KBC Group
Debt presentation
3Q 2023

More information: www.kbc.com
KBC Group - Investor Relations Office: IR4U@kbc.be

KBC Group passport | Well-defined core markets

BELGIUM BU

60% of assets
3.9m clients
436 branches

GDP growth
in %, KBC Economics

2022	2023e	2024e
3.2%	0.9%	0.9%

debt to GDP ratio **105%**

Market share
in %, end 2022

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

118bn EUR loans **133bn EUR** deposits

CZECH REPUBLIC BU

24% of assets
4.3m clients
200 branches

GDP growth
in %, KBC Economics

2022	2023e	2024e
2.4%	-0.3%	2.3%

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
4% of assets
0.8m clients
103 branches
11bn EUR loans
8bn EUR deposits

HU
4% of assets
1.6m clients
195 branches
6bn EUR loans
9bn EUR deposits

BG
4% of assets
2.2m clients
237 branches
9bn EUR loans
13bn EUR deposits

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

	2022	2023e	2024e
SK	1.7%	1.2%	2.2%
HU	4.6%	-0.5%	3.0%
BG	3.8%	1.8%	2.3%

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

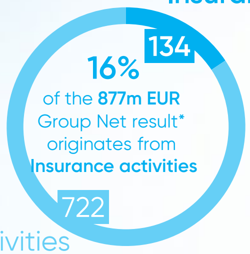
Market share
in %, end 2022

	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



* Difference between the net result of KBC Group and the sum of the banking and insurance contributions is accounted for by the holding-company/group items

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 and 2023)**: a clear recognition of a decade of innovation, development and listening closely to our clients

3.7 million users in contact with Kate

KATE autonomy
60% BE
62% CZ

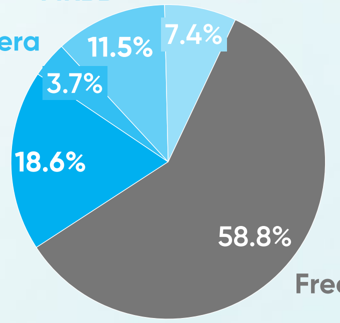
30 million conversations with Kate

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**

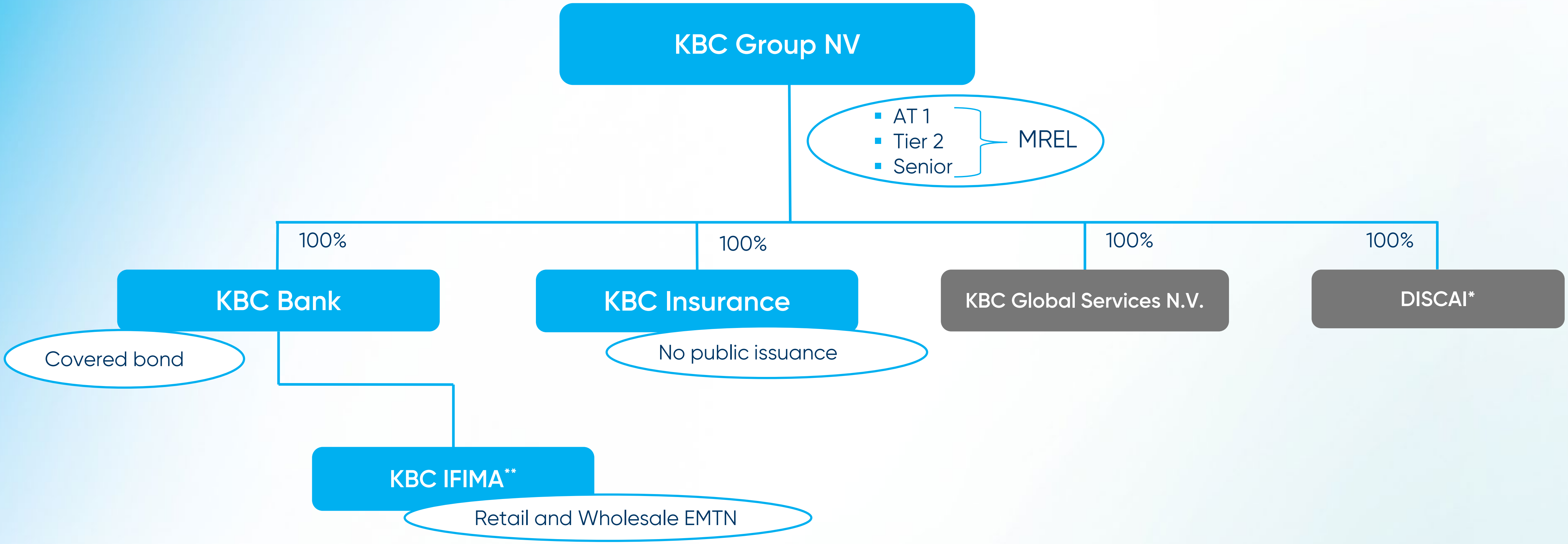
Core shareholder structure

- 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



As at end 9M 2023

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	**A1 (*)**	**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	-

(*) Moody's long-term deposit rating: Aa3 (stable)

Latest update:

6 June 2023: Moody's upgraded KBC Bank's long-term issuer and deposit ratings and affirmed KBC Group's issuer rating (outlook remains positive). The upgrade of KBC Bank's deposit and long-term issuer ratings driven by the continued issuance of senior unsecured and subordinated debt in order to comply with minimum requirement for own funds and eligible liabilities (MREL) targets.

The affirmation of KBC Group's long-term issuer ratings (including positive outlook continues), reflects KBC's sound solvency, strong earnings power, sound asset quality and solid funding profile.

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

Agency	ESG rating of 25th of October 2023	KBC	Position versus industry average
CDP DISCLOSURE INSIGHT ACTION	D- … 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	11.4	• 2nd percentile of 359 diversified banks assessed • 5th of 359 diversified banks
S&P Dow Jones Indices A Division of S&P Global	0 … 100	64	• Top 6% • 94th percentile of 361 banks assessed according to the 2023 methodology
MSCI	C, B, BB, BBB, A, AA, AAA	AAA	• Top 6% among 200 banks assessed
Corporate ESG Performance RATED BY ISS ESG Prime	D-, D, D+, C-, C, C+, …	C+ prime)	• 1st decile rank of 299 Commercial Banks & Capital Markets assessed
FTSE4Good	0, 1, 2, 3, 4, 5	4.7	• Top 4% (96th percentile of banks assessed)

Business profile | Our financial footprint

High profitability (IFRS 17 figures)

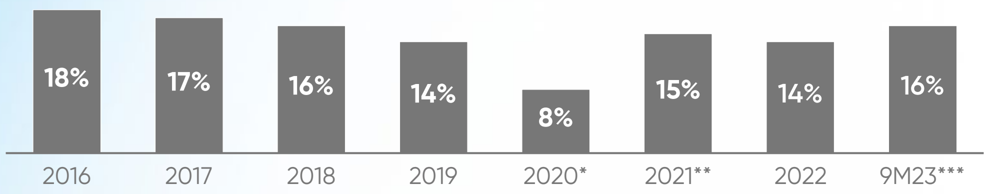
C/I ratio*
49% FY22
48% 9M23

combined ratio
87% FY22
85% 9M23

net result
2,818m FY22
2,725m 9M23

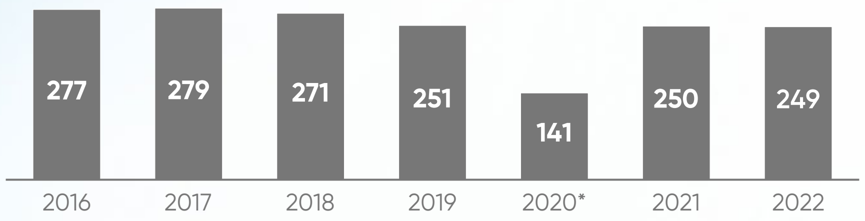
* Adjusted for specific items

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
*** When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

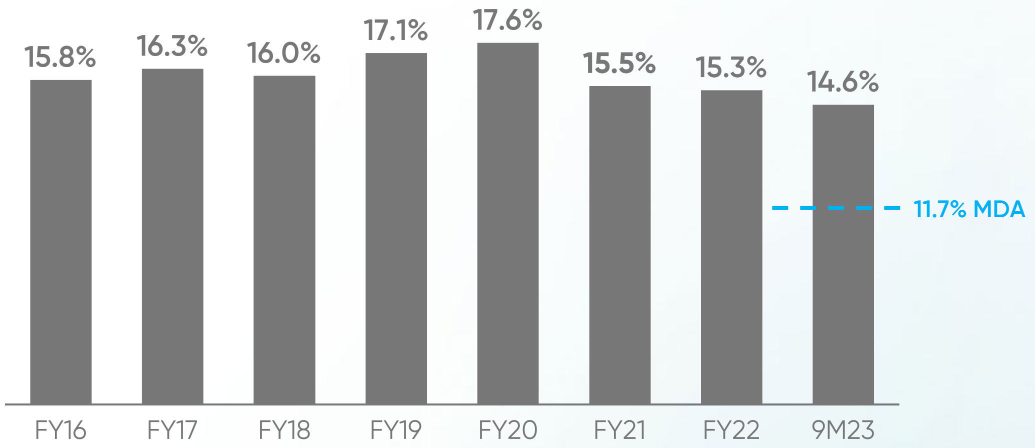
CET1 generation before any capital deployment
in bps



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

Solid capital position

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



Robust liquidity

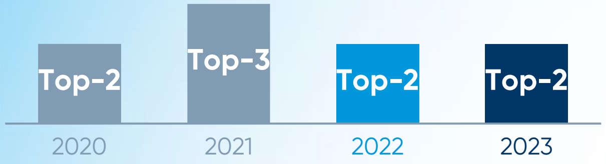
NSFR
136% FY22
139% 9M23

LCR
152% FY22
157% 9M23

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)**

Our non-financial targets

Customer ranking

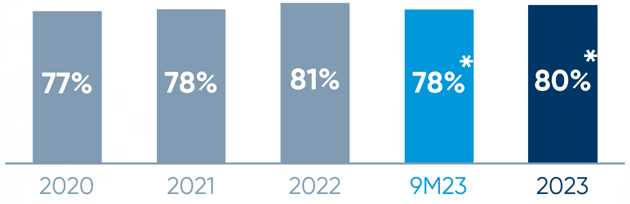


- **KBC is 2nd in customer NPS (Net Promoter Score) ranking** based on weighted avg of ranking in five core countries
- **Target is to remain the reference** (i.e., Top-2 score on group level)

Bank-insurance (BI) clients

BI clients

in %



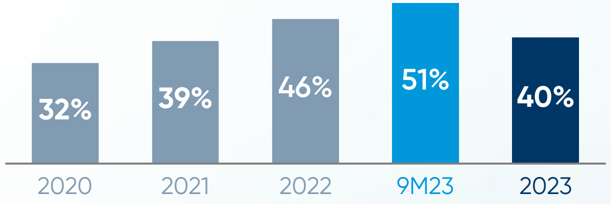
BI customers have at least 1 bank + 1 insurance product of our group

* An adjustment was made given the change of scope (acquisition of RBBG)

Digital sales

Digital sales banking products*

in %



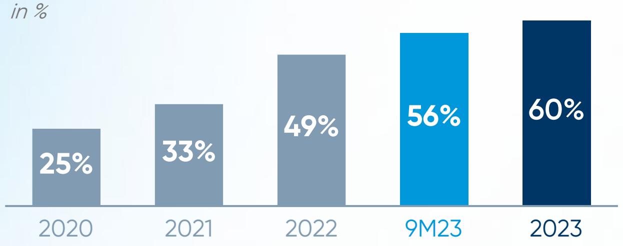
Digital sales 51% of **banking sales** (vs end of 2023 target of ≥40%)

* Based on weighted average of selected core products.

