KBC Group
Debt presentation

1Q 2023

More information: www.kbc.com

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KBC Group passport | Well-defined core markets

BELGIUM BU

60% of assets
3.9m clients
441 branches

GDP growth
in %, KBC Economics

2022	2023e	2024e
3.2%	1.0%	1.2%

debt to GDP ratio **105%**

Market share
in %, end 2022

loans and deposits	investment funds	life insurance	non-life insurance
20%	28%	12%	9%

117bn EUR loans
138bn EUR deposits

CZECH REPUBLIC BU

23% of assets
4.3m clients
200 branches

GDP growth
in %, KBC Economics

2022	2023e	2024e
2.5%	0.3%	2.6%

debt to GDP ratio **44%**

Market share
in %, end 2022

loans and deposits	investment funds	life insurance	non-life insurance
21%	24%	7%	9%

37bn EUR loans
52bn EUR deposits

INTERNATIONAL MARKETS BU

	SK	HU	BG
of assets	**4%**	**4%**	**5%**
clients	**0.8m**	**1.6m**	**2.2m**
branches	**110**	**195**	**262**
loans	**11bn EUR**	**6bn EUR**	**9bn EUR**
deposits	**8bn EUR**	**9bn EUR**	**12bn EUR**

GDP growth 2022 -2023e-2024e
in %, KBC Economics

	2022	2023e	2024e
SK	1.7%	0.9%	2.8%
HU	4.6%	0.1%	3.5%
BG	3.8%	1.5%	2.7%

	SK	HU	BG
debt/GDP	**62%**	**73%**	**23%**

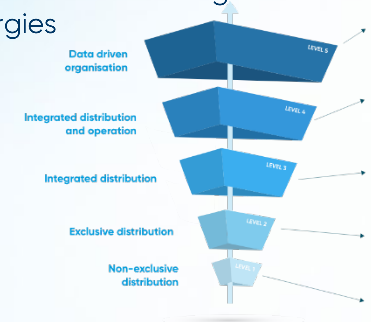
Market share
in %, end 2022

	L&D	funds	life	non-life
SK	12%	7%	2%	5%
HU	11%	11%	3%	7%
BG	19%	14%	26%	12%

What differentiates us from peers

Unique integrated bank-insurance+ model

- We offer an **integrated response** to our clients' banking and insurance needs. Our **organisation** is similarly integrated, operating as a single business and a **digital-first, lead-driven and AI-led bank-insurer**
- The benefit of a **one-stop**, relevant and personalised financial service that allows our clients to choose from a wider and **complementary range of products and services**, which go beyond pure bank-insurance
- **Benefits in terms of income and risk diversification**, additional sales potential through intensive co-operation between the bank and insurance distribution channels, significant cost-savings and synergies



Successful digital-first approach through KATE

- Our **Digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development
- **Artificial intelligence** and data analysis will play an important part in digital sales and advice**. Kate, our personal digital assistant**, will feature prominently in this regard
- The **independent international consulting firm Sia Partners named KBC Mobile one of the top performing mobile banking app worldwide (N°1 in 2021 and N°3 in 2022)**: a clear recognition of a decade of innovation, development and listening closely to our clients

3.2 million users in contact with Kate

KATE autonomy

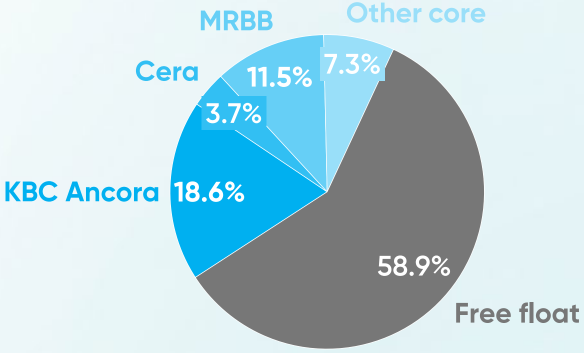
57% BE
54% CZ

Firmly embedded sustainability strategy

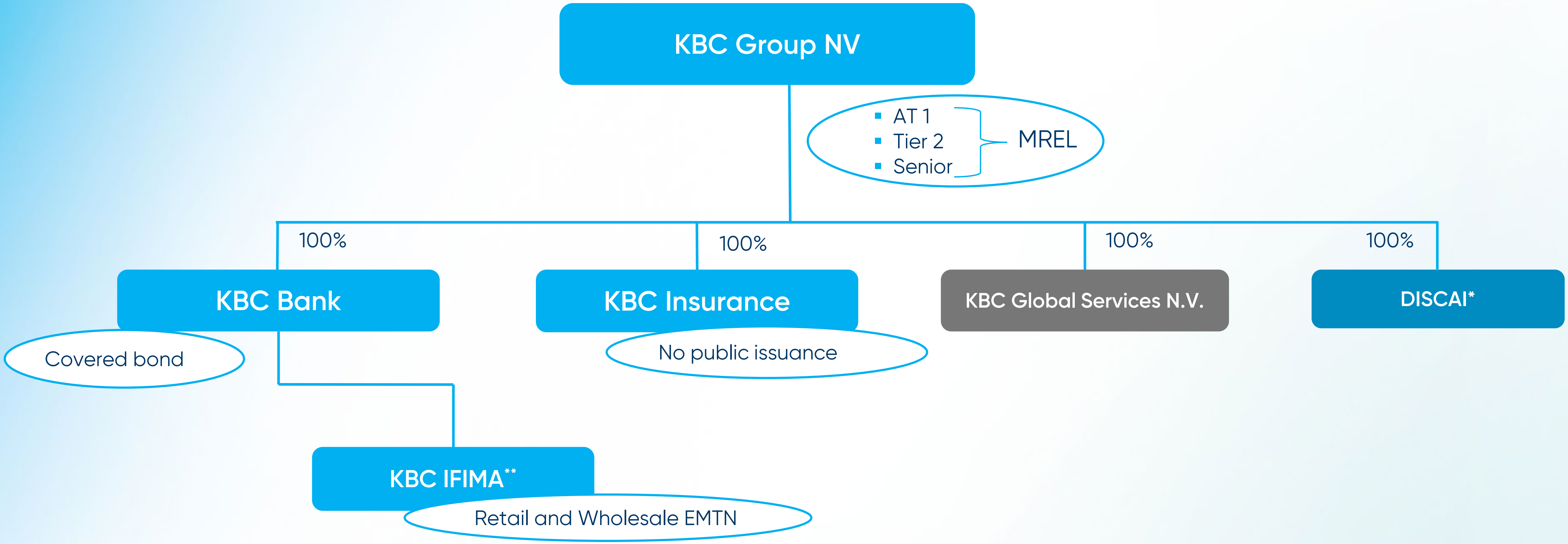
- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three cornerstones: **encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse social impact we might have**

Core shareholder structure

- A special feature of our shareholder structure is the **core shareholder syndicate** consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held **roughly 41% of our shares**
- These shareholders act in concert, thereby ensuring shareholder stability in our group
- The **free float** is held mainly by a large variety of international institutional investors



KBC Group's legal structure and issuer of debt instruments



* DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties (as of 7 March 2022)
** All debt obligations of KBC IFIMA are unconditionally and irrevocably guaranteed by KBC Bank

Last credit ratings

		Moody's	S&P	Fitch
Group	**Senior Unsecured**	**Baa1**	**A-**	**A**
	Tier II	Baa2	BBB	BBB+
	Additional Tier I	Ba1	BB+	BBB-
	Short-term	P-2	A-2	F1
	Outlook	Positive	Stable	Stable
Bank	Covered bonds	Aaa	-	AAA
	Senior Unsecured	**A2**	**A+**	**A+**
	Tier II	-	BBB	-
	Short-term	P-1	A-1	F1
	Outlook	Positive	Stable	Stable
Insurance	Financial Strength Rating	-	A	-
	Issuer Credit Rating	-	A	-
	Outlook	-	Stable	-

Latest updates:

- **28 July 2022: Moody's changed the outlook to positive** and reflected the expectation that KBC's strong earnings generated in recent years will continue to be supported by strong revenue growth, thanks to (i) continued volume growth, (ii) gradual positive effects from rising interest rates on assets and liabilities, despite headwinds from the macro-economic environment. This, combined with Moody's expectation of a moderate cost of risk, should more than offset inflationary pressures on costs
- **12 October 2021: Fitch revised the outlooks on KBC Group and KBC Bank to stable**. The revision of the outlook reflects Fitch's updated economic assumptions for the group's main operating countries. This means back to the situation pre Covid.
- **13 July 2021: Moody's** has left KBC Group's senior debt rating unchanged but has **downgraded KBC Bank's senior debt rating by one notch to A2 from A1**. The outlook remains stable. The downgrade is driven by Moody's new rating methodology related to Loss Given Failure (LGF). However, Moody's view of KBC's fundamental creditworthiness remains the same. **The long-term deposit rating of KBC Bank N.V. has been downgraded to A1 from Aa3**. The rating agency also **downgraded the backed senior unsecured debt and Medium-Term Notes (MTN) programme ratings of KBC IFIMA S.A. to A2 from A1, and to (P)A2 from (P)A1, respectively**
- **23 June 2021: S&P revised the outlook to stable from negative for KBC Group, KBC Insurance and KBC Group RE** given the improvement of the economic risk trend in Belgium. This means back to the situation pre Covid

KBC's ESG ratings and indices are ahead of the curve

Agency	Scale	ESG rating of 27th of April 2023 (previous score)	Position versus industry average
CDP DISCLOSURE INSIGHT ACTION	D- … A	A (A-)	• Leader in addressing climate change • CDP's A list • Financial average service B-
SUSTAINALYTICS	Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk	12.5 (12.8)	• 4th percentile of 387 diversified banks assessed • 11th of 387 diversified banks
S&P Dow Jones Indices A Division of S&P Global	0 … 100	75 (74)	• Top 5% (95th percentile of 755 banks assessed)
MSCI	C, B, BB, BBB, A, AA, AAA	AAA (AAA)	• 6th percentile of 198 banks assessed
Corporate ESG Performance RATED BY ISS ESG Prime	D-, D, D+, C-, C, C+, ...	C+ prime (C prime)	• 1st decile rank of 301 Commercial Banks & Capital Markets assessed
FTSE4Good	0, 1, 2, 3, 4, 5	4.3 (4.7)	• Top 10% (90th percentile of banks assessed)

Business profile | Our financial footprint

High profitability (IFRS 4 figures)

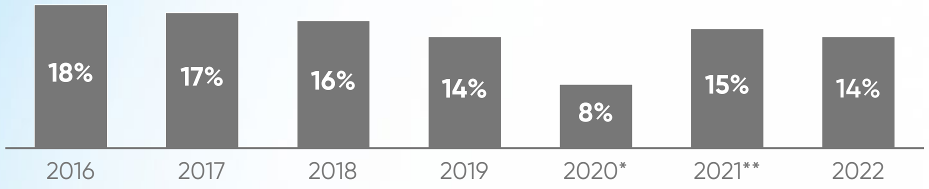
C/I ratio*
54% FY22
55% FY21

combined ratio
89% FY22
89% FY21

net result
2,743m FY22
2,614m FY21

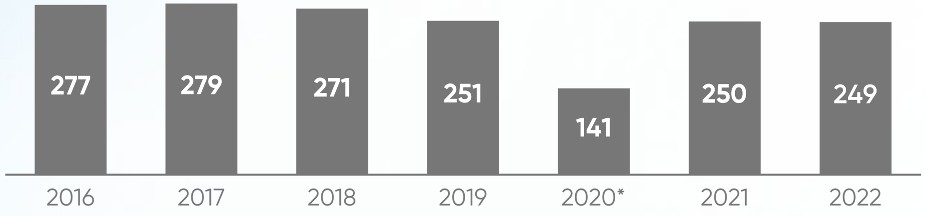
* Adjusted for specific items

Return on Equity
in %



* 11% when adjusted for the collective Covid-19 impairments
** when excluding the one-off items due to the pending sales transactions in Ireland

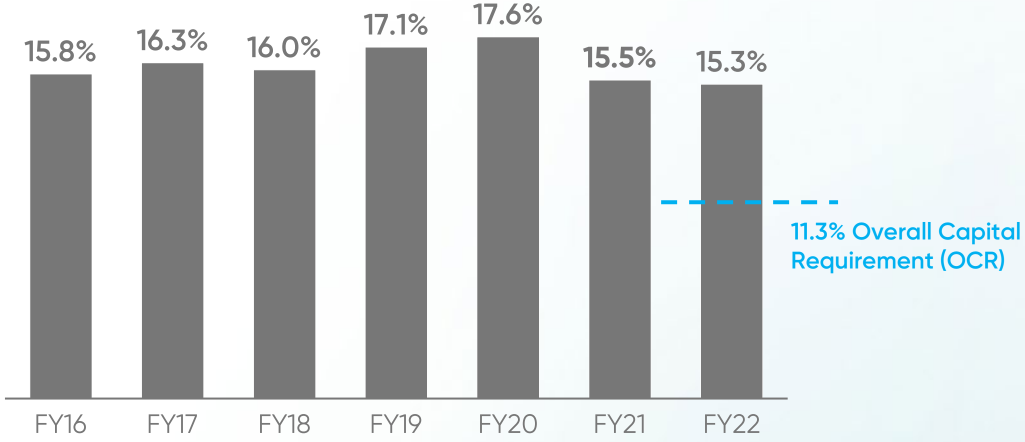
CET1 generation before any capital deployment
in bps



* 202bps when adjusted for the collective Covid-19 impairments

Solid capital position

CET 1 ratio (fully loaded, Danish compromise)
in %



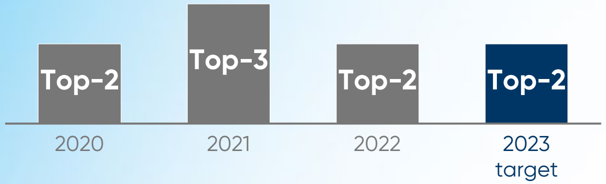
Robust liquidity

NSFR
136% FY22
148% FY21

LCR
152% FY22
167% FY21

Our non-financial targets

Customer ranking

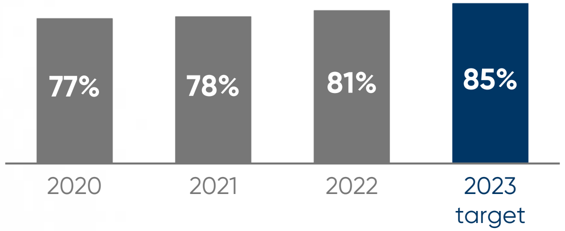


- **KBC is 2nd in customer NPS (Net Promoter Score) ranking** based on weighted avg of ranking in five core countries
- **Target is to remain the reference** (i.e. Top-2 score on group level)

Bank-insurance (BI) clients

BI clients

in %

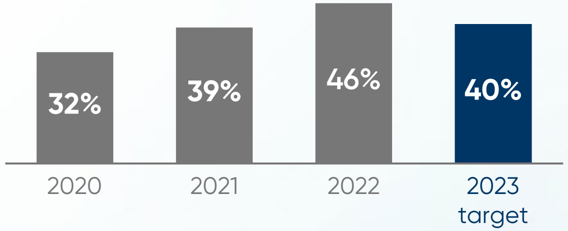


BI customers have at least 1 bank + 1 insurance product of our group.

Digital sales

Digital sales banking products*

in %



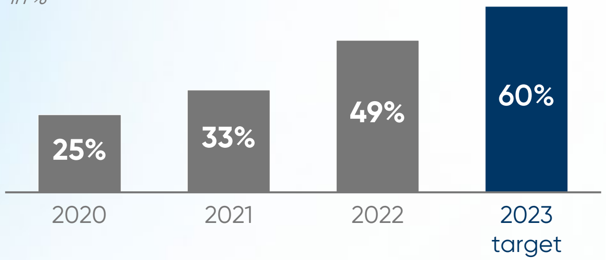
Digital sales 46% of **banking sales** (vs 2023 target of ≥40%).

* Based on weighted average of selected core products.

Straight-through processing

STP score*

in %

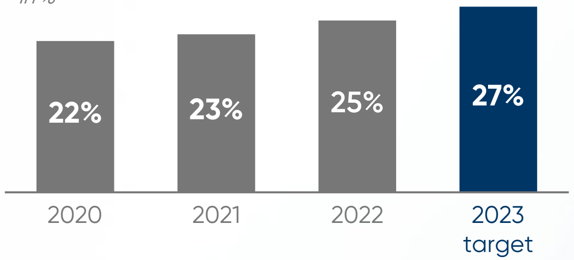


The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of core commercial products.

