

## **KBC GROUP NV BASE PROSPECTUS SUPPLEMENT (N°3)**

**dated 13 February 2024**



**KBC Group NV**

*(incorporated with limited liability in Belgium)*

**EUR 20,000,000,000**

**Euro Medium Term Note Programme**

This supplement dated 13 February 2024 (the “**Supplement N°3**”) 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°3 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 23 May 2023 as amended by a first supplement dated 22 August 2023 (the “**Supplement N°1**”) and a second supplement dated 15 November 2023 (the “**Supplement N°2**”) (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°3.

This Supplement N°3 has been approved by 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°3. 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°3 is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **I. New information**

#### **(a) Green Bond Framework Update**

*KBC Group updated Green Bond Framework*

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

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

## (b) Risk Factors

References in the Section Risk Factors – Risk related to Notes which are issued as Green Bonds or Social 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 Framework

The Section Green Bond Framework, which can be found on page 159 to and including page 162, 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:

<b>1. Energy Efficient Buildings</b>	
	<ul style="list-style-type: none"> <li>• Mortgage loans and commercial loans to (re)finance new and existent residential buildings smaller than 5.000m<sup>2</sup>, in Belgium which meet the following criteria:               <ul style="list-style-type: none"> <li>○ 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</li> <li>○ 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).</li> </ul> </li> </ul>
<b>2. Renewable Energy</b>	
<i>Renewable energy power generation</i>	<ul style="list-style-type: none"> <li>• 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"> <li>○ Onshore and offshore wind energy</li> <li>○ Solar energy</li> </ul> </li> </ul>
<b>3. Clean Transportation</b>	
<i>Low carbon land transport</i>	<ul style="list-style-type: none"> <li>• (Re)financing of the purchase, renting, leasing and operation of zero-emission vehicles in Belgium:               <ul style="list-style-type: none"> <li>○ Fully electric, hydrogen or other non-fossil fuel based vehicles for the transportation of passengers</li> </ul> </li> </ul>

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 Framework<sup>1</sup>, where applicable.

<sup>1</sup> 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.

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.

### ***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](http://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. Both the pre- and post-issuance verification are intended to become available on KBC's Investor Relations website. 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 Bonds, as set out in the section "*Responsibility Statement*".

**(d) Changes and recent events**

The section “*Changes since the most recent published financial statements*” on page 144 of the Base Prospectus shall read as follows:

Save as disclosed in the section entitled “*Recent events*” on pages 138 and following of the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 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.

**(e) KBC Group Quarterly Report 4Q2023**

On 8 February 2024, the Issuer published its extended quarterly report for the fourth quarter of 2023 in the document “*KBC Group Quarterly Report Q42023*” accompanied by a press release entitled “*KBC Group: Fourth-quarter result of 677 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](http://www.kbc.com/investor)) and from the website of Euronext Brussels ([www.euronext.com](http://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°3 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°3.

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

**(f) Documents incorporated by reference**

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:

(l) the extended quarterly report for the fourth quarter of 2023 of the Issuer (available on <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/4q2023/4q2023-quarterly-report-en.pdf>);

(m) the press release dated 8 February 2024 entitled “KBC Group: Fourth-quarter result of XXX million euros” (available on <https://www.kbc.com/content/dam/kbccom/doc/newsroom/pressreleases/2023/4q2023-pb-en.pdf>);

## II. General

Save as disclosed in this Supplement N°3, 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°3 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°3 will be available without charge at the specified office of the Issuer and the Agent, on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)) and the website of the Issuer ([www.kbc.com](http://www.kbc.com)<sup>2</sup>).

13 February 2024



Innocenzo Soi

Authorized signatory  
on behalf of KBC Group NV



Rik Janssen

Authorized signatory  
on behalf of KBC Group NV

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<sup>2</sup> <https://www.kbc.com/en/investor-relations/debt-issuance/kbc-group.html>