Straight-through processing

STP score*

in %

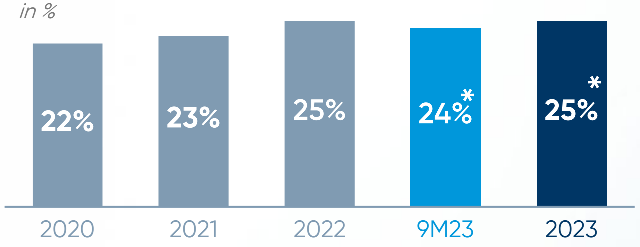


The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of core commercial products.

BI stable clients

in %

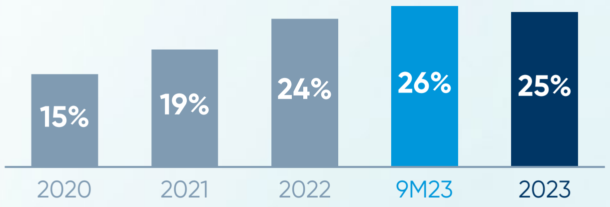


Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* An adjustment was made given the change of scope (acquisition of RBBG)

Digital sales insurance products

in %



Digital sales 26% of **insurance sales** (vs end of 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

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

36bn EUR Responsible Investing funds in 9M23
or 39% of total assets under distribution (direct client money)

Social responsibility

Social bond
Issued a second social bond for investments in healthcare and education in 2Q23

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

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

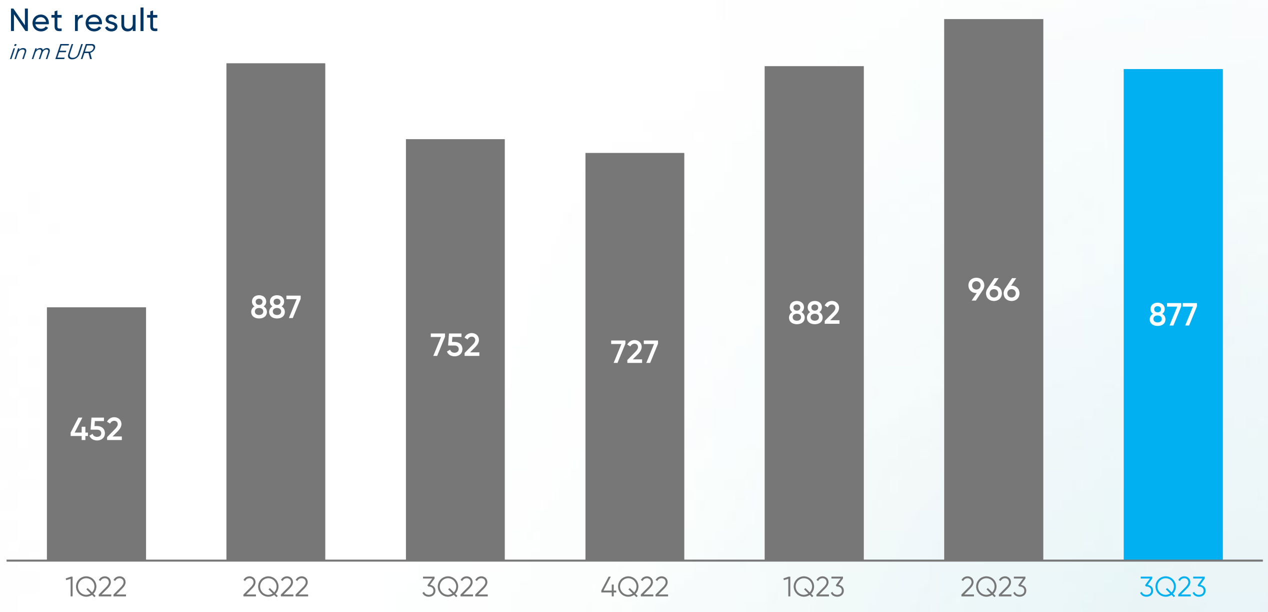
Diversity in senior management
24% females in senior management roles

Sustainability highlights in 2022, unless otherwise indicated

Strong net result of 877m EUR over 3Q23

Highlights

- Commercial bank-insurance franchises in core markets **performed strongly**
- As policy rates are peaking, KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business
- **Customer loans** and **customer deposits** increased q-o-q in all our core countries, except Belgium (on a comparable basis)
- KBC Insurance recently committed to **invest up to 200m EUR in sustainable infrastructure funds** in Europe in partnership with EIF
- Lower **net interest income q-o-q**
- Higher **net fee and commission income** q-o-q
- Q-o-q lower **net result from financial instruments at fair value** and q-o-q decrease of **net other income**
- Strong sales of **non-life insurance** y-o-y, sales of **life insurance** down q-o-q and up y-o-y
- Costs down q-o-q due entirely to lower bank & insurance taxes; **costs excl. bank & insurance taxes slightly up q-o-q**
- **Limited net loan loss impairment charges**
- Solid **solvency** and **liquidity**
- **Interim dividend of 1 EUR per share (as advance payment on the total 2023 dividend) will be paid on 15 November 2023**



YTD ratios

- Return on Equity 16%*
- Cost-income ratio 48%**
- Combined ratio 85%
- Credit cost ratio 0.00%
- CET1 ratio 14.6% (B3, DC, fully loaded)
- Leverage ratio 5.4% (fully loaded)
- NSFR 139% & LCR 157%

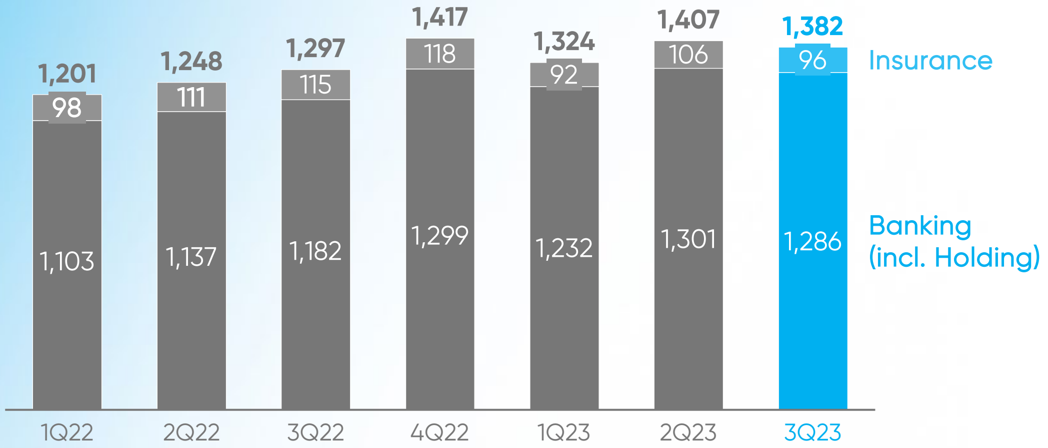
* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

** When excluding certain non-operating items. See glossary for the exact definition

Lower net interest income

Net interest income

in m EUR

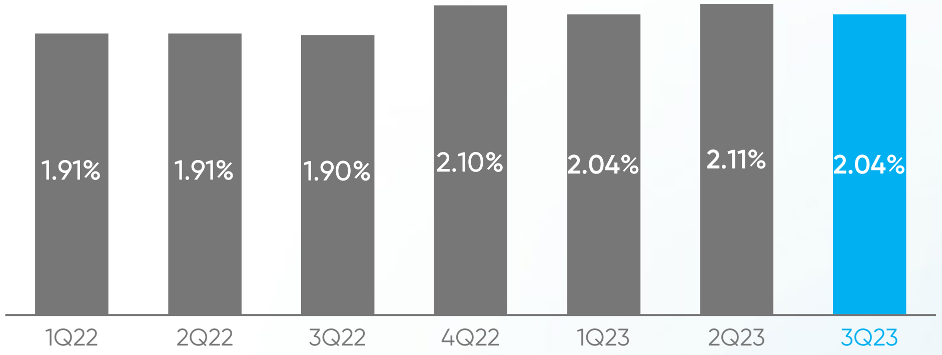


- **NII decreased by 2% q-o-q and increased by 7% y-o-y**
- Q-o-q decrease was driven primarily by:
  - Lower NII on inflation-linked bonds (-27m EUR)
  - Negative impact from the issuance of the Belgian State Note (-22m EUR) and higher pass-through on savings accounts in Belgium
  - Higher funding cost of participations and higher wholesale funding cost
  - Higher costs on the minimum required reserves held with the central banks (-5m EUR)
  - Lower loan margins in most core markets

  partly offset by:
  - Higher commercial transformation result (driven by continued increasing reinvestment yields)
  - Increased term deposits
  - Loan volume growth
  - Higher number of days (+7m EUR)
- Y-o-y increase was driven primarily by sharply increasing commercial transformation result and increased term deposits at better margins, partly offset by lower lending income, no TLTRO benefit anymore, lower NII in Ireland, lower NII on inflation-linked bonds, higher funding cost of participations & MREL and higher costs on the minimum required reserves

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 7 bps q-o-q, but rose by 14 bps y-o-y 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

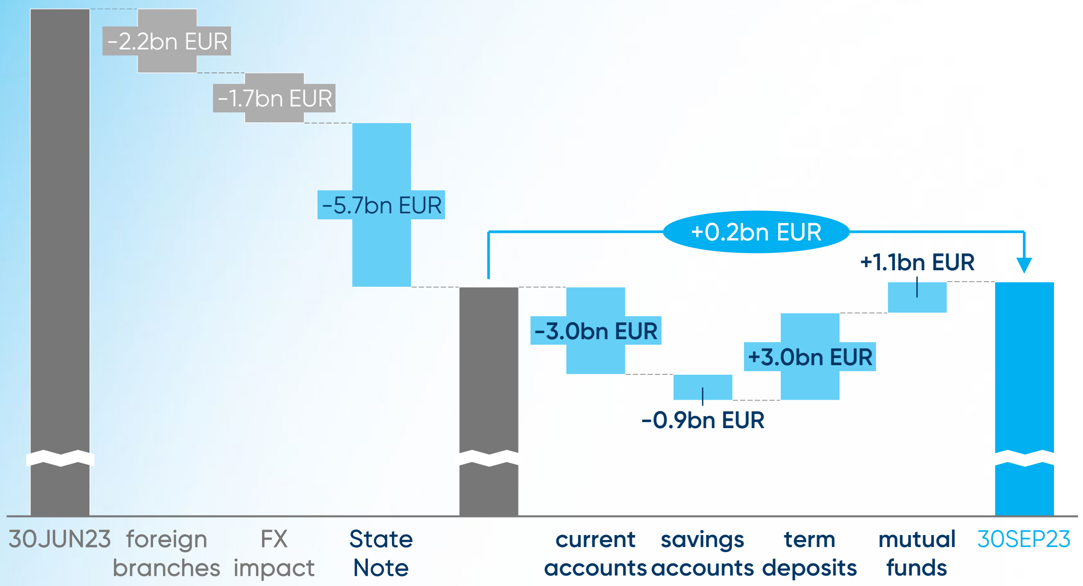
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	182bn	75bn	214bn
Growth q-o-q*	+1%	+1%	-4%
Growth y-o-y	+2%	+3%	-2%