BI stable clients

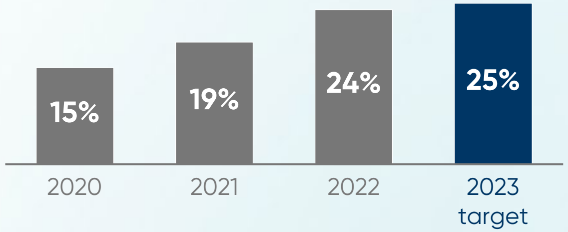
in %



Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Digital sales insurance products

in %



Digital sales 24% of **insurance sales** (vs 2023 target of ≥25%)

Sustainability highlights

Commitment to climate action

2030 and 2050 climate targets
Committed to a first set of climate targets for the most material carbon-intensive industrial sectors and product lines in our lending business and our asset management activities (see next slides)

On track
Despite the short lead time since our baseline establishment, our latest sustainability report shows that, overall, we are well on track in meeting our portfolio climate targets

Partner in the transition
More than 3 000 customer engagement dialogues since the start to support our clients' transition

SBTi
KBC bolstered its intentions with regard to climate action by committing our banking activities to the Science-Based Targets (SBTi)

Sustainable business

7.4bn EUR
Financing contributing to social objectives

14.3bn EUR
Financing contributing to environmental objectives

600 000 tonnes CO_2e
Avoided GHG emissions through renewable energy project finance

34.5bn EUR Responsible Investing funds in 1Q23
or 38% of total assets under distribution (direct client money)

Social responsibility

Social bond
Issued a 750m EUR social bond for investments in healthcare

34% Female entrepreneurship
among our start-up community in Belgium

10m EUR
Outstanding loans to microfinance institutions and investments in microfinance funds

Diversity in senior management
24% females in senior management roles

Sustainability highlights in 2022, unless otherwise indicated

Financial performance | Implementation of IFRS 17

IFRS 17 (Insurance contracts) is effective from 1 January 2023 (with retrospective application for 2022) and replaces IFRS 4:

- **The income statement is updated to include the new items introduced by IFRS 17** (also the quarterly figures of 2022 have been restated accordingly)
- **This does not change the underlying economics and steering of the business**
  - No change to KBC Group CET1 ratio
  - No change to capital distribution policy
  - No change to KBC Insurance Solvency II ratio
- It primarily constitutes a new accounting framework
  - **New structure of KBC specific bank-insurance integrated income statement** and some changes to the balance sheet
  - **Some changes to specific Group and Insurance KPIs**, including Cost-income ratio and Combined ratio
  - Belgium unit-linked contracts are not accounted for under IFRS 17, but remain accounted for under IFRS 9, as they do not contain an insurance component

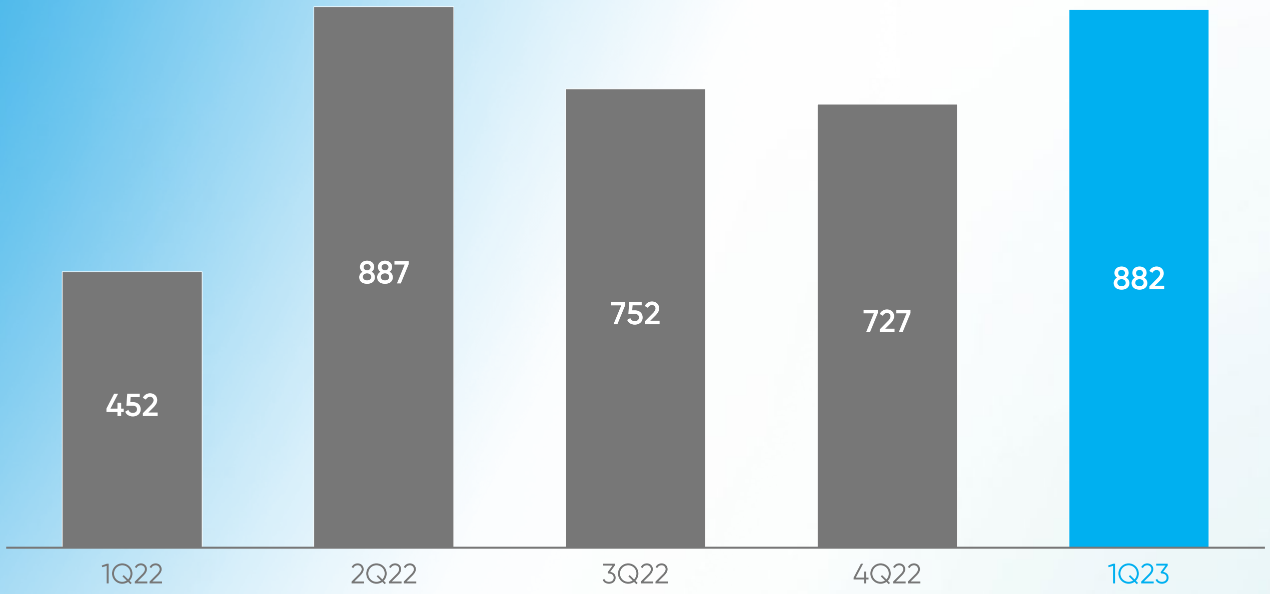
Refer to KBC.com for more details on **concepts applied within KBC's transition to IFRS 17** as well as **restatements of the 2022 quarterly and annual results** **(publication of 18APR23)**

Highlights

- **Commercial bank-insurance franchises** in core markets performed excellently
- **Customer loans** and **customer deposits** increased y-o-y in most of our core countries (on a comparable basis)
- KBC Bank will **subject its existing climate targets to SBTi**
- Lower **net interest income q-o-q**
- Higher **net fee and commission income** q-o-q
- Q-o-q stable **net result from financial instruments at fair value** and q-o-q increase of **net other income**
- Higher sales of **non-life insurance** y-o-y and lower sales of **life insurance** (both q-o-q and y-o-y)
- Costs in 1Q include bulk of full-year bank & insurance taxes; **costs excl. bank & insurance taxes down q-o-q**
- **Net impairment release**
- Solid **solvency** and **liquidity**

Excellent net result of 882m EUR over 1Q23

Net result
in m EUR



YTD ratios

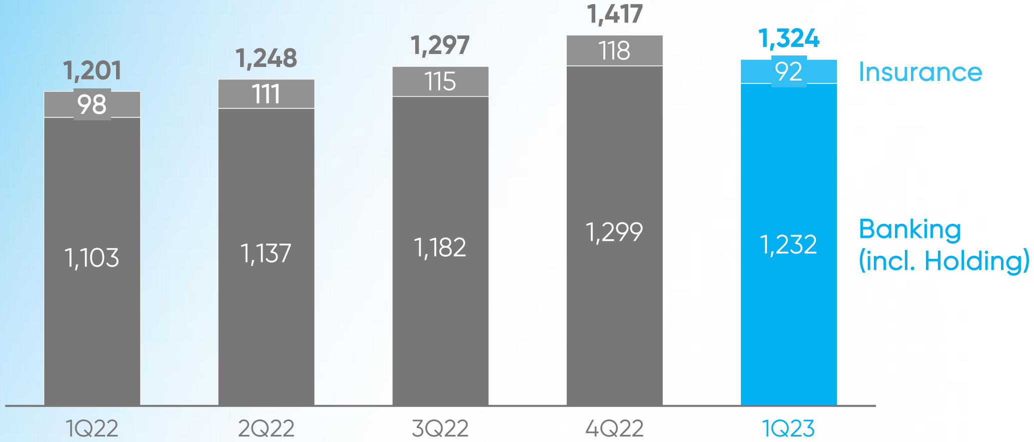
- Return on Equity 15%*
- Cost-income ratio 50%**
- Combined ratio 83%
- Credit cost ratio -0.04%
- CET1 ratio 16.1% (B3, DC, fully loaded)
- Leverage ratio 5.5% (fully loaded)
- NSFR 139% & LCR 152%

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs
** When excluding certain non-operating items; See glossary for the exact definition

Lower net interest income fully in line with expectations

Net interest income

in m EUR

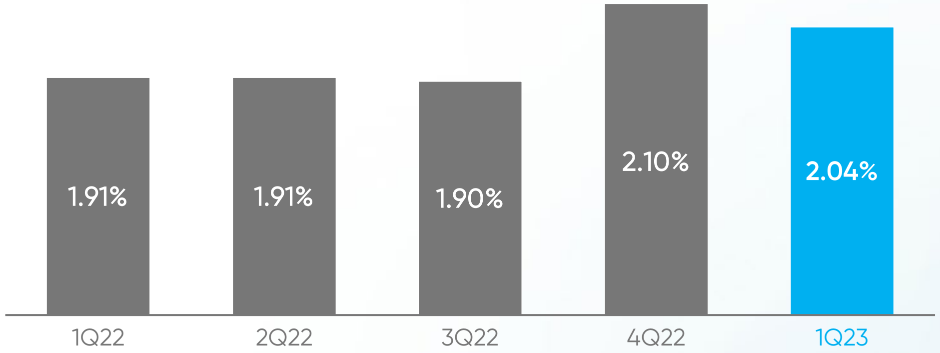


- **NII decreased by 7% q-o-q and increased by 10% y-o-y**
- Q-o-q decrease was driven primarily by:
  - No TLTRO benefit anymore in 1Q23 (versus 41m EUR benefit in 4Q22)
  - 33m EUR lower NII in Ireland (due to the sale early Feb 2023)
  - Higher pass-through on savings accounts in Belgium (from 11 bps to 60 bps)
  - The negative effect of lower loan margins in most core markets
  - Higher funding cost of participations
  - Temporary lower NII on inflation-linked bonds (-44m EUR)
  - Lower number of days (-15m EUR)

  partly offset by:
  - Increasing reinvestment yield in euro-denominated core countries
  - Increased term deposits at better margins
- Y-o-y increase was driven primarily by (sharply) increasing reinvestment yield in all core countries (except in the Czech Republic), organic loan & deposit volume growth and the consolidation of Raiffeisenbank Bulgaria as of 3Q22, partly offset by the negative effect of lower loan margins in most core markets, no TLTRO benefit anymore, lower NII in Ireland (due to the sale), lower NII on inflation-linked bonds and higher funding costs of participations

Net interest margin*

in %, calculated excl. the dealing room and the net positive impact of ALM FX swaps & repos



* Excluding Ireland as of 2023 due to the sale early February 2023

- Fell by 6 bps q-o-q and rose by 13 bps y-o-y (respectively -4 bps and +17 bps excluding Ireland in NIM in reference quarters in 2022) for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

Organic volume trend

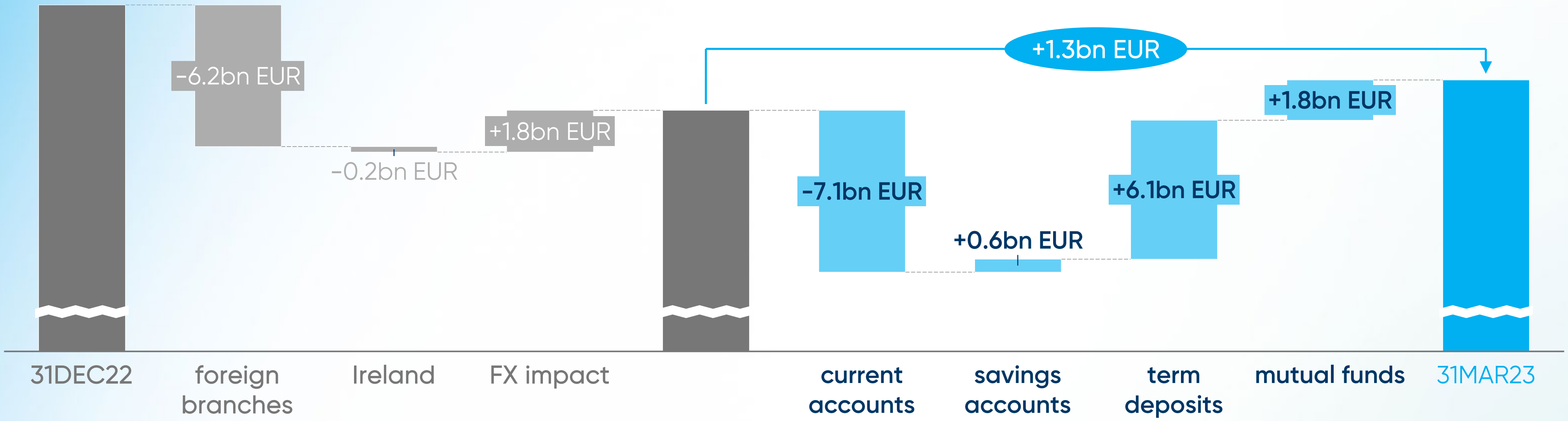
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	180bn	75bn	219bn
Growth q-o-q*	0%	+1%	-3%
Growth y-o-y	+6%	+6%	+3%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds), including Raiffeisenbank Bulgaria. Growth figures are excluding FX, consolidation adjustments and reclassifications.
*** Customer deposits, excluding debt certificates and repos, including Raiffeisenbank BG. **Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits roughly stabilised q-o-q and rose by 3% y-o-y**

Inflow of core customer money

Customer money dynamic over 1Q23

in m EUR



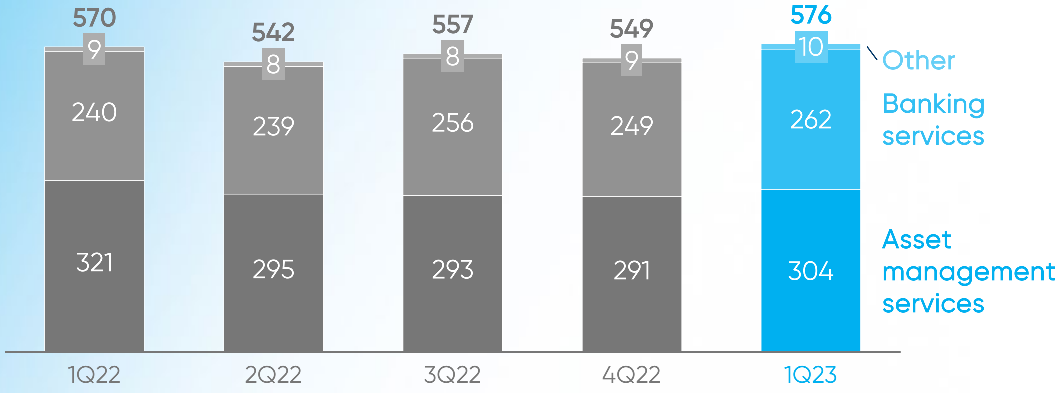
Net inflows in term deposits and mutual funds more than offset current accounts outflow

- 1Q23 saw a further inflow of core customer money of +1.3bn EUR (+3.1bn EUR incl. FX impact) :
  - Net inflows into term deposits (+6.1bn EUR) and mutual funds (+1.8bn EUR anchoring money), partly coming from outflows from current accounts (-7.1bn EUR)
  - Savings accounts slightly increased (+0.6bn EUR)
- Note that:
  - Within the foreign branches (allocated to Belgium BU), deposits are typically more volatile as they are driven by short-term cash management opportunities. These deposits are typically invested overnight with a very small margin, mainly with central banks (ECB, FED, etc.). Over 1Q23, these short-term deposits were reduced by 6.2bn EUR due to lower cash management opportunities
  - A further -0.2bn EUR was attributable to the sale of KBC Ireland

Higher fee and commission income

Net fee & commission income

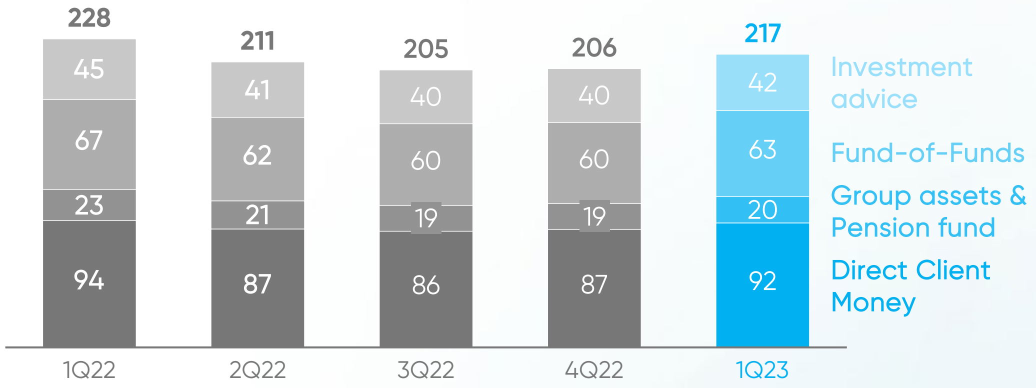
in m EUR



- **Up by 5% q-o-q and by 1% y-o-y**
- Q-o-q increase was mainly the result of the following:
  - Net F&C income from Asset Management Services increased by 5% q-o-q due to higher management & entry fees and higher distribution fees received linked to mutual funds
  - Net F&C income from banking services increased by 5% q-o-q. Higher securities related fees, lower distribution commissions paid for banking products and lower client incentives in Retail (in the Czech Republic) were partly offset by lower fees from payment services and lower fees from credit files & bank guarantees
- Y-o-y increase was mainly the result of the following:
  - Net F&C income from Asset Management Services fell by 5% y-o-y (due mainly to lower management and entry fees)
  - Net F&C income from banking services increased by 9% y-o-y, partly due to the consolidation of Raiffeisenbank Bulgaria as of 3Q22. Higher fees from payment services, higher network income, higher securities-related fees and lower client incentives in Retail (in the Czech Republic) were only partly offset by lower fees from credit files & bank guarantees and higher distribution commissions paid for banking products

