



Press Release

Brussels, 18 August 2022, 05.35 p.m.

KBC becomes first Belgian financial institution to issue a social bond

First social bond worth 750 million euros to be used for investments in health care

Today, KBC Group became the first financial institution in Belgium to issue a social bond. This first issue was restricted to institutional and professional investors and is to be used to fund projects in the hospital sector.

KBC Group issued a social bond of 750 million euros over 8 years with a coupon of 3% (yield 3.056%). The margin was set at 125bp above benchmark.

Johan Thijs, KBC Group CEO, tells us: 'The issuance of this social bond fits in perfectly with our approach to sustainability. The decision to choose a portfolio of hospitals did not come about by chance or coincidence. Health care is central to our activities as a bank-insurance company. The sector is facing an enormous transition, due in part to the Covid-19 pandemic. It's with this in mind that we want to support the sector in meeting these challenges. We will also use this first issue to fund projects that generate social benefits in support of our mission and vision. The KBC Social Bond Framework will also enable us in the future to bring such issues to market and increase our impact on society. This first social bond underlines our commitment to increasing our positive social impact through our core business as an integrated bank-insurance and asset management group.'

A social bond is a bond whose proceeds are used to finance projects that have a social benefit. To ensure transparency, social bond issuers regularly publish reports explaining how the proceeds are allocated (e.g., the amounts allocated and where) and how the asset-related output/impact is measured (e.g., the number of hospital beds created, facilities built, etc.).

Social bond framework

Filip Ferrante, General Manager of KBC Group Corporate Sustainability: *'KBC has an impressive track record when it comes to sustainability. Issuing this social bond, which falls under the KBC Social Bond Framework ('Framework'), enables us to highlight the fact that sustainability concerns more than just the environment and climate. In the years ahead, KBC will give priority to funding the project categories of 'access to essential services' (such as education, health care, sport and culture), 'affordable housing' and 'job creation' including the potential impact of SME finance. The Framework enables KBC to issue social bonds and complies with the ICMA's Social Bond Principles, which are non-binding guidelines that promote transparency and integrity in the development of social bonds.'*

In its capacity as second opinion provider, Sustainalytics has confirmed that the [Framework](#) complies with the ICMA's principles and is in line with market best practice.

KBC Group NV

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