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

Inflow of core customer money

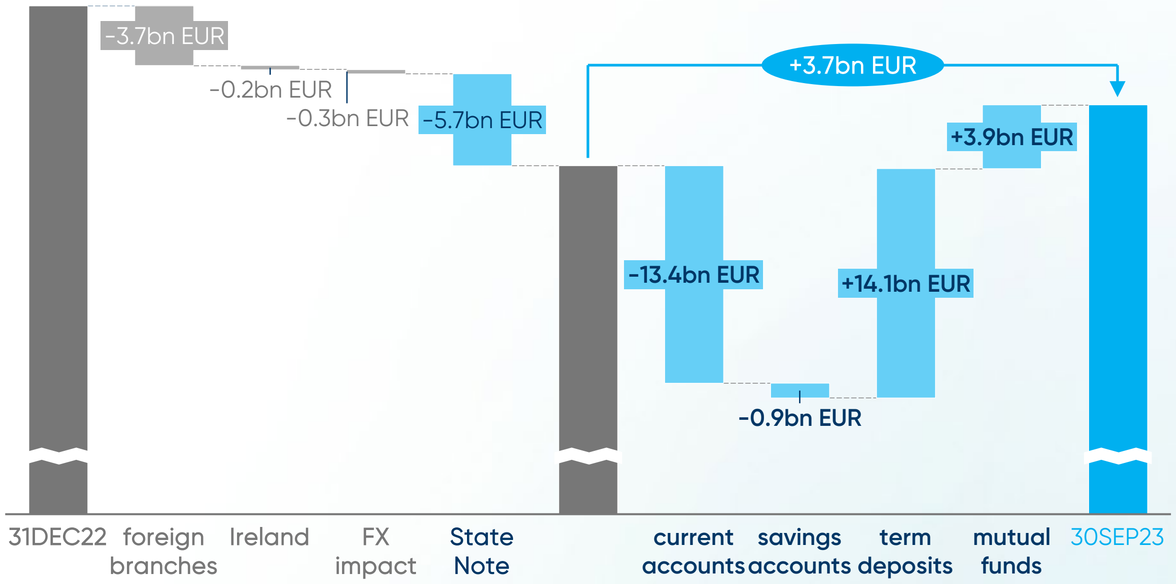
Customer money dynamic over 3Q23

in m EUR



Customer money dynamic over 9M23

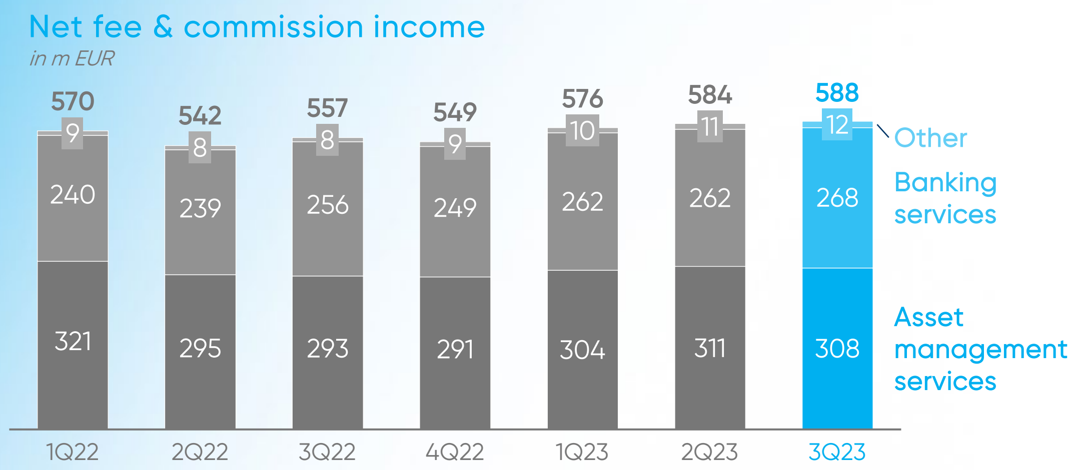
in m EUR



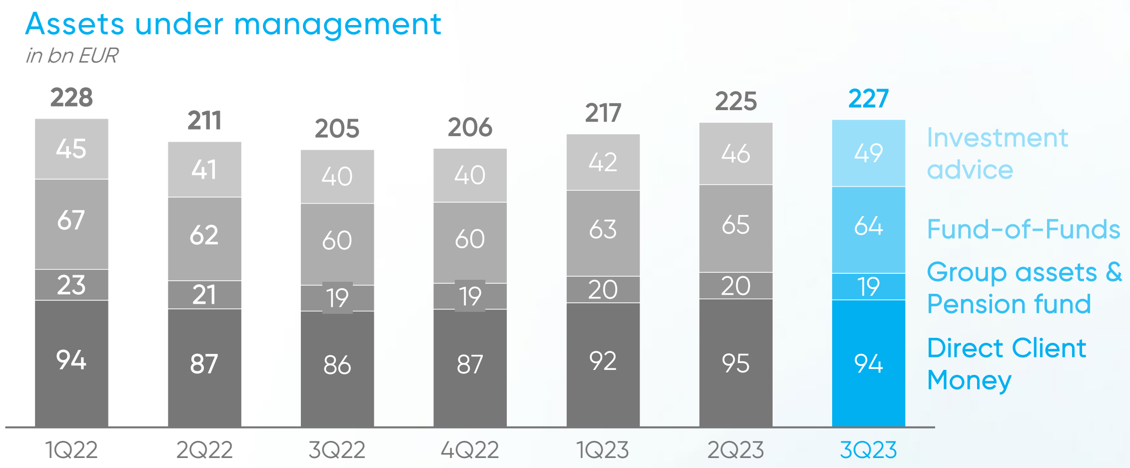
- Disregarding the -5.7bn EUR direct impact of the Belgian State Note issuance, **3Q23** saw an inflow of core customer money of **+0.2bn EUR** (-1.5bn EUR incl. FX impact)

- Disregarding volatile and one-off items, **9M23** saw an inflow of core customer money of **+3.7bn EUR** (+3.4bn EUR incl. FX impact)

Higher net fee and commission income



- **Up by 1% q-o-q and by 6% y-o-y**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services decreased by 1% q-o-q due to lower entry fees and lower distribution fees received linked to mutual funds and unit-linked life insurance products, partly offset by higher management fees
  - Net F&C income from banking services rose by 2% q-o-q. Higher securities-related fees (entirely due to one-off fee from the issuance of the State Note in Belgium), seasonally higher network income and higher fees from payment services were partly offset by lower fees from credit files & bank guarantees and higher client incentives
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 5% y-o-y (due mainly to higher management and entry fees)
  - Net F&C income from banking services increased by 5% y-o-y. Higher securities-related fees, higher fees from payment services and higher network income were only partly offset by lower fees from credit files & bank guarantees and higher distribution commissions paid for banking products

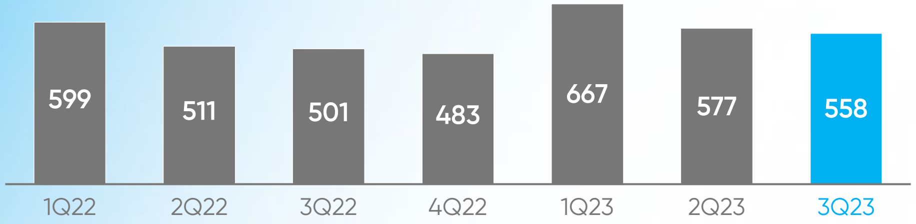


- **Increased by 1% q-o-q** due to **net inflows (+2%),** partly offset by negative market performance (-1%)
- Increased by 11% y-o-y due to net inflows (+6%) and positive market performance (+5%)
- The mutual fund business has seen strong net inflows both in higher-margin direct client money this quarter (1.1bn EUR in 3Q23 versus 1.1bn EUR in 2Q23 and 0.5bn EUR in 3Q22) as well as in lower-margin assets

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

Non-life sales

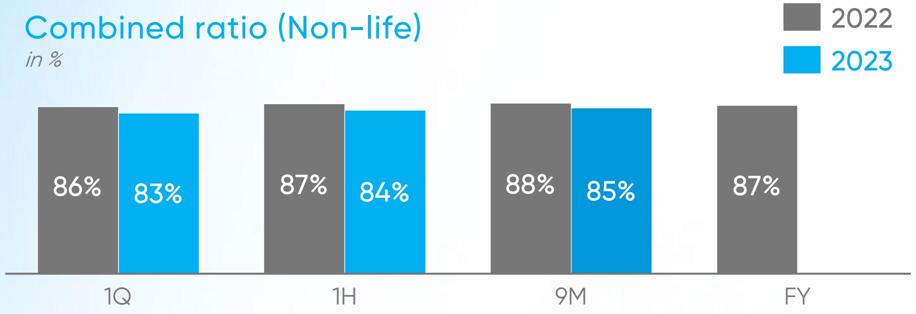
in m EUR



- **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)

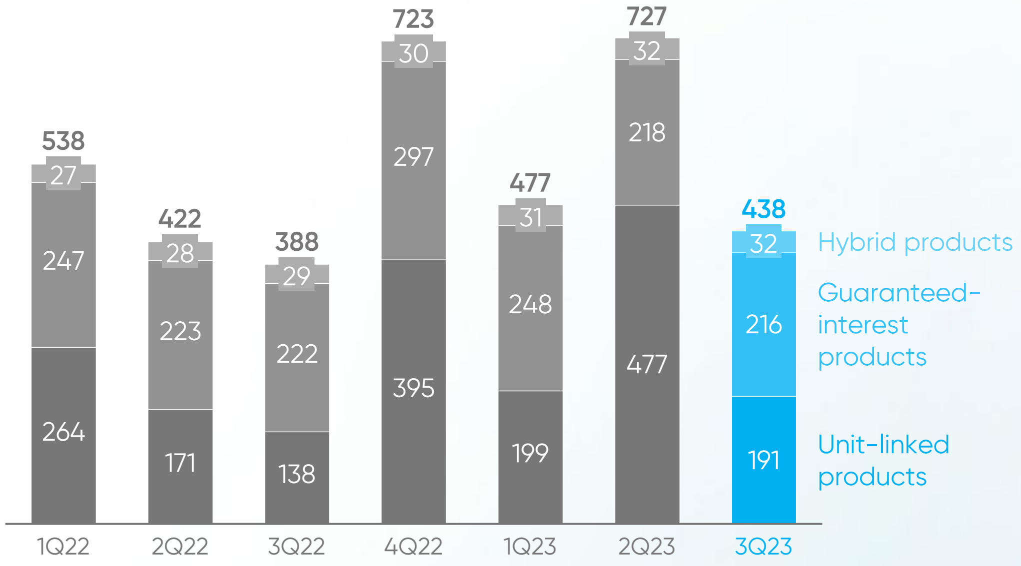
in %



- **Non-life combined ratio for 9M23 amounted to an excellent 85%** (88% in 9M22). This is the result of:
  - 11% y-o-y higher insurance revenues before reinsurance
  - 3% y-o-y higher insurance service expenses before reinsurance (worse claim experience and higher amortised commissions & directly attributable expenses due to inflation were offset partly by lower storm claims)
  - Lower net result from reinsurance contracts held (down by 67m EUR y-o-y)