Assets under management

in bn EUR

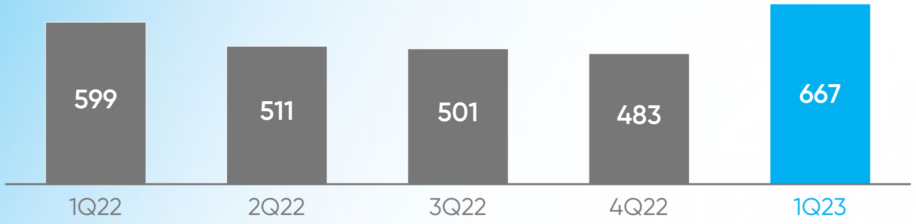


- **Increased by 5% q-o-q** due to **net inflows (+2%)** and the positive market performance (+3%)
- Decreased by 5% y-o-y due entirely to the negative market performance (-7%), partly offset by net inflows (+2%)
- The mutual fund business has seen net inflows both in higher-margin direct client money this quarter (1.8bn in 1Q23) as well as in lower-margin assets

Non-life sales significantly up y-o-y, life sales down q-o-q and y-o-y

Non-life sales

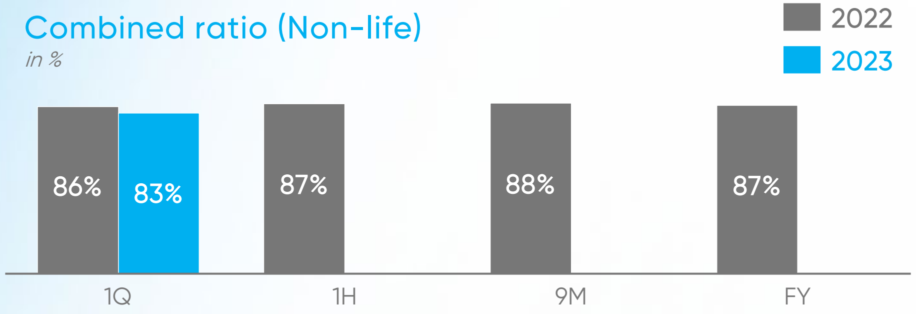
in m EUR



- **Up by 11% y-o-y**, with growth in all countries and all classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)

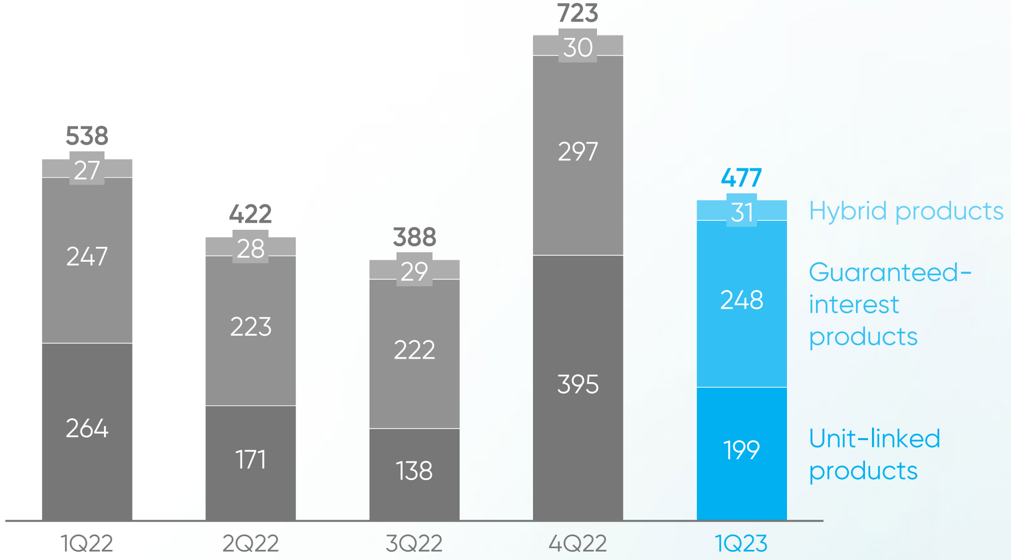
in %



- **Non-life combined ratio for 1Q23 amounted to an excellent 83%** (86% in 1Q22). This is the result of:
  - 10% y-o-y higher insurance revenues before reinsurance
  - 3% y-o-y lower insurance service expenses before reinsurance (higher major claims were more than offset by much lower storm claims)
  - Lower net result from reinsurance contracts held (down by 42m EUR y-o-y)

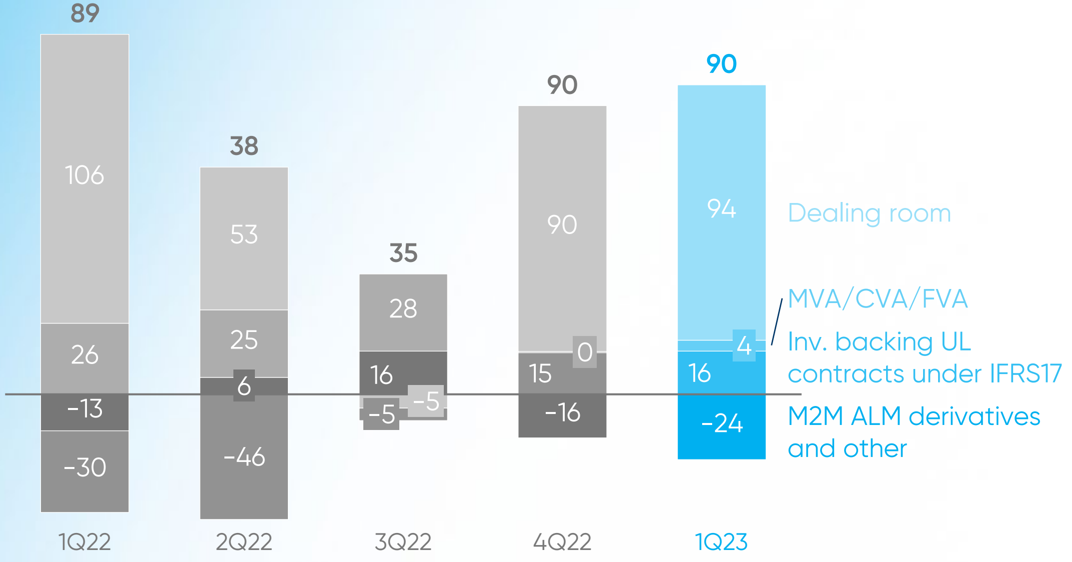
Life sales

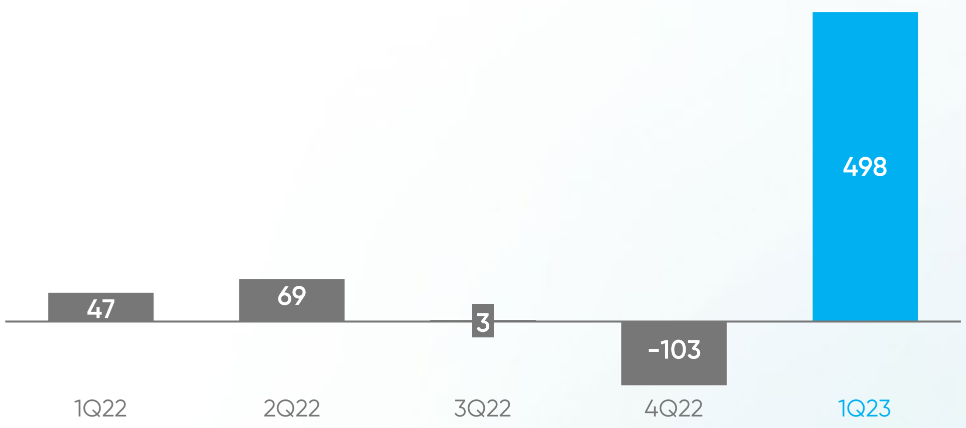
in m EUR



- Decreased by 34% q-o-q due mainly to lower sales of unit-linked products (excellent sales in 4Q22 due mainly to the successful launch of new structured funds in Belgium) and lower sales of guaranteed-interest products (due partly to traditionally higher volumes in tax-incentivised pension savings products in Belgium in 4Q22)
- Decreased by 11% y-o-y due entirely to lower sales of unit-linked products, partly offset by higher sales of hybrid products (in the Czech Republic) and slightly higher sales of guaranteed-interest products (in Belgium)
- Sales of guaranteed-interest products and unit-linked products accounted for 52% and 42% of total life insurance sales in 1Q23 respectively, with hybrid products (mainly in the Czech Republic) accounting for the remainder

Stable FIFV result and sharply higher net other income





- **FIFV roughly stable q-o-q**, attributable mainly to:
  - Higher dealing room result
  - Positive funding value adjustments more than offset negative credit value adjustments q-o-q, while market value adjustments were stable q-o-q. This was mainly the result of the positive evolution of KBC funding and credit spreads slightly offset by the negative evolution of counterparty credit spreads
  - Slightly higher result on investments backing unit-linked contracts under IFRS 17

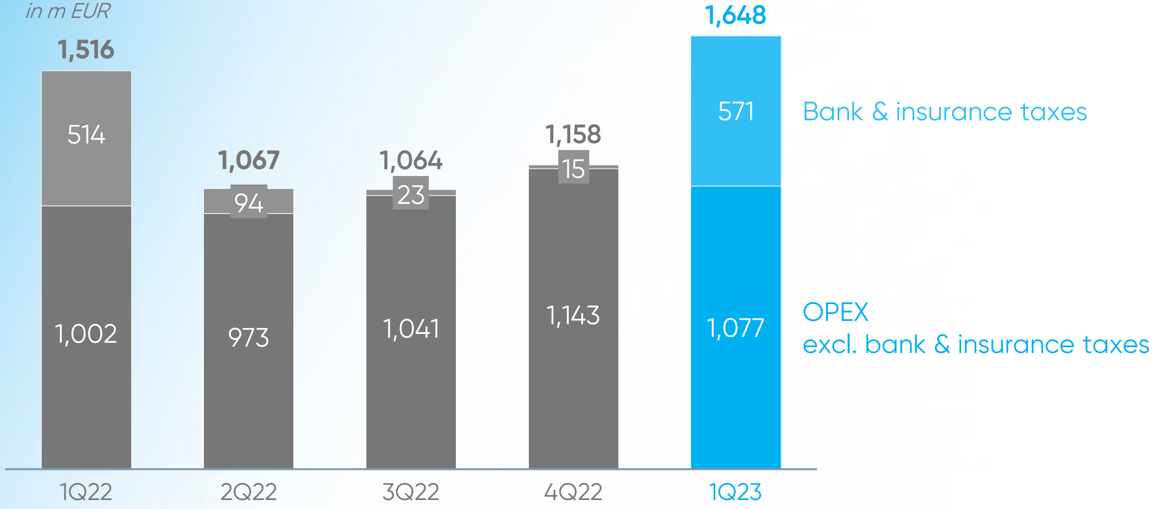
  partly offset by:
  - Negative change in ALM derivatives and other

- **Sharply higher than the normal run rate of around 50m EUR per quarter in 1Q23** due mainly to:
  - A +405m EUR one-off gain related to the Irish sales transaction (announced on 3 Feb 2023)
  - A 48m EUR recuperation of Belgian bank and insurance taxes paid in the past (2016), and the linked moratorium interests
- 4Q22 was impacted mainly by a -149m EUR charge for a legacy legal file in the Czech Republic

Costs excluding bank & insurance taxes decreased q-o-q

Operating expenses (including directly attributable costs to insurance)

in m EUR



Bank and insurance tax spread 2023 (preliminary)

in m EUR

	Total	Upfront	Spread out over the year			
	1Q23	1Q23	1Q23	2Q23	3Q23	4Q23
BE BU	347	347	0	9*	0	0
CZ BU	60	60	0	0	0	0
Hungary	130	106	24	48	30	31
Slovakia	4	4	0	0	0	1
Bulgaria	24	24	0	0	0	0
Group Centre	5	5	0	0	0	0
Total	571	547	24	57	30	32

* Estimate based on publicly available information

- **Operating expenses (OPEX) excluding bank & insurance taxes went down by 6% q-o-q and went up by 7% y-o-y**
  - The q-o-q decrease is due mainly to lower staff expenses, lower ICT and marketing expenses (partly seasonal effect) as well as lower professional fee expenses, partly offset by higher one-off charges related to the Irish sales transaction (-10m EUR in 1Q23 versus -5m EUR in 4Q22) and slightly higher facility expenses
  - The y-o-y increase is due to, among other things, the consolidation of Raiffeisenbank Bulgaria, the impact of inflation/wage indexation (despite less FTEs), higher ICT and facility expenses, partly offset by the extraordinary staff bonus of 41m EUR in 1Q22

- 1Q23 cost/income ratio
  - 50% when excluding certain non-operating items* (49% in FY22)
  - 38% excluding all bank & insurance taxes (45% in FY22)

- **1Q includes the bulk of the bank & insurance taxes for the full year (571m EUR), an 11% increase y-o-y** driven mainly by:
  - Hungary as the temporary extra windfall bank & insurance tax of 79m EUR was booked in 1Q23 (versus 78m EUR in 2Q22), while the extraordinary Deposit Guarantee Fund contribution of 24m EUR in 1Q22 was partly recovered in 1Q23 (-9m EUR)
  - Bulgaria (+12m EUR y-o-y), chiefly due to the acquisition of Raiffeisenbank Bulgaria

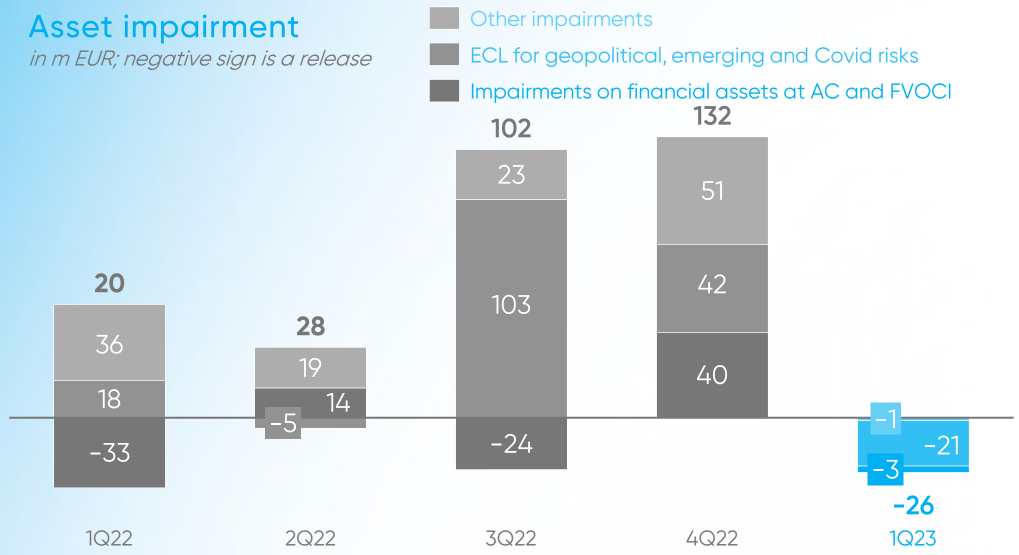
- Total bank & insurance taxes (including ESRF contribution) are expected to increase by 7% y-o-y to 690m EUR in 2023 (646m EUR in 2022)

