en.pdf?zone=>)”

The section “Documents incorporated by reference” on page 49 et seq. of the Base Prospectus will be supplemented by adding the following sub-section “Issuer’s extended quarterly report for the second quarter of 2023” below the sub-section “Unaudited condensed consolidated financial statements of the Issuer for the first quarter of 2022 and for the first quarter of 2023”:

“The table below sets out the relevant page references for the unaudited consolidated financial statements according to IFRS of the Issuer for the first half year of 2023.

Issuer’s extended quarterly report for the second quarter of 2023 *

Unaudited condensed consolidated financial statements of the Issuer for the second quarter of the financial year

income statement	page 14
statement of comprehensive income	page 15
balance sheet	page 16
statement of changes in equity	page 17 – 18
cash flow statement	page 19
notes to the financial statements	page 20 – 36
Additional information	page 39 – 57
ratios used	page 58 – 63

* Page references are to the English language PDF version of the relevant incorporated documents.”

(c) Solvency Supervision

Paragraph 5 on page 130 of the Base Prospectus shall be deleted and replaced by the following paragraph:

“The overall capital requirement (CET1) that KBC is to uphold is set at 10.54% (fully loaded, Danish Compromise which includes the CRR/CRD minimum requirement (4.50%), the Pillar 2 Requirement (1.05% 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, 0.21% Systemic Risk Buffer and 0.78% Countercyclical Buffer). Furthermore ECB has set a Pillar 2 Guidance of 1.00%.

In line with CRD V Art. 104a(4), ECB allows banks to satisfy the P2R (1.86%) with additional tier-1 instruments (up to 1.5/8) and tier-2 instruments (up to 2/8) based on the same relative weights as allowed for meeting the 8% Pillar 1 Requirement. In 2Q 2023, KBC decided to further optimise its capital structure and as such, KBC will fill up the AT1 and T2 buckets within P2R.

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) as at 30 June 2023.

Buffer vs. Overall Capital Requirement (in millions of EUR) (consolidated, under CRR, Danish compromise method)	30-06-2023		31-12-2022	
	Fully loaded	Actuals	Fully loaded	Actuals
CET1 Pillar 1 minimum	4.50%	4.50%	4.50%	4.50%
Pillar 2 requirement to be satisfied with CET1	1.05%	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)	0.21%	0.21%	0.19%	0.19%
Entity-specific countercyclical buffer	0.78%	0.66%	0.75%	0.40%
Overall Capital Requirement (OCR) - with P2R split, CRD V Art. 104a(4)	10.54%	10.41%	10.49%	10.14%
CET1 used to satisfy shortfall in AT1 bucket (*)	0.47%	0.47%	0.48%	0.48%
CET1 used to satisfy shortfall in T2 bucket (*)	0.35%	0.21%	0.84%	0.86%
CET1 requirement for MDA	11.36%	11.10%	11.82%	11.48%
CET1 capital	17 965	17 058	16 818	15 474
CET1 buffer (= buffer compared to MDA)	5 591	4 969	3 820	2 846

(*) CET1 capital used to satisfy the shortfall in the AT1 and T2 buckets for both the pillar 1 minimum and the pillar 2 requirement. A negative figure in AT1 or T2 bucket relates to a surplus. The fully loaded T2 capital excludes the T2 instruments grandfathered under CRR2; these T2 instruments are included in the actual (transitional) T2 capital for the period of grandfathering, in line with CRR2 and the COREP 3.0 reporting framework (introduced as from 2Q 2021 reporting).

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(d) General Information

Paragraph (3) on page 196 of the Base Prospectus shall be deleted and replaced by the following paragraph:

- (3) Other than as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 30 June 2023 and no material adverse change in the prospects of the Issuer since 31 December 2022.

II. General

Save as disclosed in this Supplement N°1, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since 23 May 2023, the date of 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 at the specified office of the Issuer and the Agent, on the website of Euronext Brussels (www.euronext.com) and the website of the Issuer (www.kbc.com¹).

22 August 2023



Luc Popelier
Executive Director

Authorized signatory
on behalf of KBC Group NV



Johan Thijs
Executive Director

Authorized signatory
on behalf of KBC Group NV

¹ <https://www.kbc.com/en/investor-relations/debt-issuance/kbc-group.html>