Life sales

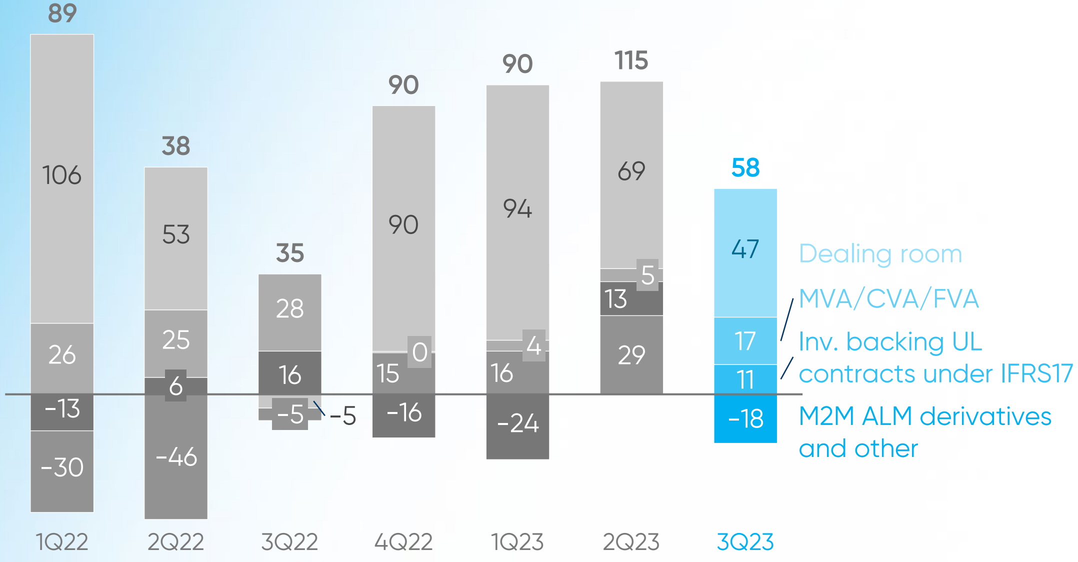
in m EUR



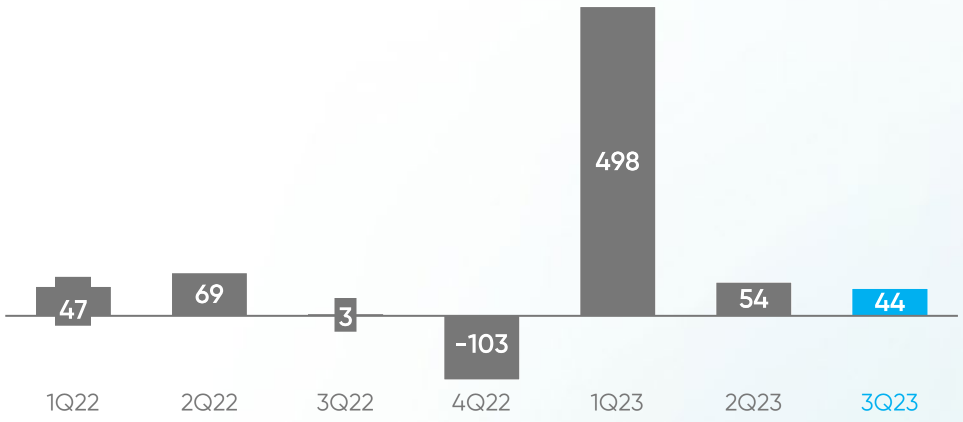
- Decreased by 40% q-o-q due mainly to lower sales of unit-linked products (excellent sales in 2Q23 as the result of a successful launch of a new structured fund in Belgium)
- Increased by 13% y-o-y due to higher sales of unit-linked products and hybrid products, partly offset by slightly lower sales of guaranteed-interest products
- Sales of guaranteed-interest products and unit-linked products accounted for 49% and 44% of total life insurance sales in 3Q23 respectively, with hybrid products (mainly in the Czech Republic) accounting for the remainder

Lower FIFV result and lower net other income

FIFV
in m EUR



Net other income
in m EUR



- **FIFV lower q-o-q**, attributable mainly to:
  - Lower dealing room result
  - Negative change in ALM derivatives and other
  - Lower FV result on investments backing unit-linked contracts under IFRS 17 (offset by less negative IFIE)

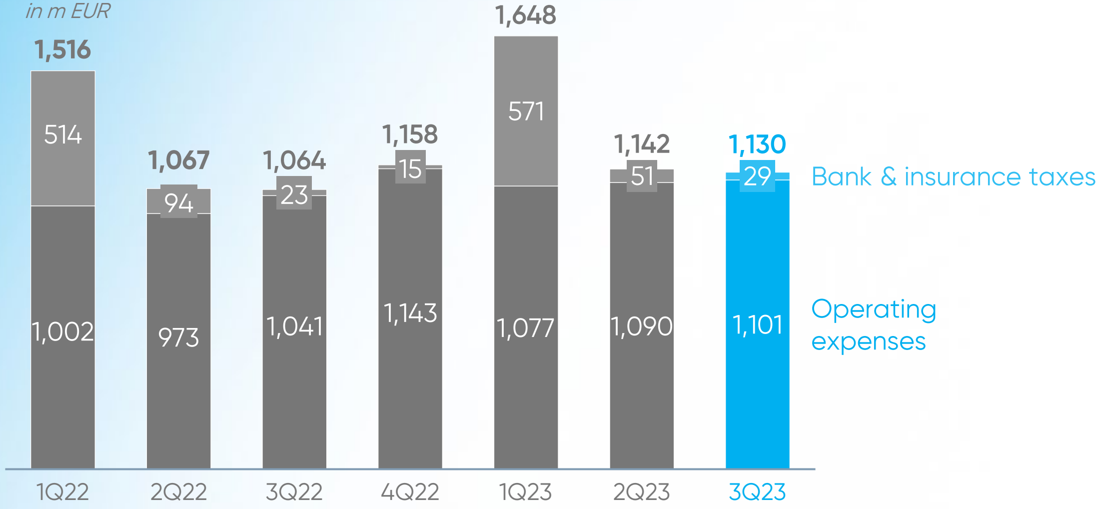
  partly offset by:
  - Positive credit, funding and market value adjustments, mainly the result of an increased EUR yield curve

- **Below the normal run rate of around 50m EUR per quarter in 3Q23**
  - Due mainly to realised losses on the sale of bonds in 3Q23

Costs excluding bank & insurance taxes slightly increased q-o-q

Operating expenses (including costs directly attributable to insurance)

in m EUR



Bank and insurance tax spread 2023 (preliminary)

in m EUR

	Total	Upfront			Spread out over the year			
	3Q23	1Q23	2Q23	3Q23	1Q23	2Q23	3Q23	4Q23e
BE BU	0	347	6	0	0	0	0	10
CZ BU	0	60	-1	0	0	0	0	0
Hungary	29	106	24	0	24	27	29	31
Slovakia	0	4	-1	0	0	0	0	1
Bulgaria	0	24	-4	0	0	0	0	0
Group Centre	0	5	-1	0	0	0	0	0
Total	29	547	24	0	24	27	29	42

- **Operating expenses excluding bank & insurance taxes went up by 1% q-o-q and by 6% y-o-y**
  - The q-o-q increase is due mainly to higher staff costs, higher ICT costs, higher facility costs and higher depreciations, partly offset by lower costs in Ireland (related to the sale transaction), lower professional fee expenses and seasonally lower marketing costs
  - The y-o-y increase is due to, among other things, the impact of inflation/wage indexation (despite less FTEs), higher ICT costs, higher facility costs (mainly energy costs) and higher depreciations, partly offset by lower costs in Ireland (related to the sale transaction) and lower professional fee expenses

- 9M23 cost/income ratio
  - 48% when excluding certain non-operating items* (49% in FY22)
  - 41% excluding all bank & insurance taxes (45% in FY22)

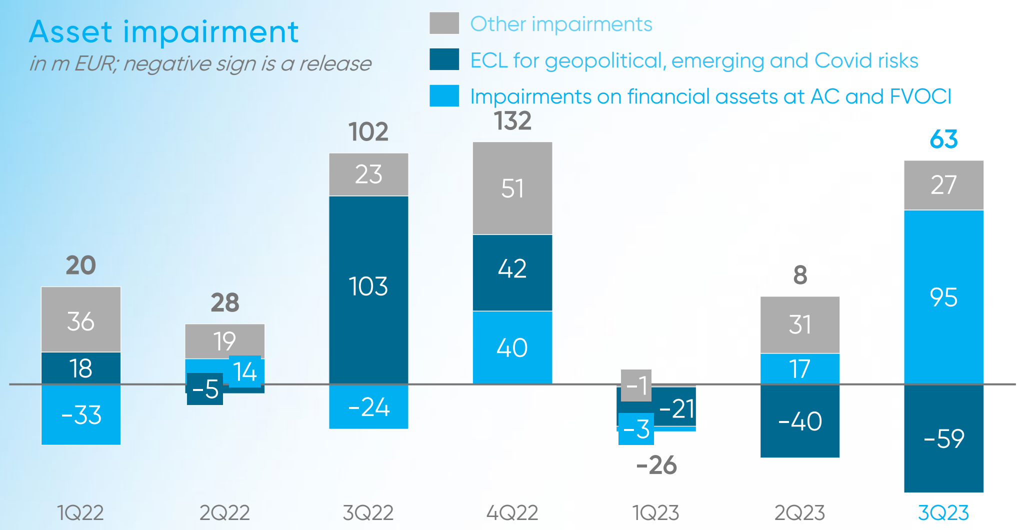
- Total bank & insurance taxes (including ESRF contribution) are expected to increase by 7% y-o-y to 693m EUR in 2023 (646m EUR in 2022)