* See glossary for the exact definition

Net loan loss impairment releases & excellent credit cost ratio

Asset impairment

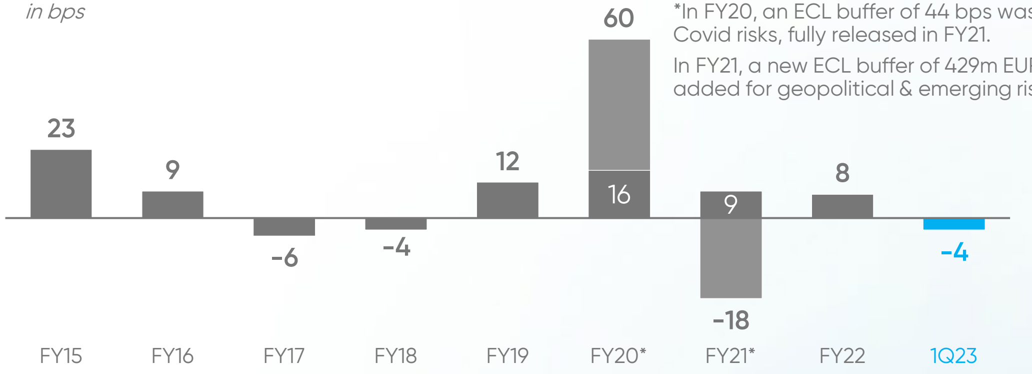
in m EUR; negative sign is a release



- **Net loan loss impairment releases on lending book combined with a lower geopolitical & emerging risk buffer**
  - **Net loan loss impairment releases of 24m EUR in 1Q23** (compared with net loan loss impairment charges of 82m EUR in 4Q22) due to:
    - 3m EUR net loan impairment releases on lending book
    - A decrease of 21m EUR due to less uncertainties surrounding geopolitical and emerging risks
    - Total outstanding ECL for geopolitical and emerging risks now stands at 390m EUR (see details on next slide)
  - **1m EUR impairment release on 'other'** (versus 51m EUR impairment on 'other' in 4Q22)

Credit cost ratio

in bps



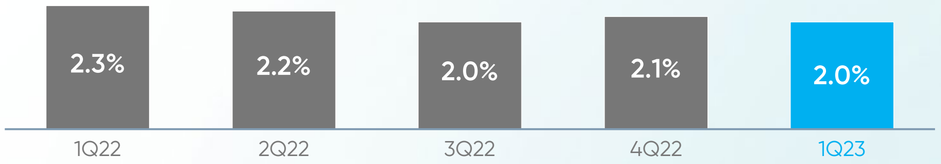
*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

In FY21, a new ECL buffer of 429m EUR was added for geopolitical & emerging risks

- The credit cost ratio in 1Q23 amounted to:
  - 0 bps (0 bps in FY22) without ECL for geopolitical, emerging and Covid risks
  - -4 bps (8 bps in FY22) with ECL for geopolitical, emerging and Covid risks

Impaired loans ratio

in %

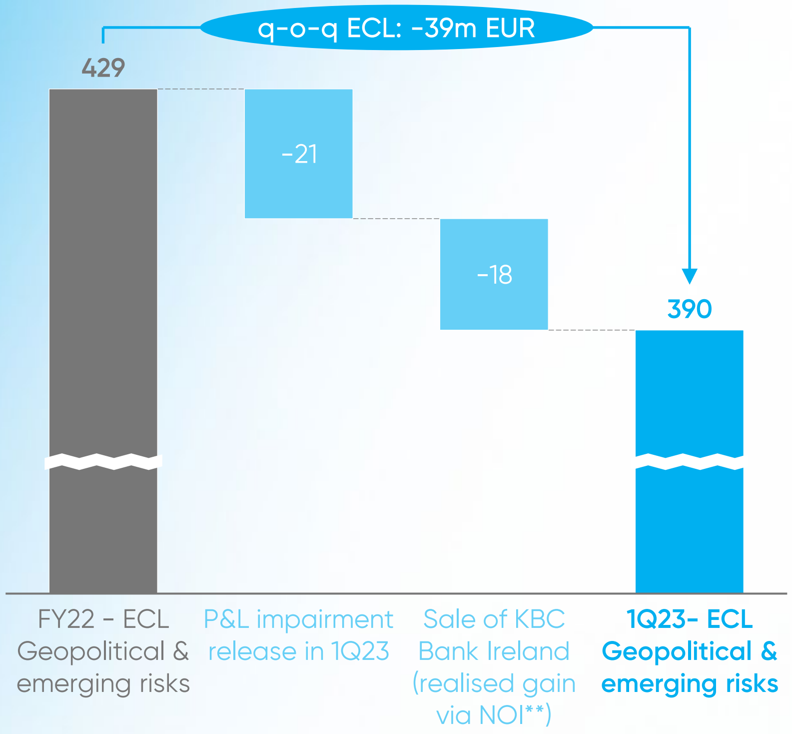


- **The impaired loans ratio improved to 2.0%** (1.0% of which over 90 days past due)

Outstanding ECL for geopolitical and emerging risks amounts to 390m EUR

Q-o-q change in the outstanding ECL for geopolitical & emerging risks

in m EUR; negative sign is a release



Outstanding ECL by risk drivers at 1Q23 (and q-o-q change)

in m EUR; negative sign is a release

A	**No direct** subsidiaries	KBC has **no direct subsidiaries** in Russia, Belarus or Ukraine
B	Very limited **direct** credit exposure	**Direct transfer risk exposure** amounts to **25m EUR ECL,** mainly concentrated in commercial exposure on Russian banks (due to recoveries, down from 29m EUR after FY22 or -4m EUR q-o-q) No exposure on Russian sovereign debt
C	**Indirect** credit impact: counterparties	Counterparties-at-risk (total client credit exposure at group level): • Corp & SME with >20% sales, cost or profit in R, B or U • Corp & SME directly impacted by possible disruption of Russian oil and gas supplies ➔ Outstanding exposure*: 2.1bn EUR ➔ **ECL: 33m EUR** (down from 39m EUR after FY22 or **-6m EUR q-o-q,** due mainly to a refinement of the list of clients expected to be indirectly impacted by the military conflict)
D	Emerging risks (secondary credit impact): portfolios/ (sub)sectors	Vulnerable clients in retail and non-retail portfolios/(sub)sectors impacted by newly emerging risks (energy prices/supply bottlenecks/higher cost of living and rising interest rates) ➔ Outstanding exposure*: 10.1bn EUR ➔ **ECL: 280m EUR (down from 304m EUR after FY22 or -24m EUR q-o-q,** driven primarily by sale of KBC Bank Ireland portfolio (-13m EUR) and business-as-usual developments (-11m EUR))
E	Macroeconomic scenarios	The probabilities applied in 1Q 2023 are 65%/5%/30% (for base-case/optimistic/ pessimistic scenario) ➔ **ECL: 52m EUR** (down from 57m EUR after FY22 or -5m EUR q-o-q, driven by the sale of KBC Bank Ireland)
	Outstanding ECL	**A + B + C + D + E = ECL : 390m EUR** **(-39m EUR q-o-q, of which -18m from the sale of KBC Bank Ireland[2])**

* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements
** The ECL release generated by the sale of KBC Bank Ireland was recorded in 'Net Other Income'

Loan loss experience at KBC

Credit cost ratio*

in %; Credit cost ratio: amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

	1Q23	FY22	FY21	FY20	FY19	FY18	FY17	AVERAGE '99 –'22
Belgium BU	-0.03%	0.03%	-0.26%	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic BU	-0.07%	0.13%	-0.42%	0.67%	0.04%	0.03%	0.02%	n/a
International Markets BU*	-0.05%	0.31%	0.36%	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre BU*	-0.17%	-0.04%	0.28%	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**-0.04%**	**0.08%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.39%**

* As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made

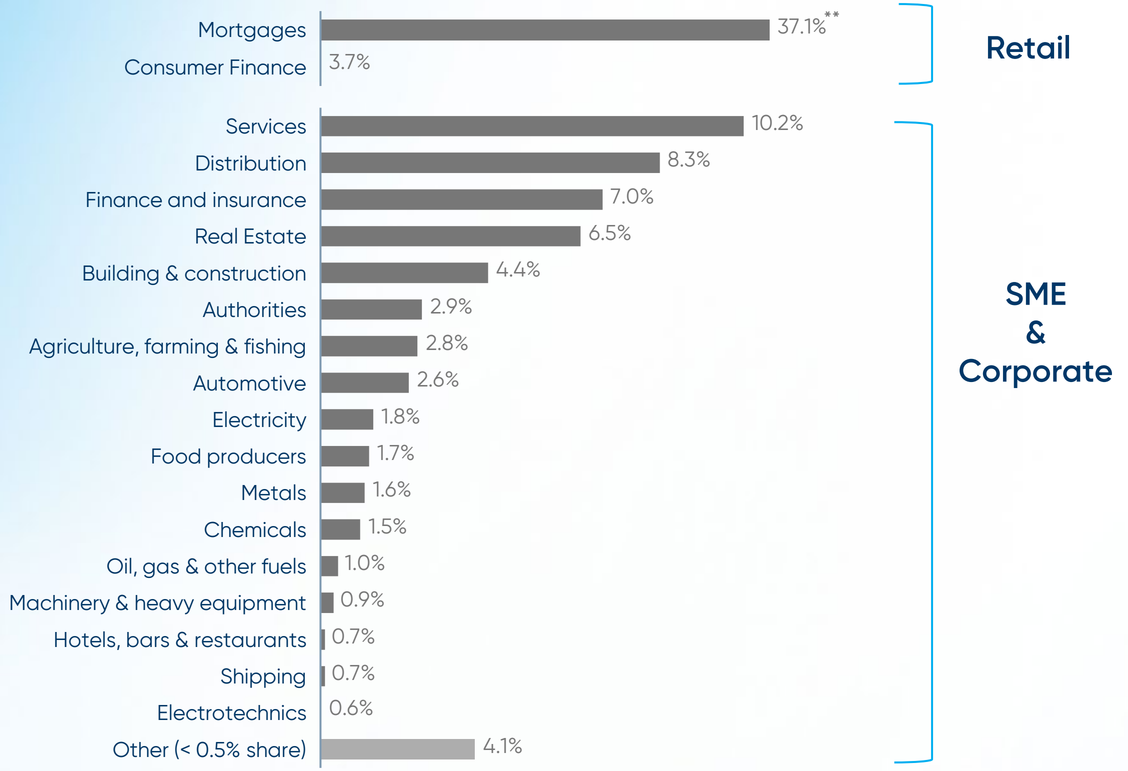
Diversified loan portfolio

Total loan portfolio outstanding

Total loan portfolio outstanding
201bn EUR*
Group level

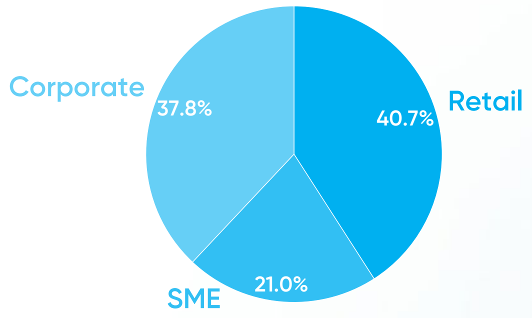
Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**



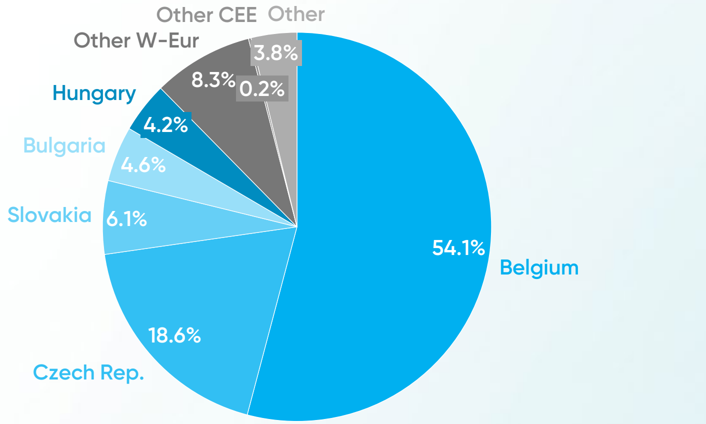
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography***

*as % of total Group loan portfolio outstanding**

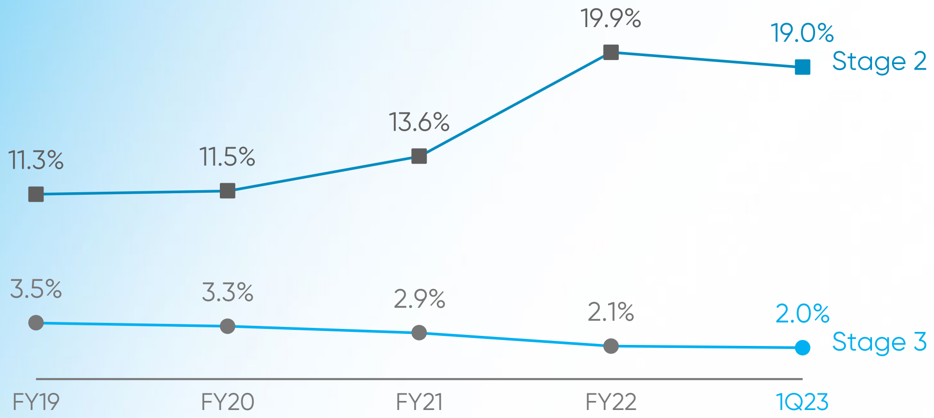


- * Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements.
- ** Q-o-q lower % of mortgages is fully driven by the sale of KBC Bank Ireland
- *** Note that the direct loan exposure to Crédit Suisse and troubled US financials is immaterial

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

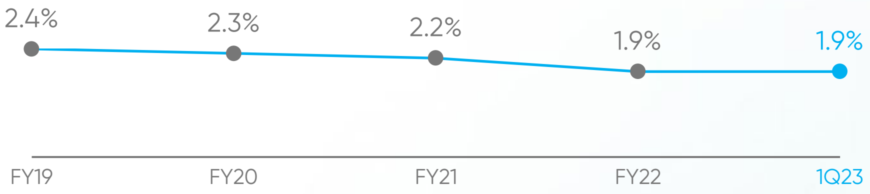
as % of total Group loan portfolio outstanding



- Q-o-q decline of **Stage 3 ratio** is driven mainly by the sale of the loan portfolio of KBC Bank Ireland and write-offs in Belgium, the Czech Republic, Bulgaria and Hungary
- As of 2H21, the increase of **the Stage 2 portfolio** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios for the impact of Covid and the Czech interest rate increases
- As of 2022, in line with strict application of the general ECB guidance on staging, an additional exposure was transferred to Stage 2 linked to the geopolitical and emerging risks, partly compensated in 2Q22 by the full release of the collective transfer of Covid. Excluding these collective transfers, no general deterioration has been observed in our portfolio

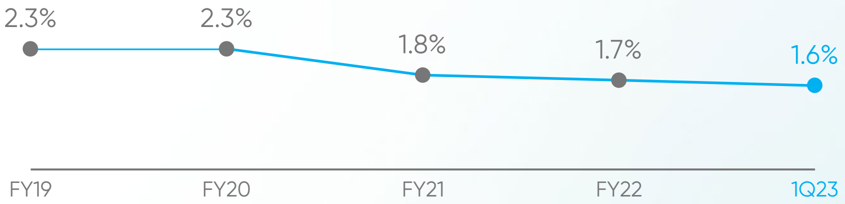
Stage 3 ratio | Belgium BU

in %



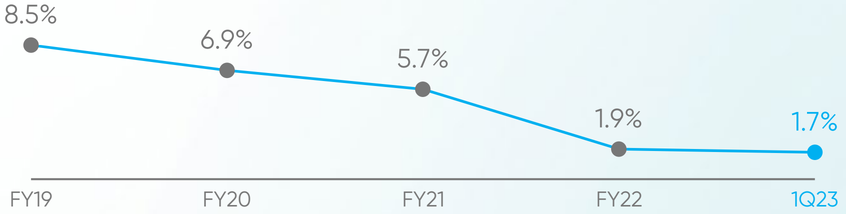
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

in %

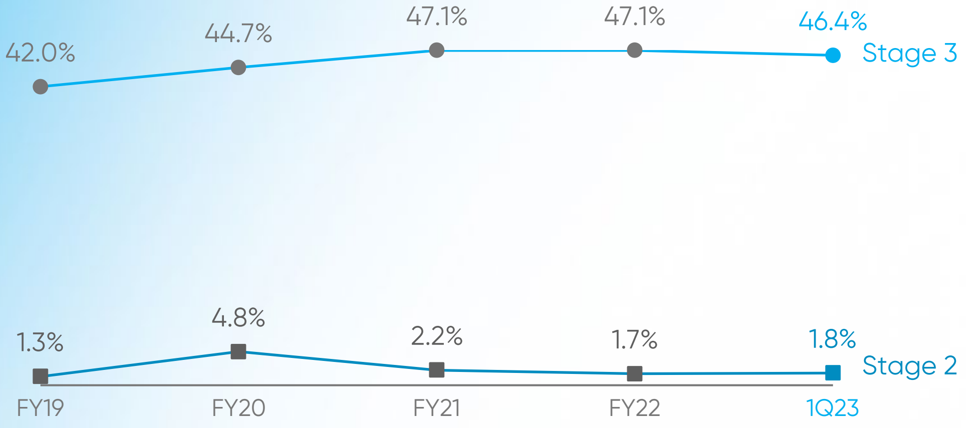


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Cover ratios

Cover ratio | by IFRS9 ECL Stage*

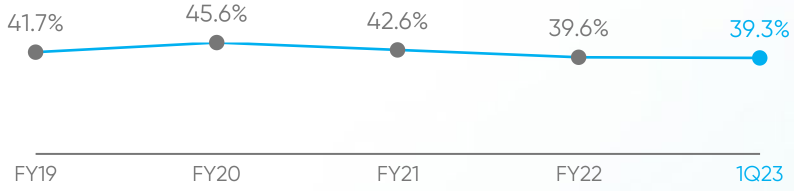
in %



- The q-o-q decrease of the **Stage 3 cover ratio** in business unit International Markets is driven mainly by write-off of stage 3 files with above average cover ratio in Bulgaria and Hungary
- As of 2021, the decline of the **Stage 2 cover ratio** resulted mainly from collective shifts to Stage 2 (linked to the geopolitical and emerging risks, partly compensated in 2Q22 by the full release of the collective transfer of Covid)

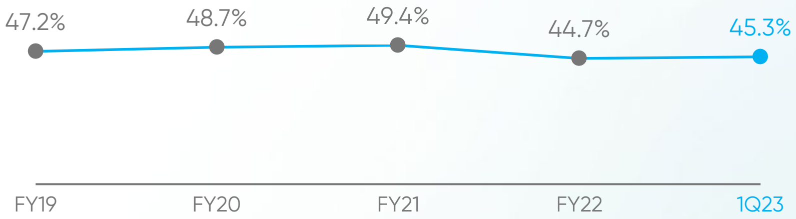
Stage 3 cover ratio | Belgium BU

in %



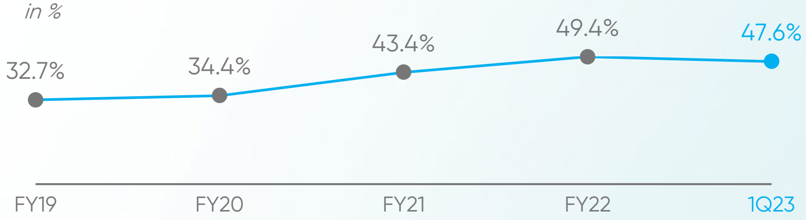
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

in %

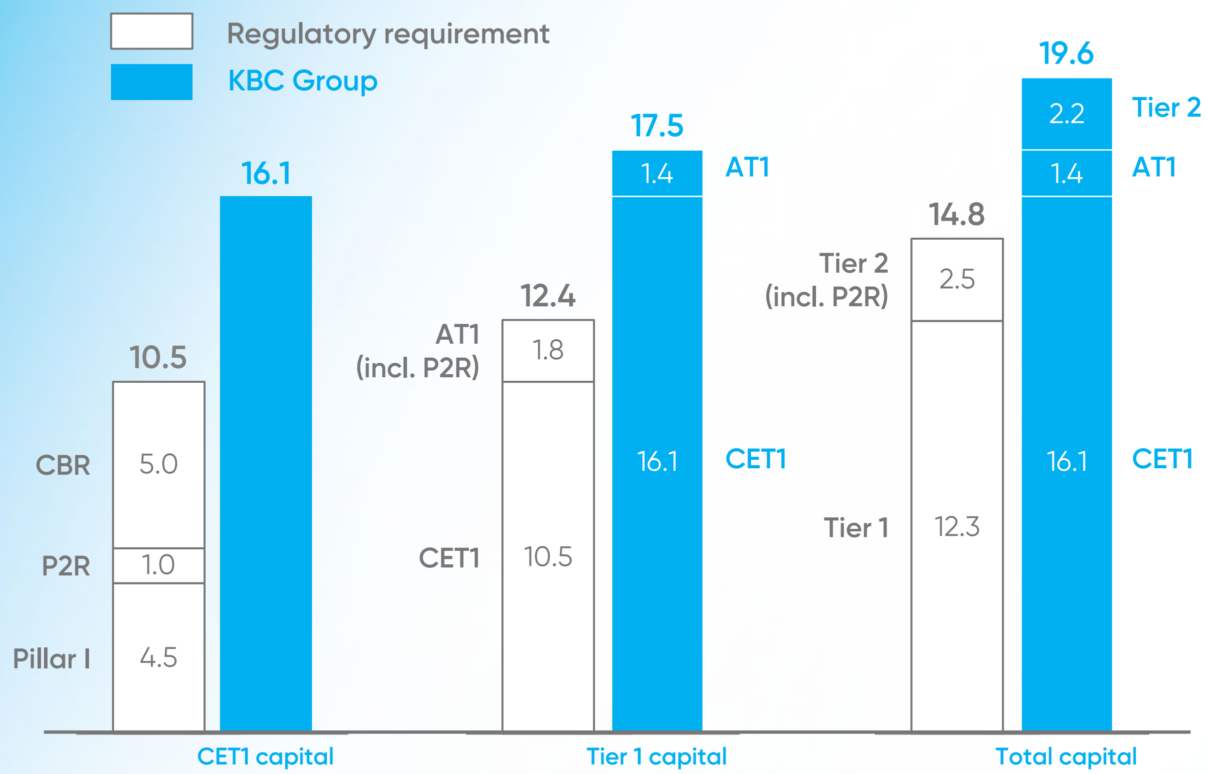


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Solvency, liquidity & funding | Strong capital position with substantial buffer to MDA

Capital requirements and distance to Maximum Distributable Amount (MDA) restrictions as at 31MAR23 (fully loaded, B3)

in %



Fully loaded B3 common equity ratio amounted to 16.1% at the end of 1Q23 based on the Danish Compromise. The ratio includes a positive impact of 0.9% pt. as a result of the sale of the Irish loan and deposit portfolios to Bank of Ireland Group.

- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 46bps for Tier 2
- **CBR 4.98% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  0.78% Countercyclical buffer
  0.20% Systemic risk buffer
- **MDA 11.3%**
  i.e. the net of the CET1 ratio (16.1%) and the MDA buffer (4.8%)

Total distributable items (under Belgian Gaap) KBC Group 8.4bn EUR at 1Q23, of which:

- Available reserves: 949m EUR
- Accumulated profits: 7 255m EUR

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.5% 1Q23
5.3% FY22

Q-o-q increase of the leverage ratio due mainly to higher CET1 capital and lower other assets (mainly due to closing sale in IRL)

Note that as of 1Q22, interim profit is recognised (based on 50% profit accrual)

Liquidity ratios | KBC Group

in %

LCR
152% 1Q23
152% FY22

NSFR
139% 1Q23
136% FY22

Both LCR* and NSFR** were well above the regulatory requirement of 100% due to a strong growth in customer funding and the participation to TLTRO III

Solvency II ratio | KBC Group

in %

Solvency II ratio
207% 1Q23
203% FY22

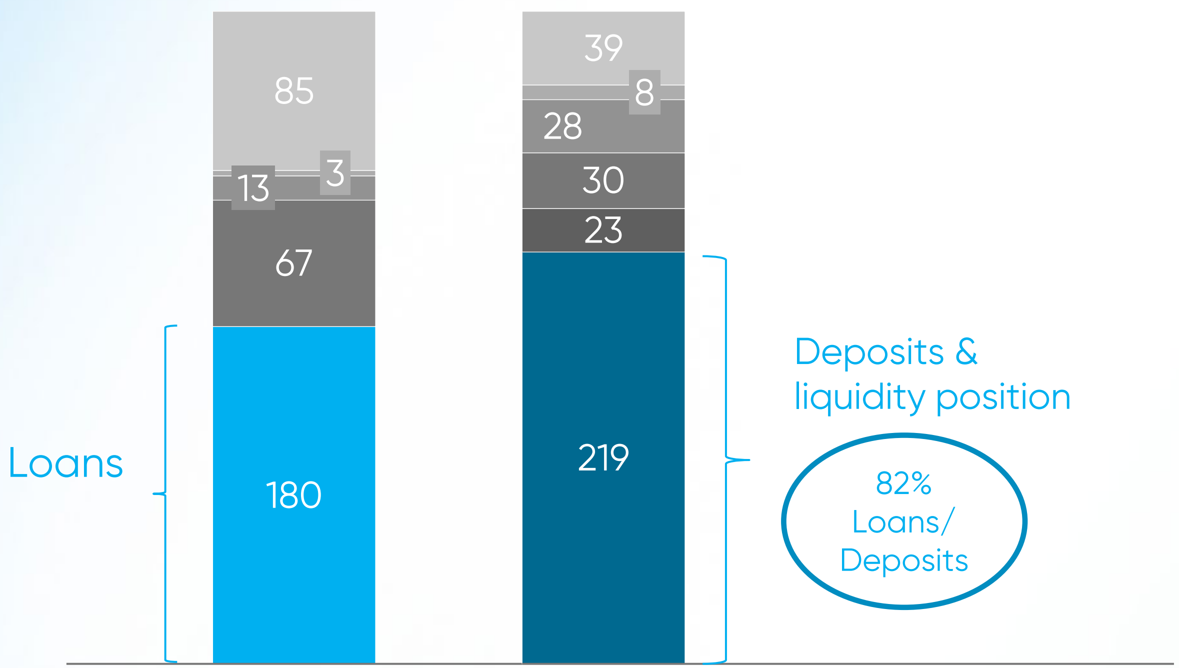
The q-o-q delta (+4pp) in the Solvency II ratio was driven mainly by a decrease of the EUR interest rate curve (especially on the shorter term), partly offset by the negative impact of higher equity markets

* Net Stable Funding Ratio (NSFR) is based on KBC Bank's interpretation of the proposal of CRR amendment.
** Liquidity Coverage ratio (LCR) is based on the Delegated Act requirements. From EOY2017 onwards, KBC Bank discloses 12 months average LCR in accordance with EBA guidelines on LCR disclosure.

KBC Group consolidated balance sheet

347bn EUR Total balance sheet

End of 1Q23



- Other (incl. non-current assets HFS and discontinued operations, interbank loans, reverse repos, property & equipment etc…)
- Trading assets
- Insurance investment contracts
- Investment portfolio (equity and debt securities)
- Loan book (loans and advances to customers)

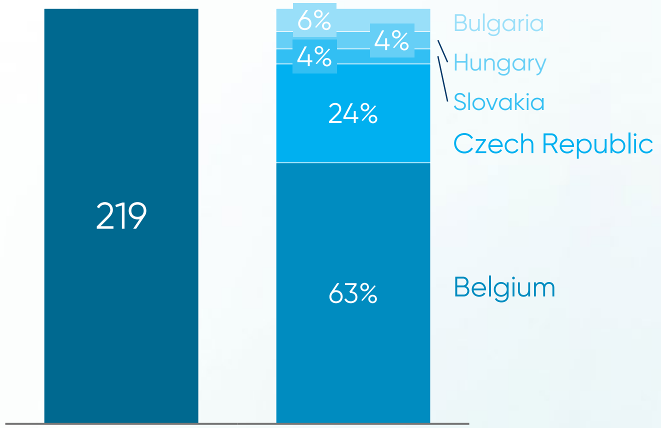
- Other (incl. liabilities associated with disposal groups, interbank deposits, etc…)
- Trading liabilities
- Insurance related liabilities
- Other MREL instruments and debt certificates
- Equity (including AT1)
- Deposits from customers

219bn EUR deposits from customers

End of 1Q23

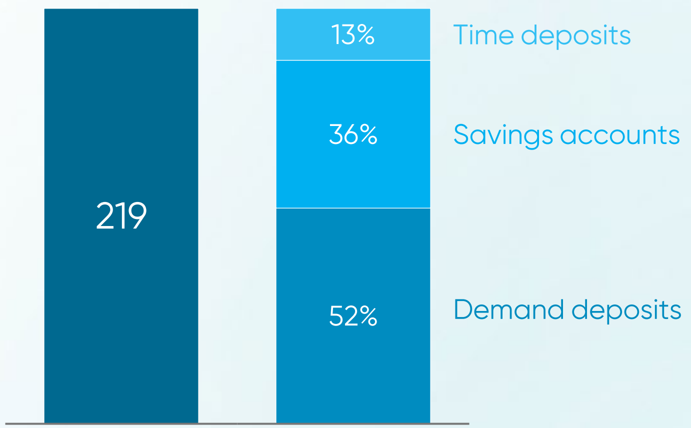
by core countries

as % of total deposits from customers



by product type

as % of total deposits from customers

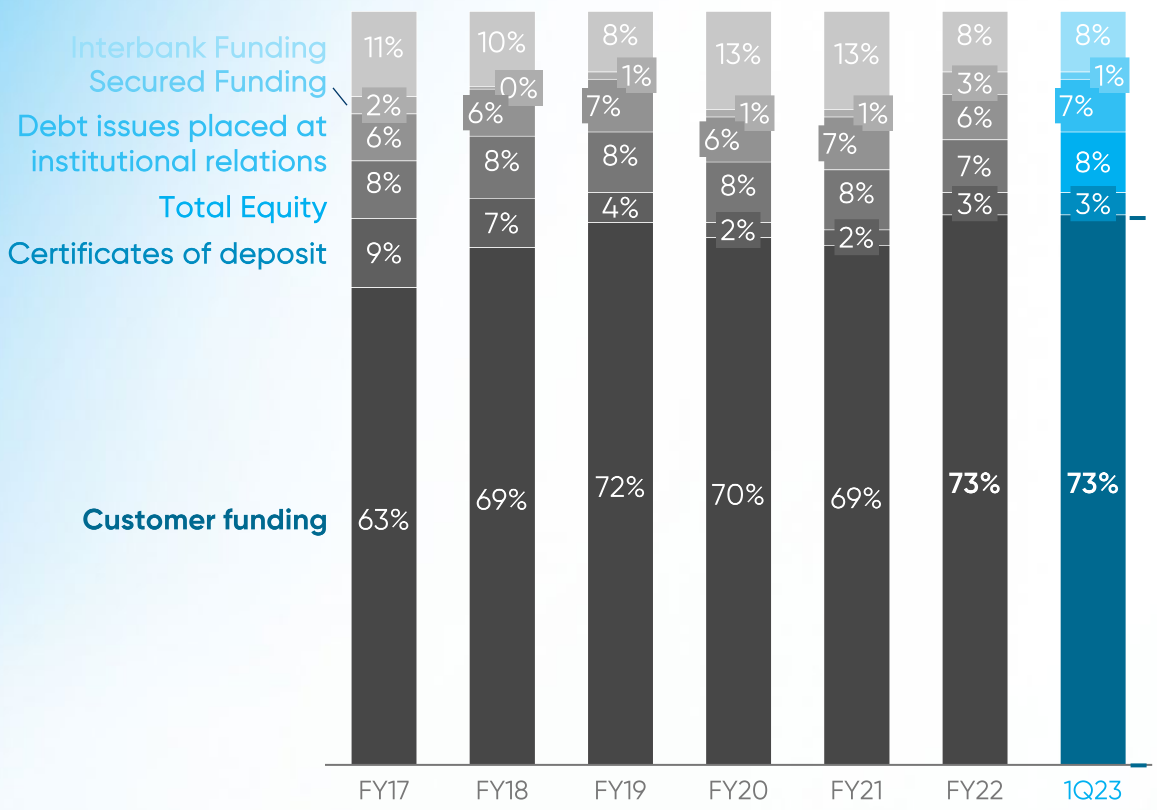


Strong and growing customer funding base

- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Stable % in customer funding** compared to balance sheet total (but net growth in customer funding in absolute terms)
- KBC **Bank participated to the TLTRO III** for a remaining exposure of 13.4bn EUR which is reflected in the 'Interbank Funding' item below