* See glossary for the exact definition

Net loan loss impairment charges & excellent credit cost ratio

Asset impairment

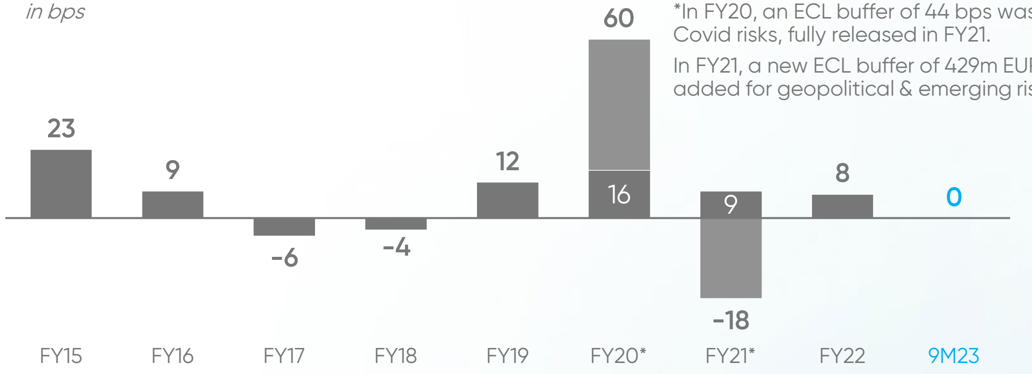
in m EUR; negative sign is a release



- **Net loan loss impairment charges on lending book combined with a lower geopolitical & emerging risk buffer**
  - **Net loan loss impairment charges of 36m EUR in 3Q23** (compared with net loan loss impairment releases of 23m EUR in 2Q23) due to:
    - 95m EUR net loan loss impairment charges on lending book
    - A decrease of 59m EUR of the ECL buffer, driven mainly by improved micro- and macroeconomic indicators
    - Total outstanding ECL for geopolitical and emerging risks now stands at 291m EUR (see details on next slide)
  - **27m EUR impairment on 'other'** (versus 31m EUR impairment on 'other' in 2Q23), mainly on software (in Belgium and Hungary)

Credit cost ratio

in bps

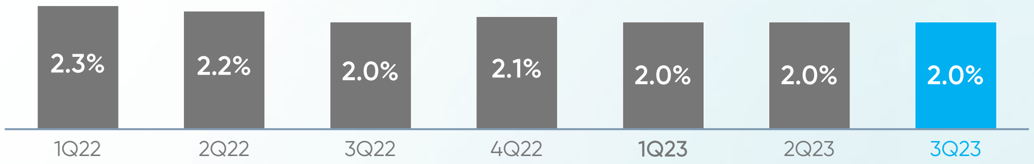


*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.
In FY21, a new ECL buffer of 429m EUR was added for geopolitical & emerging risks

- The credit cost ratio in 9M23 amounted to:
  - 8 bps (0 bps in FY22) without ECL for geopolitical, emerging and Covid risks
  - 0 bps (8 bps in FY22) with ECL for geopolitical, emerging and Covid risks

Impaired loans ratio

in %

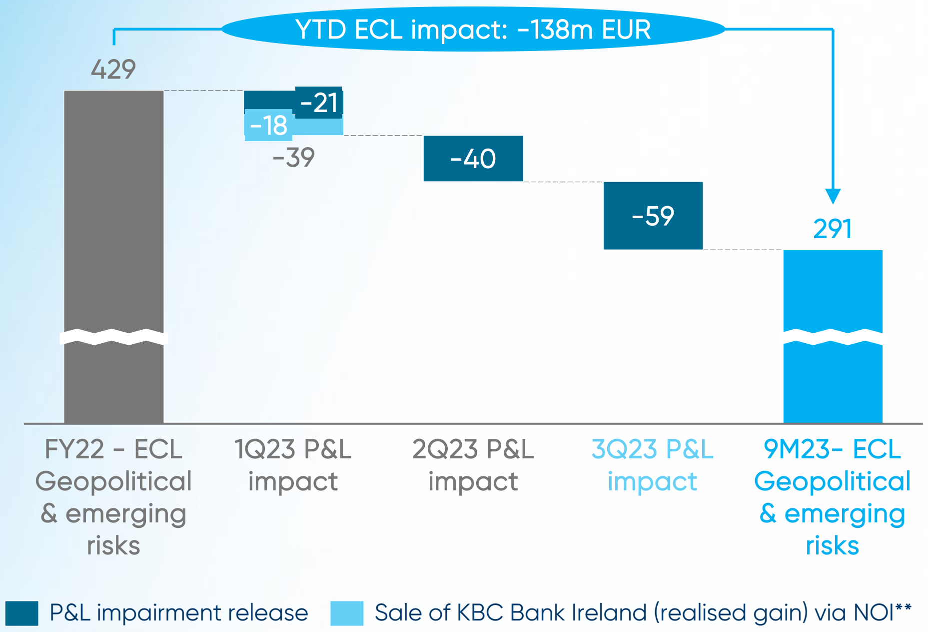


- **The impaired loans ratio stabilised at 2.0%** (1.1% of which over 90 days past due)

Outstanding ECL for geopolitical and emerging risks amounts to 291m EUR

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

in m EUR; negative sign is a release



ECL release of 59m EUR in 3Q23, driven mainly by improved micro- and macroeconomic indicators, **resulting in a remaining ECL for geopolitical and emerging risks of 291m EUR at end 9M23**

* 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' in 1Q23

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
Negative sign is a release

	9M23	FY22	FY21	FY20	FY19	FY18	FY17	AVERAGE '99 –'22
Belgium BU	0.07%	0.03%	-0.26%	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic BU	-0.19%	0.13%	-0.42%	0.67%	0.04%	0.03%	0.02%	n/a
International Markets BU*	-0.08%	0.31%	0.36%	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre BU*	-0.14%	-0.04%	0.28%	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	0.00%	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

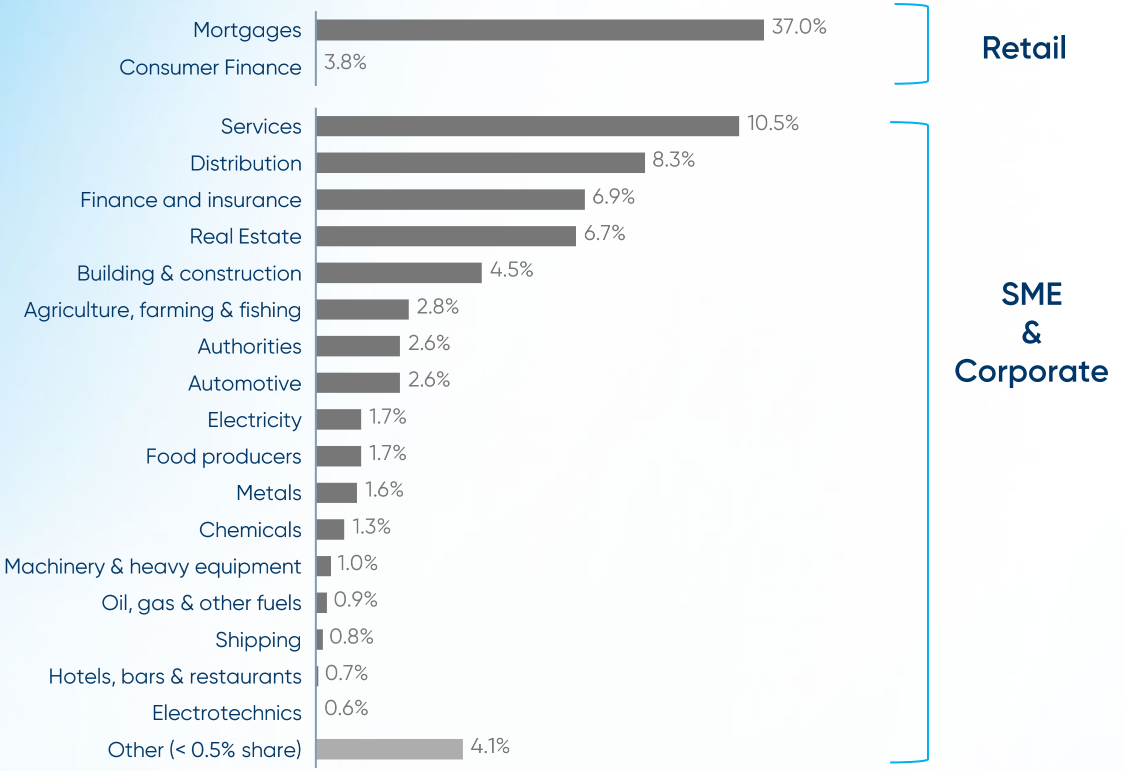
Diversified loan portfolio

Total loan portfolio outstanding

Total loan portfolio outstanding
202bn EUR*
Group level

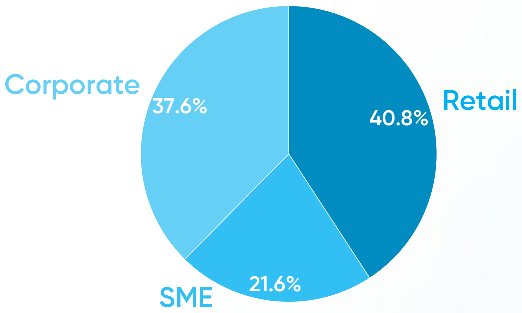
Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**



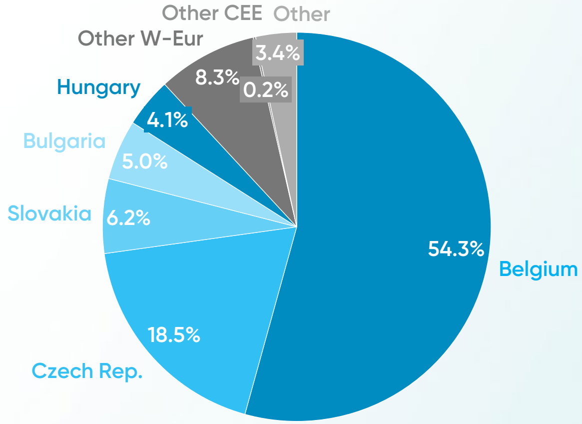
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography

*as % of total Group loan portfolio outstanding**

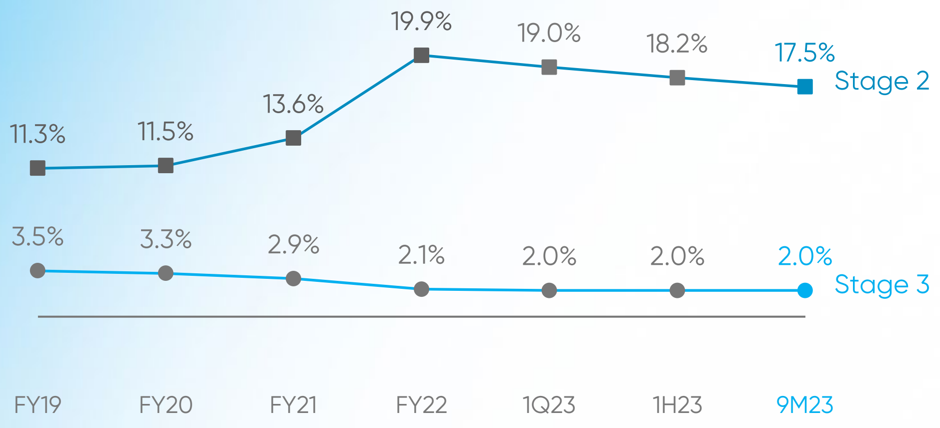


- Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements.