Funding base

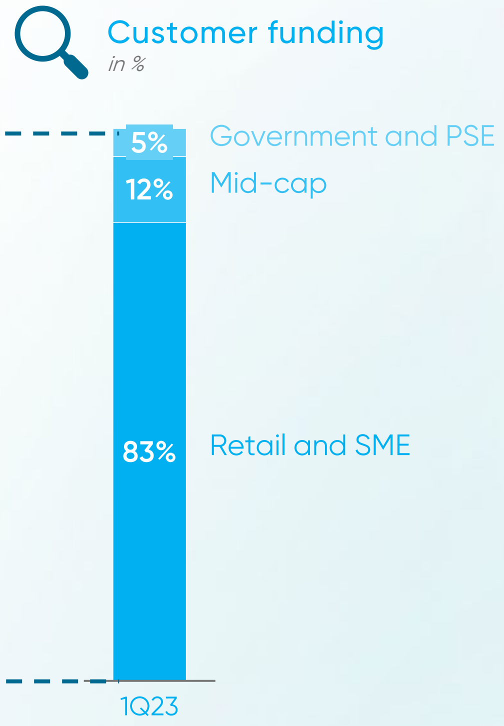
in %



50% of total customer deposits are covered by the Deposit Guarantee Fund

Customer funding

in %

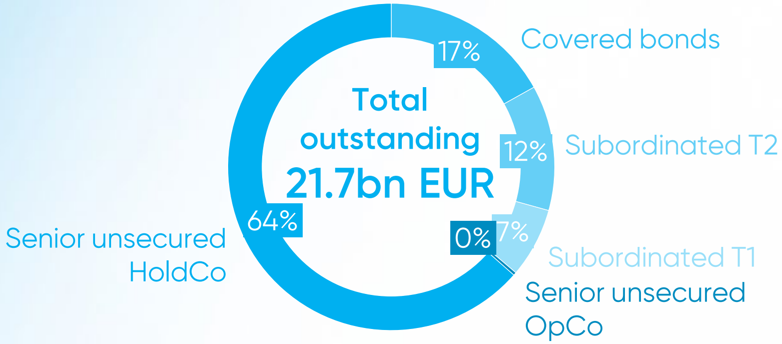


Upcoming mid-term funding maturities

Total outstanding | 1Q23

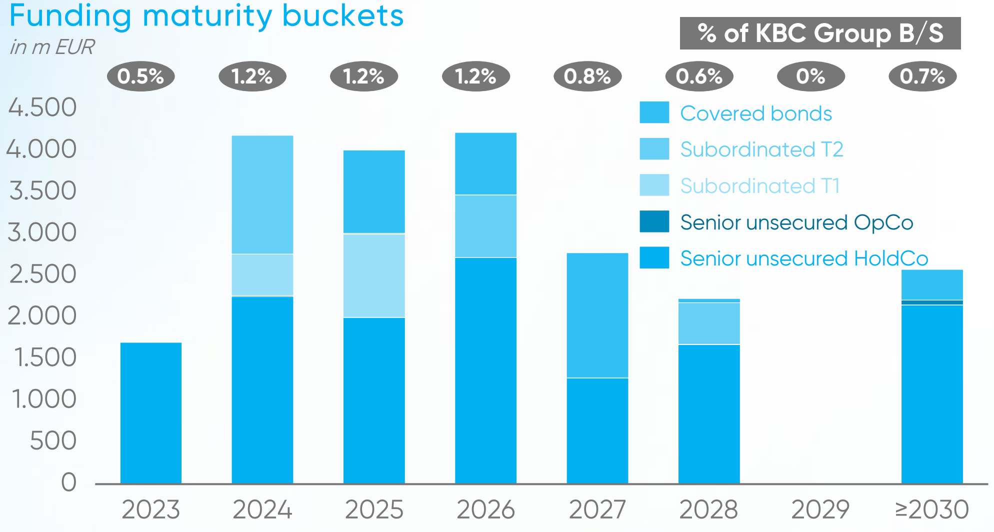
in %

KBC Bank has **6 solid sources of long-term funding**: (i) Retail term deposits, (ii) Retail EMTN, (iii) Public benchmark transactions, (iv) Covered bonds, (v) Structured notes and covered bonds using the private placement format, and (vi) Senior unsecured, T1 and T2 capital instruments issued at KBC Group level and down-streamed to KBC Bank



Funding maturity buckets

in m EUR



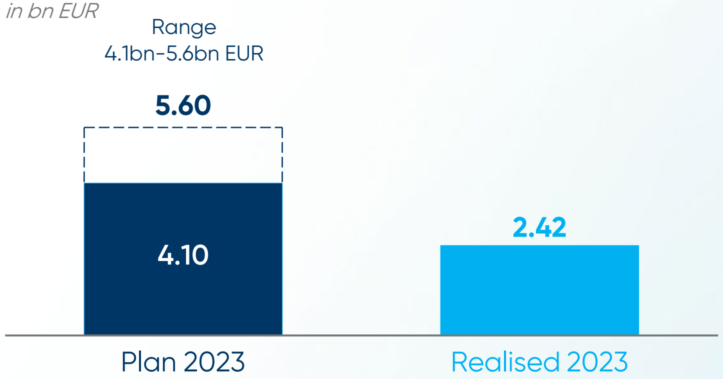
Funding program | 1Q23

- In **January 2023**, KBC Group issued a senior Holdco benchmark for an amount of 1bn USD with a 6-year maturity callable after 5 years.
- In **January 2023**, KBC Group issued a subordinated Tier 2 benchmark of 500m EUR with a 10.25 years maturity callable after 5.25 years.
- In **February 2023**, KBC Bank issued a covered bond for an amount of 1bn EUR with a 4-year maturity

Funding program | Expected MREL funding

(incl. capital instruments)

in bn EUR



We aim to issue 1 green/social bond per year

Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

In **April 2023**, KBC Group issued a senior Holdco benchmark of 1bn EUR with a 7-year maturity callable after 6 years.

Above resolution requirements of 1Q23 in terms of MREL

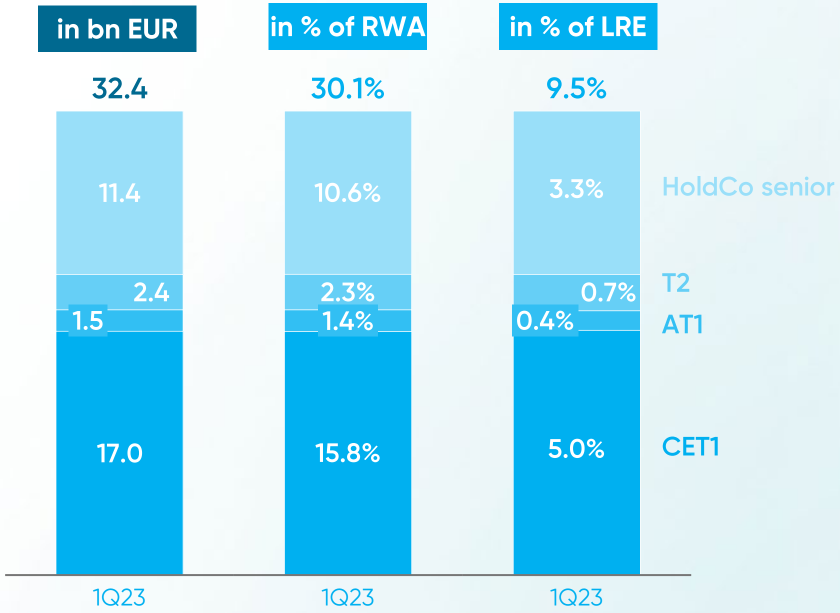
MREL targets

- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- **In April 2023, the SRB communicated updated MREL targets** (under BRRD2) for 01-01-2024, expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **new binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - **27.90% of RWA** as from 01-01-2024 (including CBR[1] of 4.98% as from 1Q2023), with an intermediate target as from 01-01-2022, reaching 26.60% at YE2023 (including CBR[2] of 4.97%)
  - **7.38% of LRE** as from 01-01-2024, with an intermediate target of 7.34% of LRE as from 01-01-2022

1. Combined Buffer Requirement as of 01-01-2024 = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.78%) + Systemic Risk Buffer (0,20%)
2. Combined Buffer Requirement at YE 2023 = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.77%) + Systemic Risk Buffer (0,20%)

MREL actuals

- The **MREL ratio in % of RWA** increased from 27.5% in 4Q22 to 30.1% in 1Q23. This is driven mainly by the issuance of a Tier-2 instrument, an increase of the CET1 capital and a decrease of RWA
- The **MREL ratio in % of LRE** increased from 8.7% in 4Q22 to 9.5% in 1Q23, driven by the increase of the available MREL and a decrease of the leverage ratio exposure



KBC has strong buffers cushioning senior debt at all levels

Buffers for senior level debt at KBC Group, KBC Bank & KBC Insurance

in m EUR

KBC Group

Senior
11 449

Tier 2
2 680

Additional Tier 1
1 500

CET1 (transitional)
17 048

Buffer for Sr. level 21.2 bn EUR

KBC Bank

Subordinated on loan by KBC Group
11 449

Tier 2
2 180

Additional Tier 1
1 500

CET1 (transitional)
13 912

Buffer for Sr. level 29.0bn EUR

KBC Insurance

Tier 2
500

Parent shareholders equity
3 509

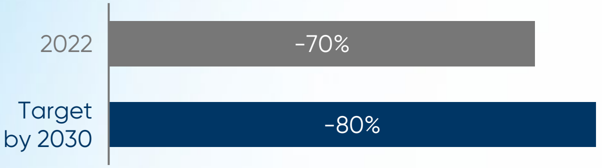
Direct environmental impact: our progress in brief

DIRECT environmental footprint (FY 2022)

- In 2020, we set more stringent ambitions to reduce the GHG emissions resulting from our own operations
- Furthermore, we included commuter travel in our target scope, as we aim to green our policy on employee mobility
- For the second consecutive year, we reached net-climate neutrality by offsetting our residual direct emissions
- Additionally, we committed to increasing our own green electricity consumption to 100% by 2030. The goal was already reached in 2021.

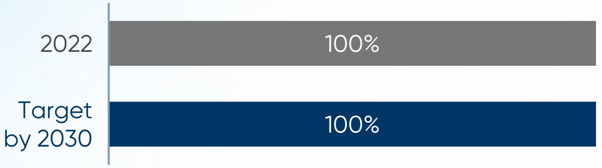
Reduction in our direct GHG emissions

reduction compared to 2015

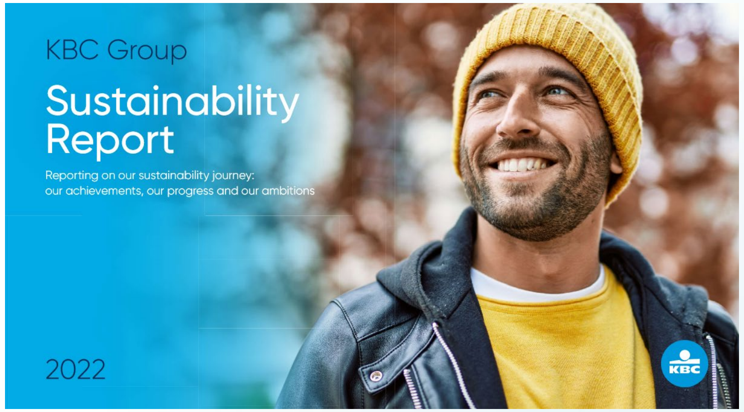


Renewable electricity

in % of own electricity consumption



More details in our 2022 Sustainability Report



More details in our 2022 Climate Report

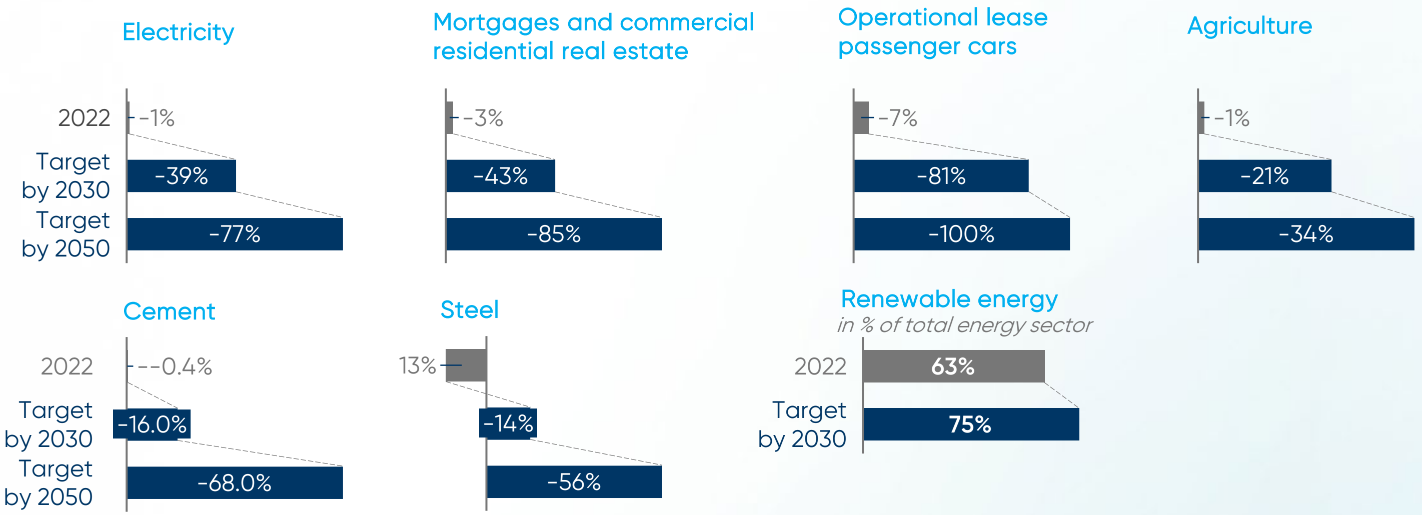
Indirect environmental impact: our progress in brief

INDIRECT environmental footprint (FY 2022)

- We refer to our Collective Commitment to Climate Action (CCCA) and the subsequent publication of our Climate Report at the end of September 2022
- Containing stringent decarbonisation targets for the sectors that cover the majority of our lending portfolio and related GHG emissions (56%) and clear targets for KBC Asset Management's Responsible Investing (RI) funds
- The baseline of the various targets and the actuals have been externally assured

Loan portfolio (selection of sectors)

reduction compared to 2021 baseline, otherwise indicated



Asset management funds

reduction compared to 2021 baseline, otherwise indicated

KBC Green Bond framework and issuances

Aligned with best practices and market developments

- **The KBC Green Bond Framework** is in line with the Green Bond Principles (2017)
- Second party opinion provided by Sustainalytics and Pre-issuance-certification by the Climate Bonds Initiative
- KBC intends to align its Green Bond Framework with emerging good practices, such as a potential European Green Bond Standard or other forthcoming regulatory requirements and guidelines
- For details of the KBC green bond framework, we refer to kbc.com: *https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html*

- **In the context of the Green Bond**, KBC allocated the proceeds to three green asset categories: **renewable energy (share of 49%) and residential real-estate loans (share of 51%).**
- For future transactions, in cooperation with the relevant business teams, KBC aims to capture more green assets from other categories and expand the green eligibility to more business lines and clients.

Certification

- The Climate Bonds Standard Board approved the certification of the KBC Green Bonds

Verification

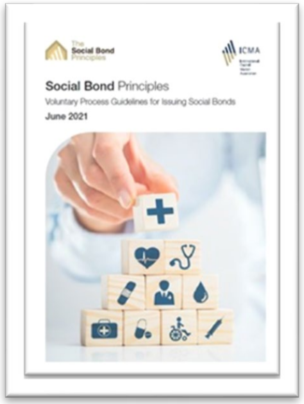
- One year after issuance and until maturity, a limited assurance report on the allocation of the Green Bond proceeds to Eligible Assets to be provided by an external auditor
- See latest impact report as of EOY 2022 available on kbc.com:

KBC GREEN BOND 2018 – ASSETS & IMPACT	Renewable energy	Green buildings
Allocated amount	187.9m EUR	312.1m EUR
Electricity produced/energy saved	378,038 mWh	28,895 mWh
Avoided CO_2 emissions	56,399 tonnes	5,371 tonnes
KBC GREEN BOND 2020 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated amount	242.9m EUR	257.1m EUR
Electricity produced/energy saved	508,072 mWh	23,800 mWh
Avoided CO_2 emissions	104,362 tonnes	4,424 tonnes
KBC GREEN BOND 2021 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated amount	426.4m EUR	323.6m EUR
Electricity produced/energy saved	695,326 mWh	29,961 mWh
Avoided CO_2 emissions	103,736 tonnes	5,570 tonnes

KBC Social Bond framework and issuances

Aligned with best practices and market developments

- By adding the social aspect to its funding mix, KBC Bank can further enhance its ability to finance social projects and increase its positive social impact on society
- **The KBC Social Bond Framework** is aligned with ICMA's Social Bond Principles (2021).
- Second party opinion provided by Sustainalytics (May 2022)
- Information pertaining to the Social Bond Framework can be found on kbc.com: https://www.kbc.com/en/investor-relations/debt-issuance/kbc-social-bond.html



First financial institution in Belgium

- **KBC Group was the first financial institution in Belgium to issue a Social Bond** (18th of August 2022)
- The first issuance has been 100% allocated to the hospital sector

Clear Social Bond governance

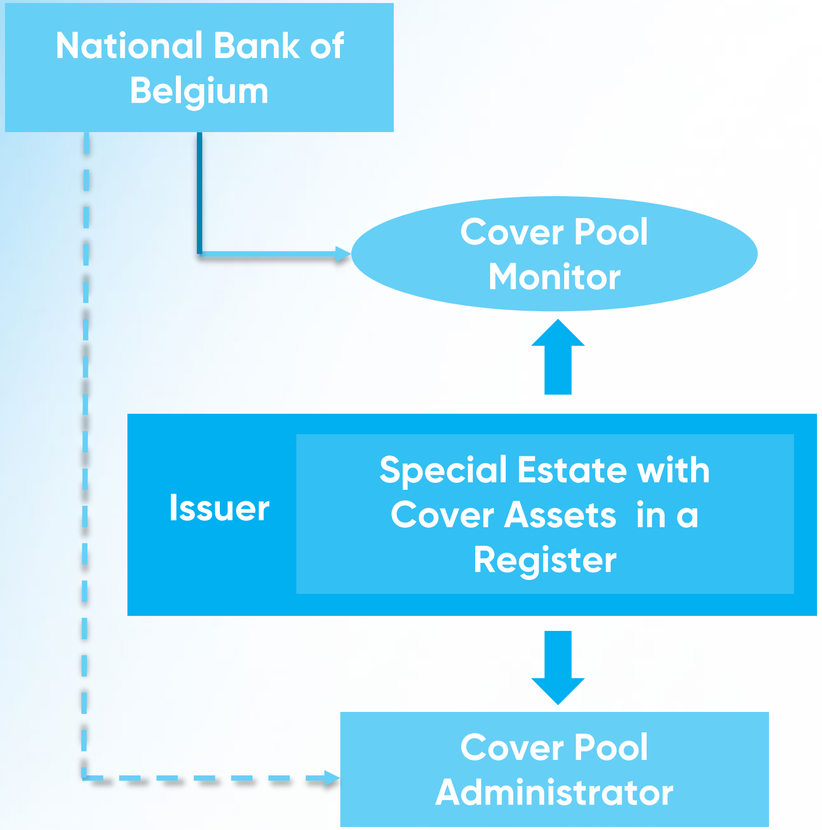
Use of proceeds	Social Bond Eligible Assets include financing in Belgium in the following categories: • **Access to Essential Services – Education** • **Access to Essential Services - Health** • **Affordable Housing** • **Employment Generation**
Process for evaluation & selection	**KBC's Green and Social Bond Committee** is an important part of the selection process for Social Bond Eligible Assets . The Committee's responsibilities include approval of asset inclusion in the Social Bond Portfolio, approval of annual reporting and updating the Framework if required
Management of proceeds	• KBC intends to exclusively **allocate** an amount equivalent to the net social bond **proceeds to a social bond portfolio of Eligible Assets** • Allocated Eligible Assets to be individually identified in KBC's internal information systems and monitored on a quarterly basis
Reporting	**Social Report** will be published annually and will include: • **Allocation of Proceeds,** including a limited assurance report • various **output indicators** of the allocated Eligible Assets • See latest Social report as of EOY 2022 available on kbc.com

Covered bond programme | Overview

The covered bond programme is considered as an important funding tool for the treasury department.
KBC's intentions are to be a frequent benchmark issuer if markets and funding plan permit.

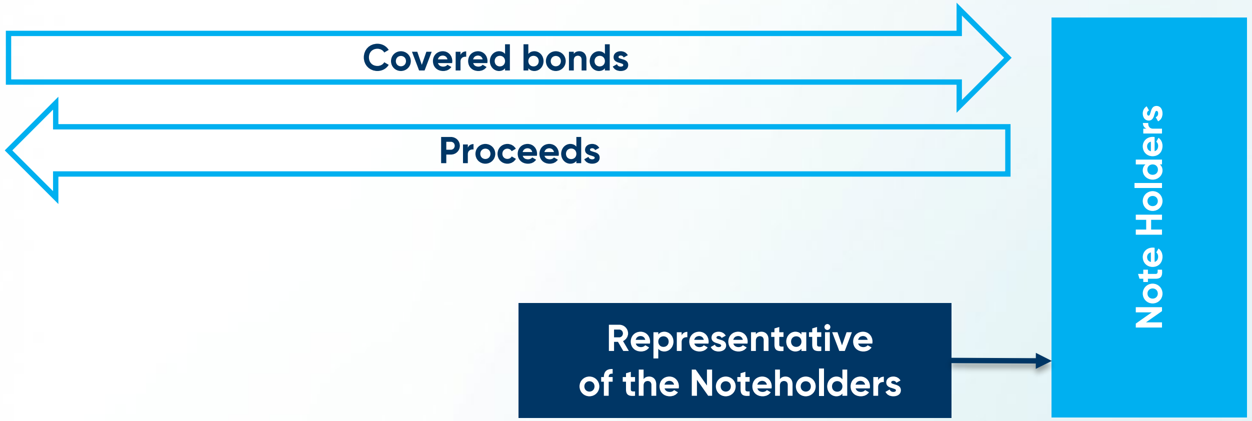
Issuer	KBC Bank NV
Main asset category	Minimum 105% of covered bond outstanding is covered exclusively by residential mortgage loans and collections thereon • Branch originated prime residential mortgages predominantly out of Flanders • Selected cover assets have low average LTV (62.6%) and high seasoning (56 months) • Disciplined origination policy
Programme size	**17.5bn EUR | Outstanding amount of 12.17 bn EUR**
Interest rate	Fixed rate, floating rate or zero coupon
Maturity	• Soft bullet: payment of the principal amount may be deferred past the final maturity date until the **extended final maturity date** if the issuer fails to pay • Extension period is 12 months for all series
Events of default	• Failure to pay any amount of principal on the extended final maturity date • A default in the payment of an amount of interest on any interest payment date
Rating agencies	• Moody's — Aaa — 10% over-collateralisation • Fitch — AAA — 4% over-collateralisation

Covered bond programme | Belgian legal framework



Belgian legal framework

- Direct covered bond issuance from a bank's balance sheet
- Dual recourse, including recourse to a special estate with cover assets included in a register
- The special estate is not affected by a bank's insolvency
- Requires licenses from the **National Bank of Belgium (NBB)**
- Ongoing supervision by the NBB
- The **cover pool monitor** verifies the register and the portfolio tests and reports to the NBB
- The NBB can appoint a cover pool administrator to manage the special estate



Covered bond programme | Strong legal protection mechanisms

Several legal protection mechanisms are in place:

1 Collateral type	**The value of one asset category must be at least 85% of the nominal amount of covered bonds** ✓ KBC Bank exclusively selects residential mortgage loans and commits that their value (including collections) will be at least 105%
2 Over-collateralisation test	**The value of the cover assets must at least be 105% of the covered bonds** The value of residential mortgage loans: 1) Is limited to 80% LTV 2) Must be fully covered by a mortgage inscription (min 60%) plus a mortgage mandate (max 40%) 3) 30-day overdue loans get a 50% haircut and 90% overdue (or defaulted) get zero value
3 Amortisation test	**The sum of interest, principal and other revenues of the cover assets must at least be the interest, principal and costs relating to the covered bond**
4 Liquidity test	**Cover assets must generate sufficient liquidity or include enough liquid assets to pay all unconditional payments on the covered bonds falling due the next 6 months**
5 Stress testing	**Quarterly stress testing on all Cover tests and Liquidity test** 1) Interest rate shifts of +200bps/-200bps combined with stressed prepayments rates 2) Decreases in credit quality of the borrowers
6 No cap on issuance	**Currently no issuance limit for KBC Bank NV.** Supervisor monitors the TLOF ratio (min 8%) and the encumbrance ratio and has the possibility to limit the issuance volume in order to protect KBC's other creditors.

Looking forward

Economic outlook

- The **low GDP growth in the euro area** early this year is expected to persist in the remainder of 2023, likely caused by persistent effects of the energy crisis and of the tightening of the ECB's monetary policy
- The main risks to our short-term outlook for European growth relate to the persistence of underlying core inflation (excluding food and energy), and the uncertainty regarding the timing and impact of the monetary policy tightening response by the ECB and, more broadly, by the Fed. Other major risks relates to elevated real estate valuations and high levels of debt in the context of tightening financing conditions worldwide.

Group guidance* under IFRS17 | 2023 (as provided with FY22 results)

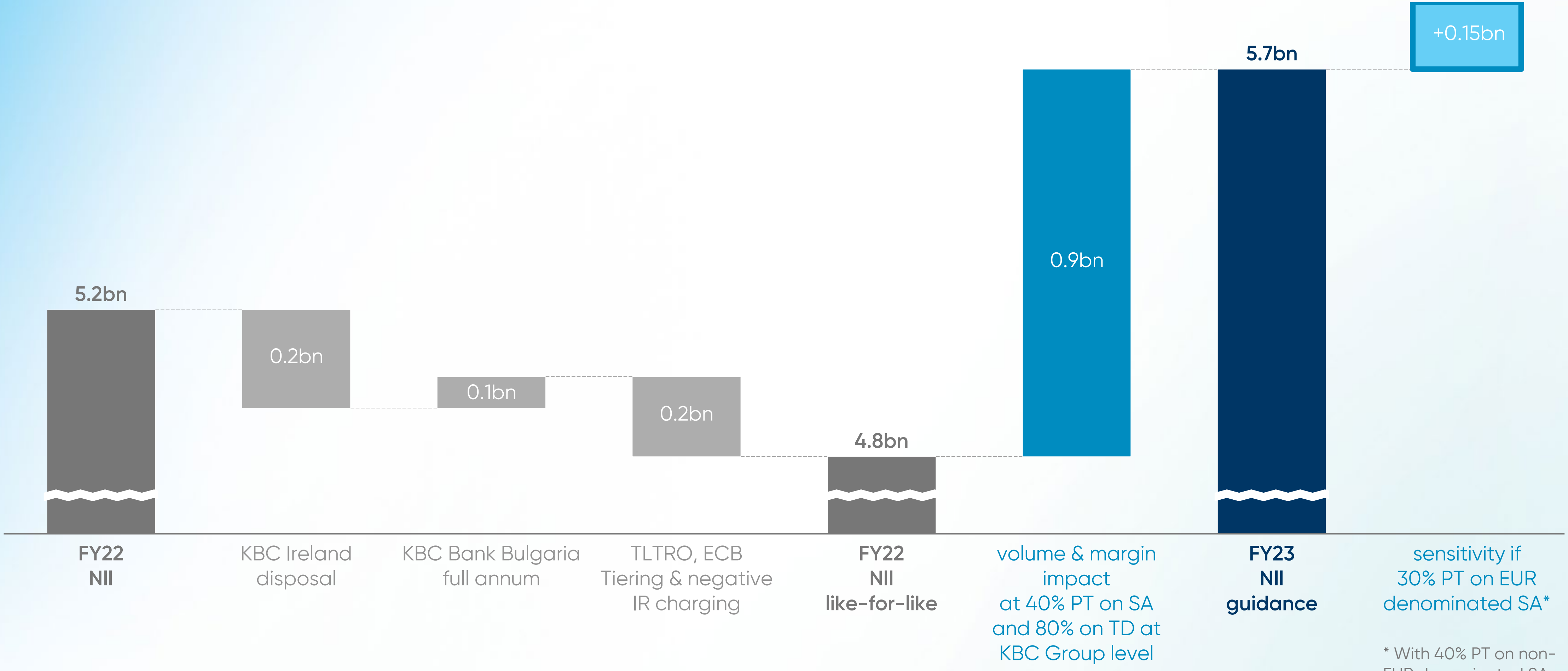
- Our **FY23 total income guidance** stands at **11.15bn EUR ballpark figure** (including a 0.4bn EUR positive one-off effect upon closing of substantially all of KBC Bank Ireland's performing loan assets and its deposit book), of which **5.7bn EUR ballpark for NII**
- **FY23 opex (excluding bank & insurance taxes) and insurance commissions** is estimated at **4.75bn EUR ballpark figure**
- The **credit cost ratio for FY23** is estimated at **20-25bps** (below the through-the-cycle CCR of 25-30bps), excluding any movement in the ECL buffer

* Our Group guidance for 2023 is **based on the market forward rates of 3 February 2023** (for ST & LT interest rates). We took into account a pass-through rate of 40% on saving accounts and 80% on term deposits at KBC Group level. Loan volume growth in 2023 is estimated at roughly 3-4% y-o-y. Note that on 18 April 2023, the guidance has been translated from IFRS 4 to IFRS 17

2023 NII sensitivity

NII evolution with pass-through sensitivity

in bn EUR; PT = Pass-Through rate; SA = Savings Accounts; TD = Term Deposits



* With 40% PT on non-EUR denominated SA and 80% on TD

Long-term / 3-year financial guidance (as provided with FY22 results)

3-year financial guidance*

CAGR total income ('22-'25)	± 7.3%	by 2025
CAGR OPEX (excl. bank & ins. Taxes) and insurance commissions ('22-'25)	± 2.3%	by 2025
Combined ratio	≤ 92%	as of now
Surplus capital **	> 15%	as of now

Jaws
±5.0%

C/I ratio excl. BIT
±39%

* Our long-term financial guidance is **based on the market forward rates of 3 February 2023** (for ST & LT interest rates). We took into account a pass-through rate of 40% on savings accounts and 80% on term deposits at KBC Group level. Note that on 18 April 2023, the guidance has been translated from IFRS 4 to IFRS 17
** Fully loaded CET1 ratio, Danish Compromise

Long-term financial guidance

Credit cost ratio	25-30 bps	through-the-cycle

Regulatory requirements

Overall capital requirement (OCR)*	≥ 11.34%	by 2023
MREL as a % of RWA**	≥ 27.90%	by 2024
MREL as a % of LRE**	≥ 7.38%	by 2024
NSFR	≥ 100%	as of now
LCR	≥ 100%	as of now

* Excluding Pillar 2 guidance of 100 bps
** In December 2022, the SRB communicated the updated draft MREL targets (under BRRD2) for 01-01-2024 in % of RWA and in % of LRE

Annex 1 | Summary of the different business units' performance

	KBC Group	Belgium BU	Czech Republic BU	Slovakia (International Markets BU)	Hungary (International Markets BU)	Bulgaria (International Markets BU)	Group Centre BU
1Q23 Net result (in million euros)	882m	299m	184m	24m	32m	51m	291m
1Q23 ROAC (in %)	27%	15%	34%	13%	13%	22%	
Allocated capital (in %)		61%	17%	6%	8%	7%	2%
Loans* (in billion euros) (y-o-y organic** growth loans)	180bn (+6%)	117bn (+5%)	37bn (+4%)	11bn (+14%)	6bn (+20%)	9bn (+15%)	
Deposits*** (in billion euros) (y-o-y organic** growth deposits)	219bn (+3%)	138bn (+3%)	52bn (+6%)	8bn (+7%)	9bn (-4%)	12bn (+6%)	
Branches (end 1Q23)		441	200	110	195	262	
Clients (end 1Q23)	13m	3.9m	4.3m	0.8m	1.6m	2.2m	

Note that 1Q23 included 351m EUR from KBC Bank Ireland, which reflects the impact of the sale of substantially all of KBC Ireland's performing loan assets and deposits in addition to a small portfolio of non-performing mortgages and credit card balances (announced on 3 Feb 2023).