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

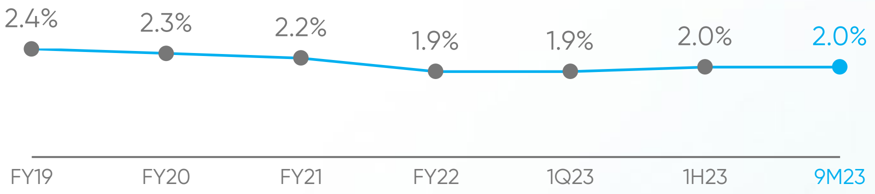
as % of total Group loan portfolio outstanding



- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The increase of **Stage 2 portfolio** in 2022 resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and emerging risks (in line with strict application of the general ECB guidance on staging). As of 2023, declining trend of Stage 2 exposures driven mainly by the quarterly partial release of the collective transfer back to Stage 1
- Excluding these collective transfers, no general deterioration has been observed in our portfolio

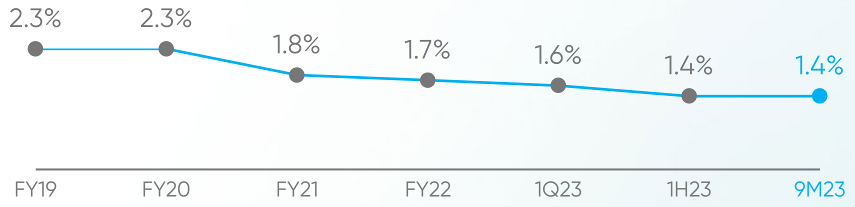
Stage 3 ratio | Belgium BU

in %



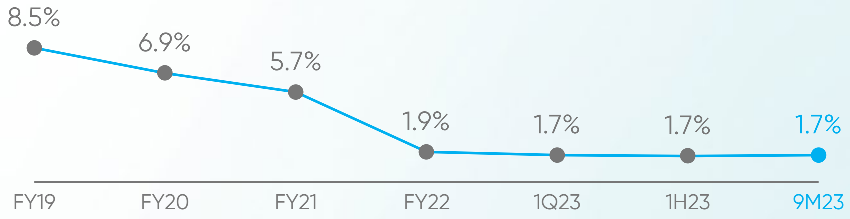
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

in %

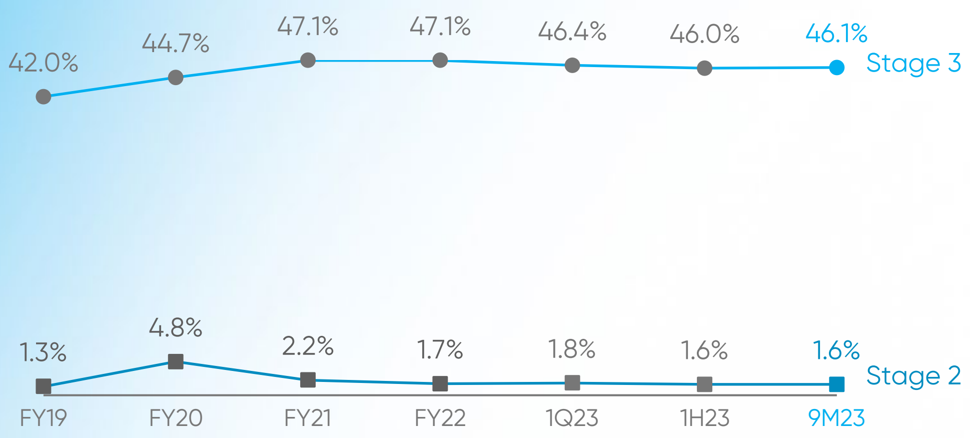


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Cover ratios

Cover ratio | by IFRS9 ECL Stage*

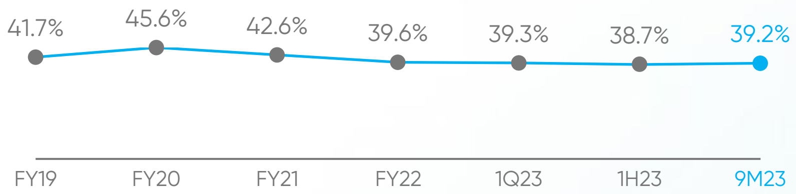
in %



- Q-o-q stable **Stage 3 cover ratio** driven by a higher stage 3 cover ratio in Belgium offset by a lower stage 3 cover ratio in the other business units
- The decline of the **Stage 2 cover ratio** as of 2021, resulted mainly from collective shifts to Stage 2 (linked to Covid and the geopolitical & emerging risks)

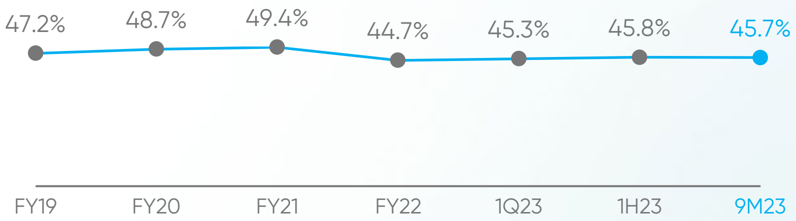
Stage 3 cover ratio | Belgium BU

in %



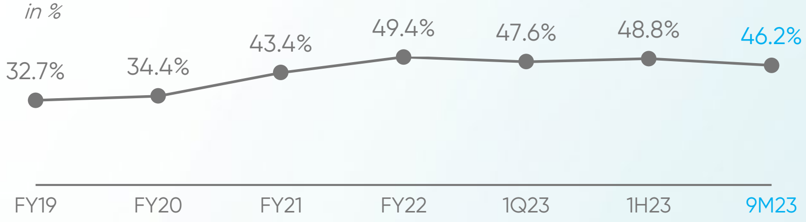
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

in %

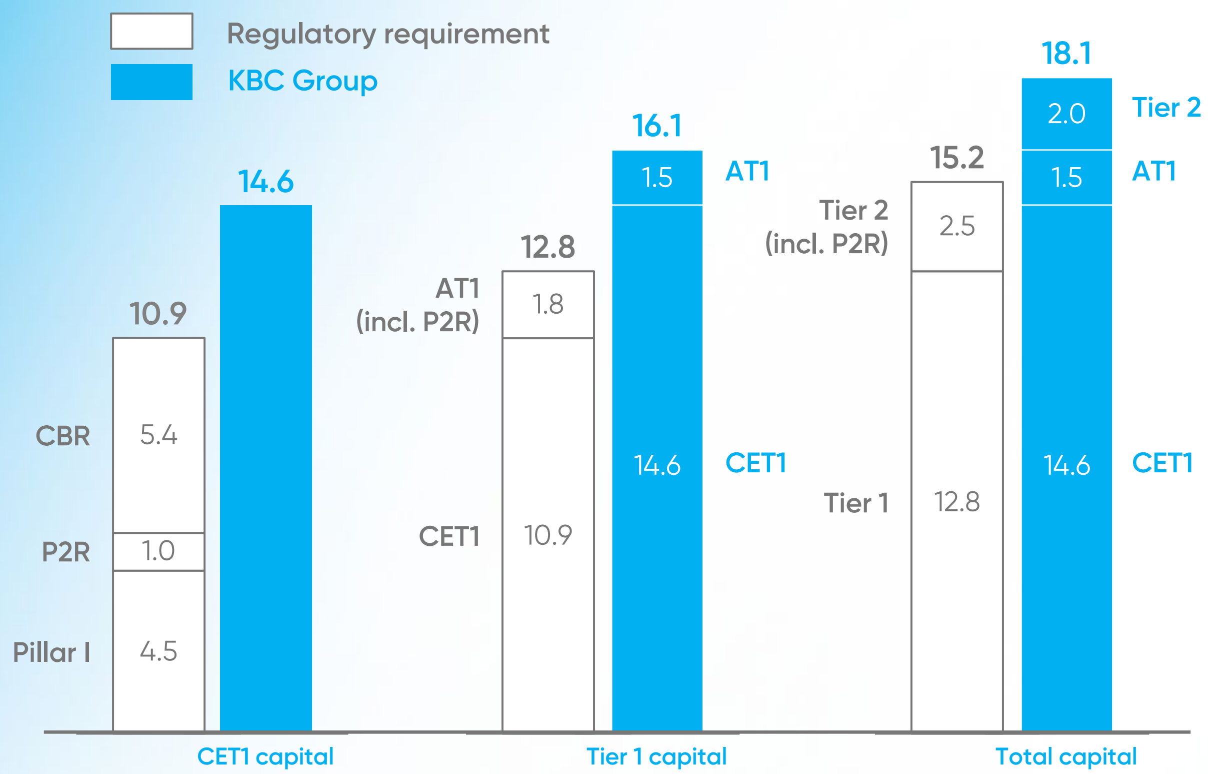


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

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

Capital requirements and distance to Maximum Distributable Amount (MDA) restrictions as at 30 SEP 2023 (fully loaded, B3)

in %



Fully loaded B3 common equity ratio amounted to 14.6% at the end of 9M23 **based on the Danish Compromise (which includes the full impact of the share buyback programme of 1.3bn EUR and the model-related RWA add-on of 6.5bn EUR net)**

- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 46bps for Tier 2
- **CBR 5.38% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  1.24% Countercyclical buffer
  0.14% Systemic risk buffer
- **MDA 11.7%**
  i.e. the net of the CET1 ratio of 14.6% and the **MDA buffer of 2.9%**

Total distributable items (under Belgian Gaap) KBC Group 10.3bn EUR at 9M23, of which:
- Available reserves: 801m EUR
- Accumulated profits: 7 255m EUR

Note: KBC has issued 750m EUR AT1 on 5 September 2023 and linked this as a replacement instrument for the 500m EUR AT1 callable in March 2024. Considering the EBA Q&A (2023_6791, published 15-09-2023) and subsequent discussion with the ECB, the 500m EUR AT1 callable in March 2024 is derecognized from own funds and consequently also from MREL. No formal approval from ECB has been obtained to execute the call, neither a final decision whether to call or not has been made yet by KBC (hence the derecognition may not be interpreted as irrevocable decision to execute the call).