* Loans to customers, excluding reverse repos (and bonds), including Raiffeisenbank Bulgaria
** Growth figures are excluding FX, consolidation adjustments and reclassifications
*** Customer deposits, excluding debt certificates and repos, including Raiffeisenbank Bulgaria

Annex 2 | Outstanding benchmarks as at end of April 2023

Additional tier I securities

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity	Trigger	Level
KBC Group	EUR	BE0002592708	1,000	4.250%	M/S+359,4bps	24/04/2018	24/10/2025	Perpetual	Temporary write-down	0.05125
KBC Group	EUR	BE0002638196	500	4.750%	M/S+468,9bps	5/03/2019	5/03/2024	Perpetual	Temporary write-down	0.05125

Tier II securities

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity date	Tenor	Trigger
KBC Group	EUR	BE0002290592	500	1.625%	M/S +125bps	18/09/2017	18/09/2024	18/09/2029	12YNC7	regulatory + tax call
KBC Group	EUR	BE0002664457	750	0.500%	M/S+110bps	3/09/2019	3/12/2024	3/12/2029	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002819002	750	0.625%	M/S+95bps	7/09/2021	7/12/2026	7/12/2031	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002914951	500	4.875%	M/S+225bps	24/01/2023	25/04/2028	25/04/2033	10.25NC5.25	regulatory + tax call

Senior HoldCo

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Maturity date	Tenor
KBC Group	EUR	BE0002266352	750	0.750%	M/S +65bps	18/10/2016	18/10/2023	7y
KBC Group	EUR	BE0002602804	500	0.875%	M/S +72bps	27/06/2018	27/06/2023	5y
KBC Group	EUR	BE0002631126	750+250	1.125%	M/S +95bps	25/01/2019	25/01/2024	5y
KBC Group	EUR	BE0002645266	500	0.625%	M/S +60bps	10/04/2019	10/04/2025	6y
KBC Group	EUR	BE0002681626	500	0.750%	M/S +65bps	24/01/2020	24/01/2030	10y
KBC Group	EUR	BE0974365976	500	0.500%	M/S +72bps	16/06/2020	16/06/2027	7NC6
KBC Group	EUR	BE0002728096	750	0.125%	M/S +60bps	3/09/2020	3/09/2026	6NC5
KBC Group	EUR	BE0002766476	750	0.125%	M/S+60bps	14/01/2021	14/01/2029	8NC7
KBC Group	EUR	BE0002799808	500 + 200	0.750%	M/S+65bps	31/05/2021	31/05/2031	10y
KBC Group	GBP	BE0002820018	400	1.250%	M/S+52bps	21/09/2021	21/09/2027	6y
KBC Group	EUR	BE0002832138	750	0.250%	M/S+47bps	1/12/2021	1/03/2027	5.25NC4.25
KBC Group	EUR	BE0002839208	750	0.750%	M/S+70bps	21/01/2022	21/01/2028	6NC5
KBC Group	EUR	BE0002846278	750	1.500%	M/S+90bps	29/03/2022	29/03/2026	4NC3
KBC Group	EUR	BE0974423569	750	2.875%	M/S+125bps	29/06/2022	29/06/2025	3NC2
KBC Group	EUR	BE0002875566	750	3.000%	M/S+125bps	25/08/2022	25/08/2030	8y
KBC Group	GBP	BE0002879600	425	5.500%	M/S+158bps	20/09/2022	20/09/2028	6NC5
KBC Group	EUR	BE0002900810	1 000	4.375%	M/S+170bps	23/11/2022	23/11/2027	5NC4
KBC Group	USD	BE6340805124	1 000	5.796%	T+210bps	19/01/2023	19/01/2029	6NC5
KBC Group	EUR	BE0002935162	1 000	4.375%	M/S+138bps	19/04/2023	19/04/2030	7NC6

KBC Green Bond

KBC Social Bond

Annex 3 | KBC's covered bond programme characteristics

Portfolio data as of 31 March 2023

in EUR

Total Outstanding Principal Balance	16 145 304 848
Total value of the assets for the over-collateralisation test	14 899 105 014
No. of Loans	209 148
Average Current Loan Balance per Borrower	117 841
Maximum Loan Balance	1 114 811
Minimum Loan Balance upon selection	1 000
Number of Borrowers	137 009
Longest Maturity	321 months
Shortest Maturity	6 months
Weighted Average Seasoning	61 months
Weighted Average Remaining Maturity	184 months
Weighted Average Current Interest Rate	1.70%
Weighted Average Current LTV	61.08%
No. of Loans in Arrears (+30days)	230
Direct Debit Paying	99%

Interest rate type

in %

Fixed	83%
1 y / 1y	6%
3y / 3y	8%
5y / 5y	3%
10y / 5y	<1%
15y / 5y	<1%
20y / 5y	<1%

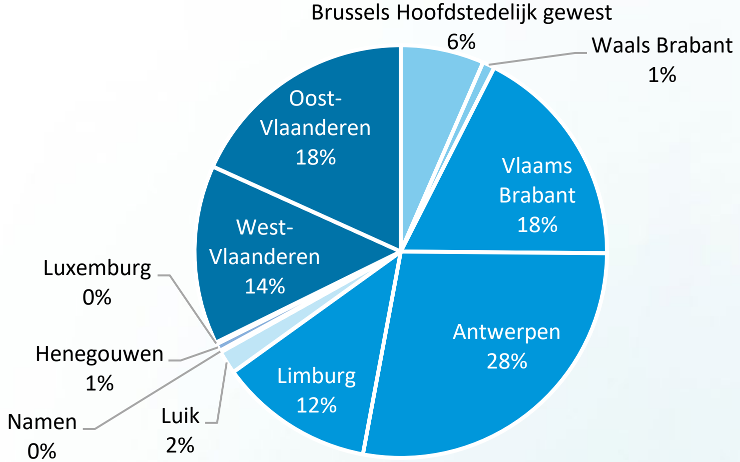
Repayment type

in %

Annuity	>99%
Linear	<1%

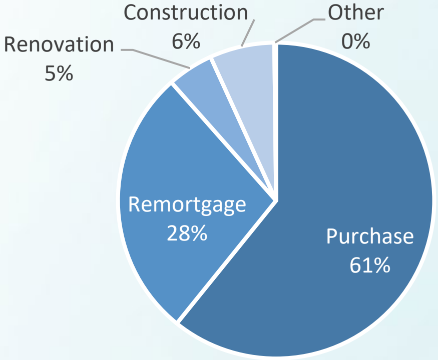
Geographical allocation

in %



Loan purpose

in %

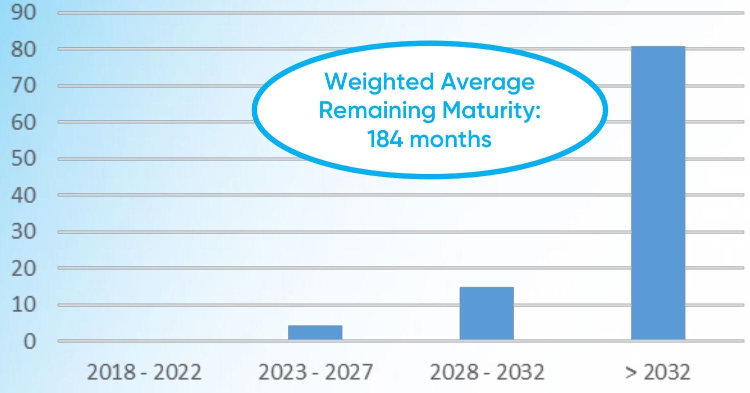


Investor reports, final terms and prospectus are available on www.kbc.com/covered_bonds

Annex 4 | Key cover pool characteristics

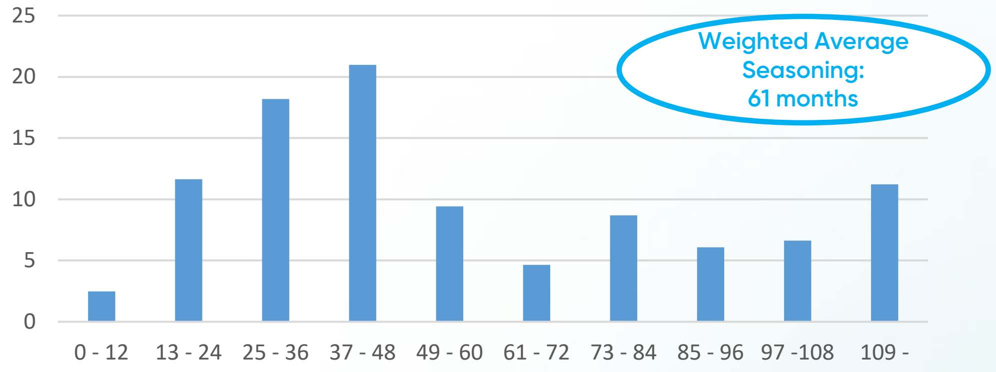
Final maturity date

in bn EUR



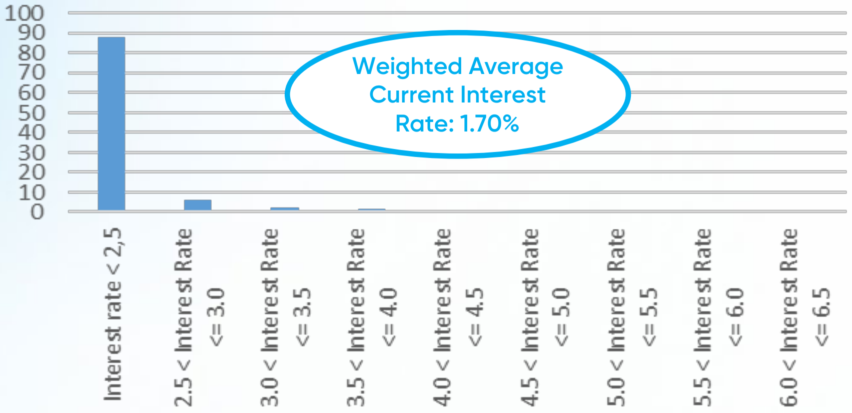
Seasoning

in bn EUR



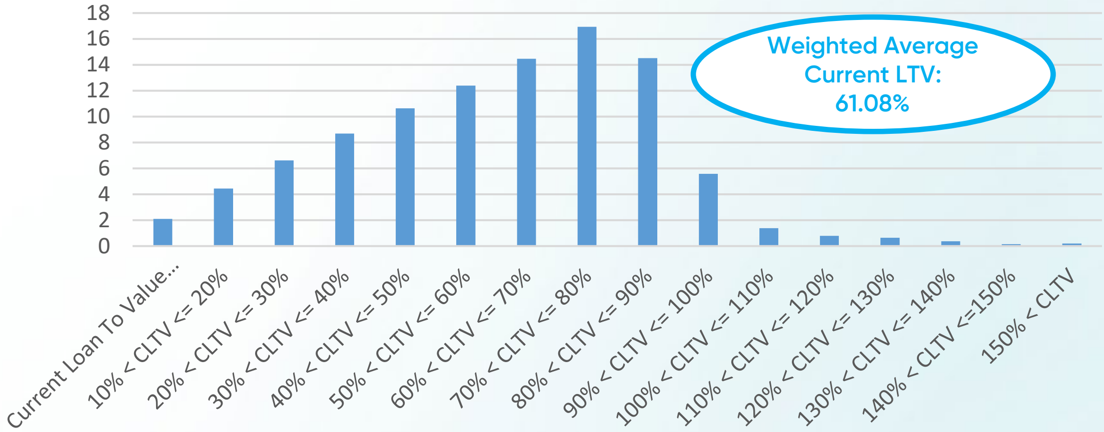
Interest rate

in bn EUR



Current LTV

in bn EUR

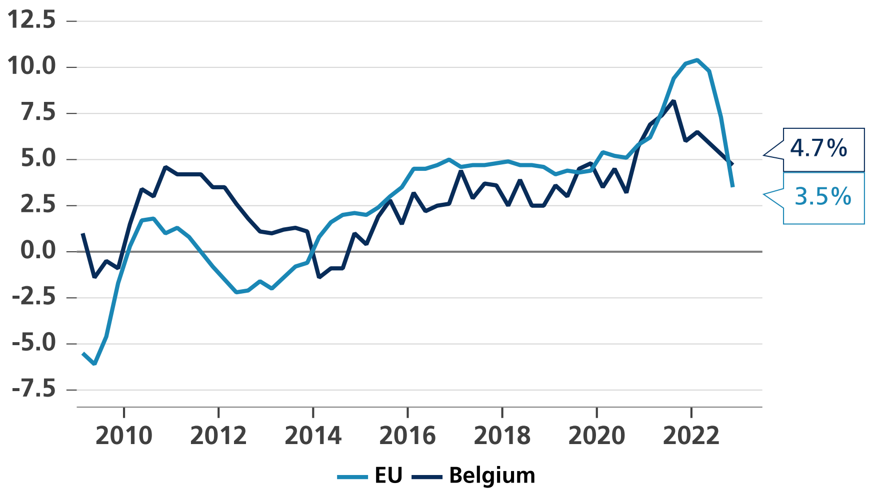


Annex 5 | Belgian real estate market – House price dynamics in Belgium are slowing down

The y-o-y house price increase slowed to 4.7% in Q4 2022, down from a peak of 8.2% in Q3 2021

Eurostat house price index

(total dwellings, year-on-year change, in %)

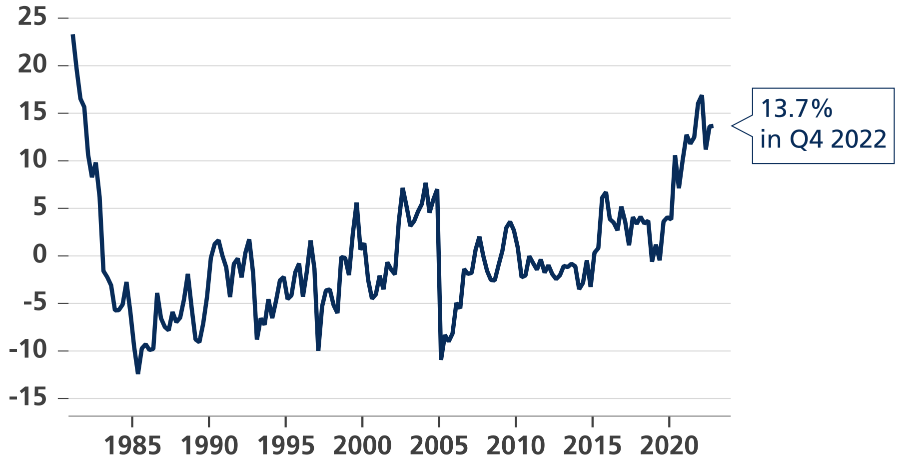


Source: KBC Economics based on Eurostat

The overvaluation of Belgian real estate is estimated at some 14% in Q4 2022

Belgium - Under-/overvaluation housing market

(in %, KBC econometric model) (*)



Source: own calculation KBC Economics

(*) Deviation from the 'fundamental price' as determined by household disposable income, mortgage interest rate, number of families and real estate taxation.

Glossary

B3 / B4	Basel III / Basel IV
Combined ratio (non-life insurance)	Short-term non-life insurance contracts: [claims and claim related costs net of reinsurance + costs other than claims and commissions] / [earned expected premiums received, net of reinsurance]
Common equity ratio	[common equity tier-1 capital] / [total weighted risks]
Cost/income ratio without banking and insurance tax (group)	[operating expenses of the group without banking and insurance tax + Insurance commissions paid] / [total income of the group]
Cost/income ratio adjusted for specific items or C/I ratio when excluding certain non-operating items	The numerator and denominator are adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments include (i) MtM ALM derivatives (fully excluded), (ii) bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) and (iii) one-off items
Credit cost ratio (CCR)	[annualised net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula.
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
ESFR	European Single Resolution Fund
FICOD	Financial Conglomerates Directive
Impaired loans cover ratio	[total stage 3 impairments on the impaired loan portfolio] / [part of the loan portfolio that is impaired (PD 10-11-12)]
Impaired loans ratio	[part of the loan portfolio that is impaired (PD 10-11-12)] / [total outstanding loan portfolio]
Leverage ratio	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
Liquidity coverage ratio (LCR)	[stock of high-quality liquid assets] / [total net cash outflow over the next 30 calendar days]
MREL	Minimum requirement for own funds and eligible liabilities
Net interest margin (NIM) of the group	[banking group net interest income excluding dealing room] / [banking group average interest-bearing assets excluding dealing room]
Net stable funding ratio (NSFR)	[available amount of stable funding] / [required amount of stable funding]
PD	Probability of default
Return on allocated capital (ROAC) for a particular business unit	[result after tax, including minority interests, of a business unit, adjusted for income on allocated capital instead of real capital] / [average capital allocated to the business unit]. The capital allocated to a business unit is based on risk-weighted assets for banking and risk-weighted asset equivalents for insurance
Return on equity	[result after tax, attributable to equity holders of the parent] / [average parent shareholders' equity]
TLAC	Total loss-absorbing capacity

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More information

• Company website	KBC
• Quarterly Report • Table of results (Excel)	Quarterly Reports
• Quarterly presentation • Debt presentation	Presentations

Upcoming events

17 May 2023	Equity roadshow, London
23-24 May 2023	UBS Conference, Lausanne
8 June 2023	ESG virtual conference
...	
24 July 2023	2Q23 black out period
10 Aug 2023	2Q23 Publication of Results
11 Aug 2023	Equity roadshow, London

Download the KBC IR APP

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