Dividend policy & capital distribution

as of 2023

- We aim to be **amongst the better capitalised** financial institutions in Europe. As a consequence, the dividend policy of KBC Group is tailored to that purpose. Each year, the Board of Directors will decide, at its discretion, on the total dividend based on the assessment of risks, forward looking profitability and strategic opportunities
- **Payout ratio policy** (i.e. dividend + AT1 coupon) **of at least 50% of consolidated profit** of the accounting year
- **Interim dividend of 1 EUR per share** in November of each accounting year as an advance on the total dividend
- On top of the payout ratio of at least 50% of consolidated profit, **each year** (when announcing the full year results), the Board of Directors will take a **decision, at its discretion**, on the distribution of the **capital above 15.0% fully loaded CET1 ratio, so-called surplus capital**. The distribution of this surplus capital can be **in the form of a cash dividend, a share buy-back or a combination of both**
- From the moment Basel IV will apply (as from 1 January 2025 at the earliest), the capital deployment plan will be updated

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.4% 9M23
5.3% FY22

Q-o-q stable leverage ratio (at 5.4%) as lower Tier 1 capital due to the share buyback (in the numerator) was offset by lower leverage ratio exposure mainly as a result of lower cash balances with central banks (in the denominator)

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

Liquidity ratios | KBC Group

in %

LCR
157% 9M23
152% FY22

NSFR
139% 9M23
136% FY22

Both LCR* and NSFR** were well above the regulatory requirement of 100%

Solvency II ratio | KBC Group

in %

Solvency II ratio
202% 9M23
203% FY22

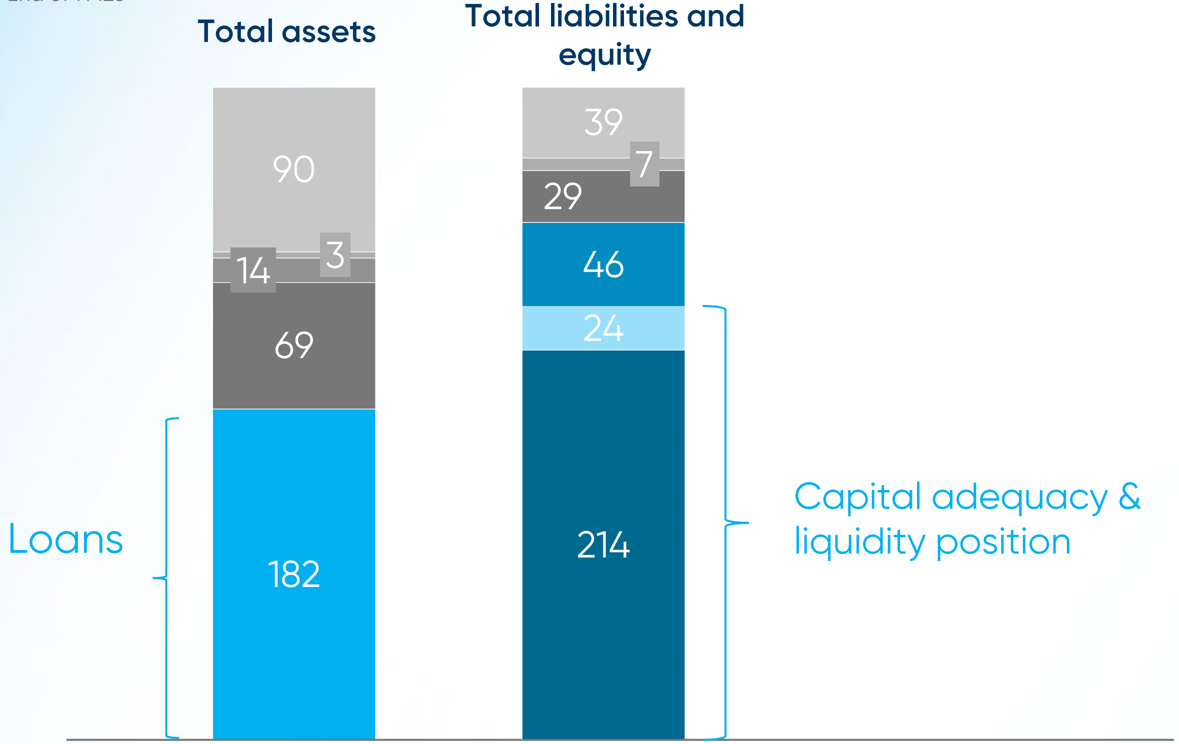
Roughly stable YTD (-1pp)

* 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

358bn EUR Total balance sheet

End of 9M23



85% Loans/ Deposits

Total assets:

- 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)

Total liabilities and equity:

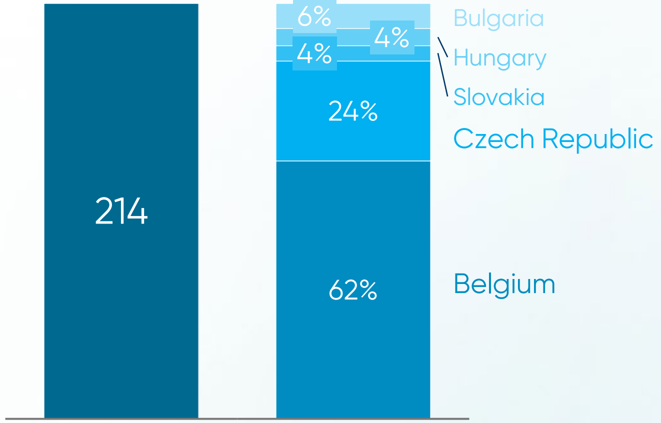
- Other (incl. liabilities associated with disposal groups, interbank deposits, etc...)
- Trading liabilities
- Insurance related liabilities
- Other MREL instruments and debt certificates
- Equity (including AT1)
- Deposits from customers

Deposits from customers

End of 9M23

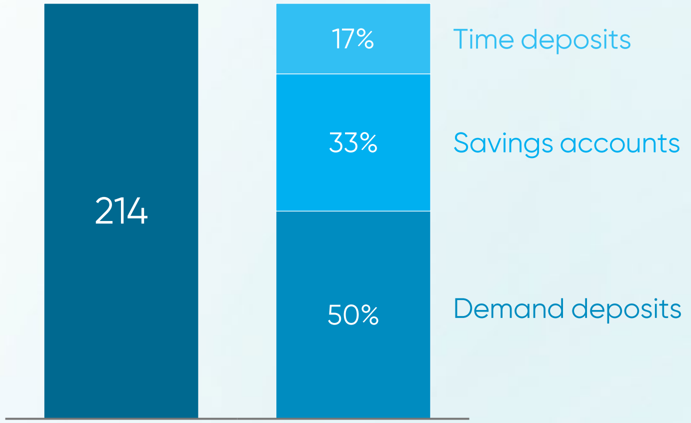
by core countries

as % of total deposits from customers



by product type

as % of total deposits from customers

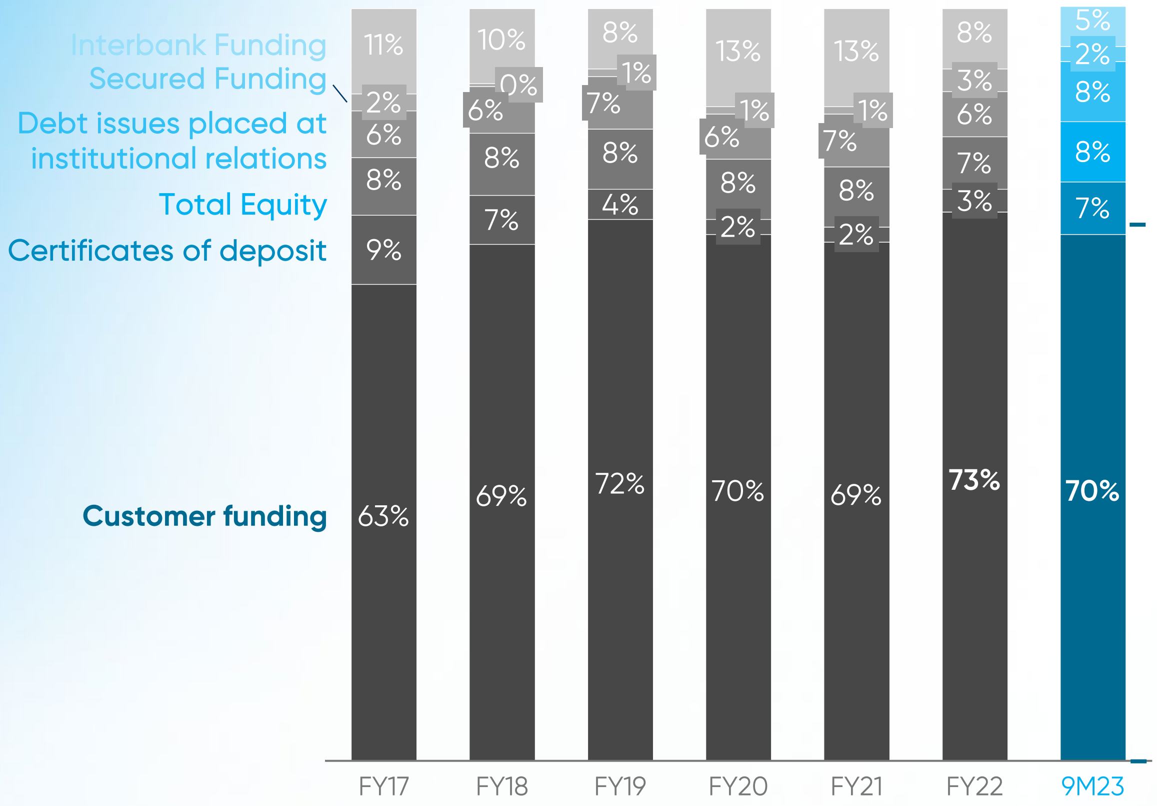


Strong and growing customer funding base

- 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 2.6bn EUR which is reflected in the 'Interbank Funding' item below

Funding base

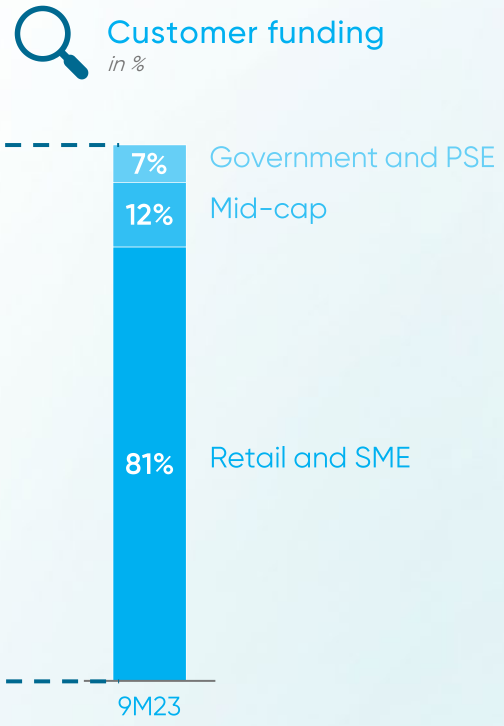
in %



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

Customer funding

in %

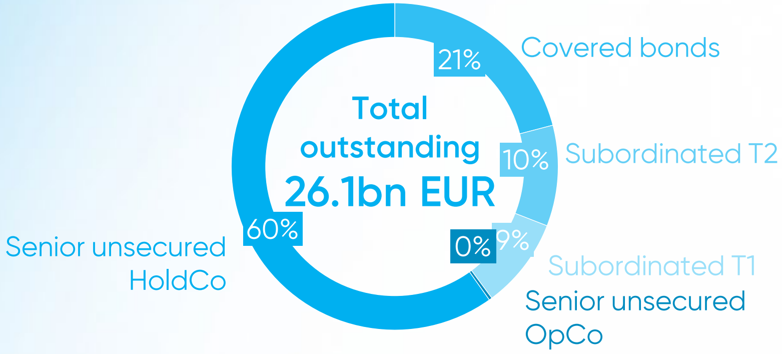


Upcoming mid-term funding maturities

Total outstanding | 3Q23

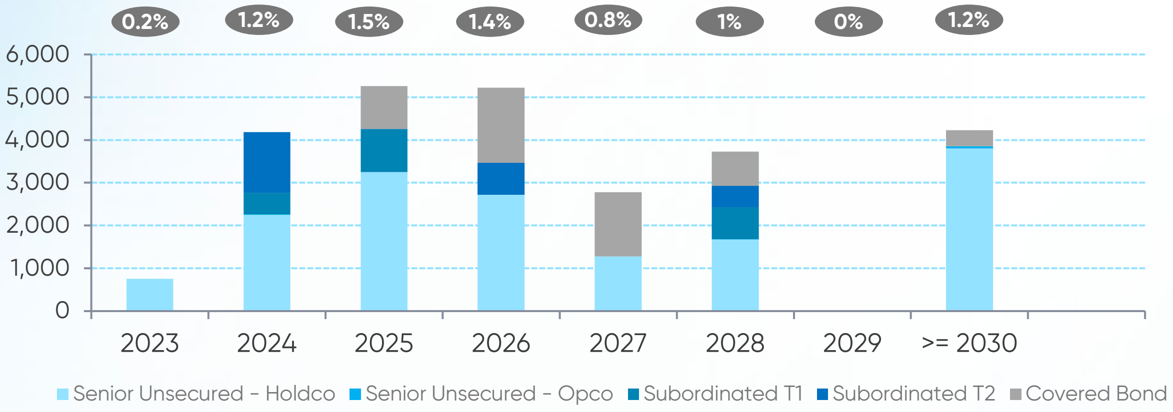
in %

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

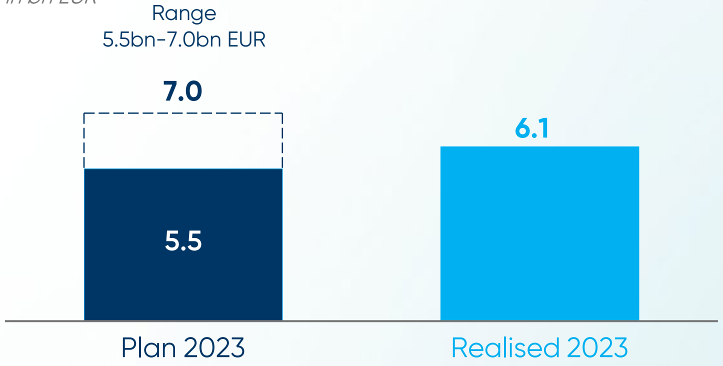


Funding program | 3Q23

- In **September 2023,** KBC Group issued an AT1 for an amount of 750m EUR
- In **September 2023**, KBC Group issued a Senior Holdco benchmark for an amount of 1bn USD, with a 11-year maturity callable after 10 years
- In **September 2023**, KBC Bank issued a covered bond for an amount of 1bn EUR with a 3-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

Above resolution requirements of 9M23 in terms of MREL

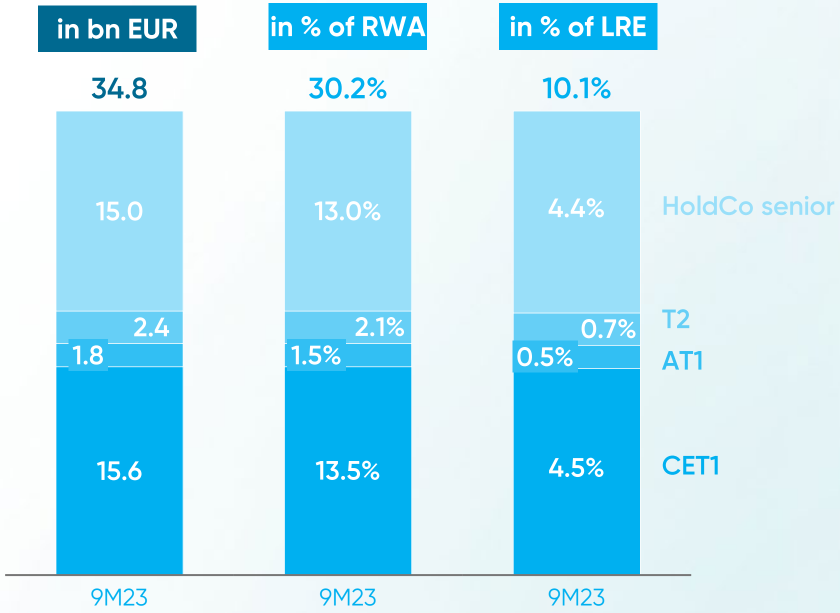
MREL targets

- 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:
  - **28.30% of RWA** as from 01-01-2024 (including CBR[1] of 5.38% as from 1Q2023), with an intermediate target as from 01-01-2022, reaching 26.51% at YE2023 (including CBR[2] of 4.88%)
  - **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 (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (1.24%) + Systemic Risk Buffer (0.14%)
2. Combined Buffer Requirement at YE 2023 = Conservation Buffer (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (0.68%) + Systemic Risk Buffer (0.20%)

MREL actuals

- The **MREL ratio in % of RWA** decreased from 32.2% in 1H23 to 30.2% in 9M23. This is driven mainly by 1) the decrease of CET1 capital due to the share buyback and 2) the RWA add-on in relation to ECB decision
- The **MREL ratio in % of LRE** increased from 9.8% in 1H23 to 10.1% in 9M23, driven by the 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

KBC Group	
Senior	14 980
Tier 2	2 681
Additional Tier 1	1 750
CET1 (transitional)	15 593

Buffer for Sr. level 20.0 bn EUR

KBC Bank

KBC Bank	
Subordinated on loan by KBC Group	14 980
Tier 2	2 181
Additional Tier 1	1 750
CET1 (transitional)	13 763

Buffer for Sr. level 32.7bn EUR

KBC Insurance

KBC Insurance	
Tier 2	500
Parent shareholders equity	3 487

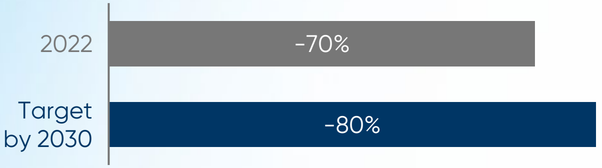
Direct environmental impact: our progress in brief

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.

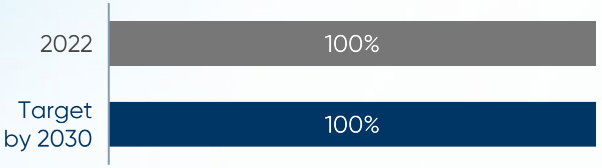
Reduction in our direct GHG emissions

reduction compared to 2015

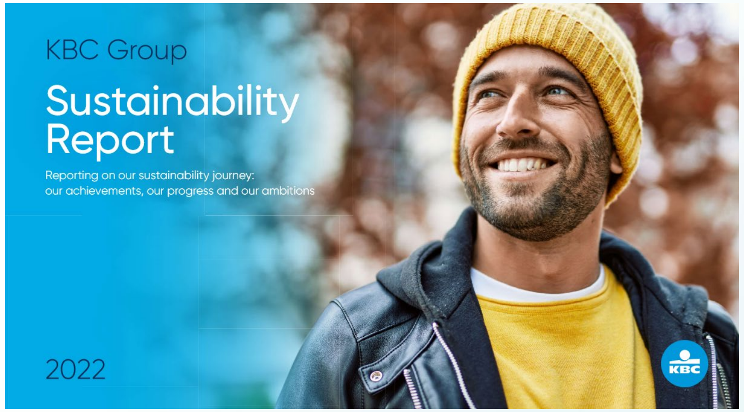


Renewable electricity

in % of own electricity consumption



More details in our [2022 Sustainability Report]



More details in our [2022 Climate Report]

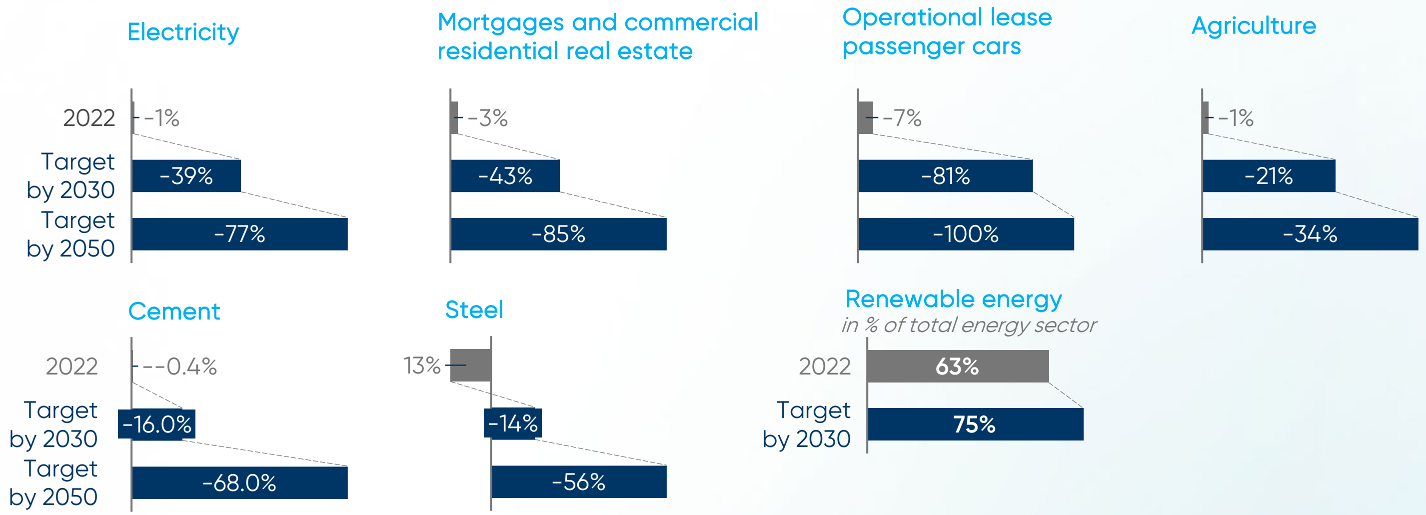
Indirect environmental impact: our progress in brief

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:

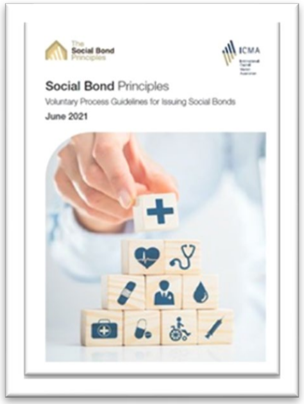
KBC GREEN BOND 2018 – ASSETS & IMPACT *	Renewable energy	Green buildings
Allocated amount	187.9m EUR	312.1m EUR
Electricity produced/energy saved	378,038 mWh	28,895 mWh
Avoided CO_2 emissions	56,399 tonnes	5,371 tonnes
KBC GREEN BOND 2020 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated 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

*The KBC Green Bond issued in 2018 has matured on June 27th 2023

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
- The second issuance (June 2023) has been allocated to schools (ca 62%) and hospitals (ca 38%)

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

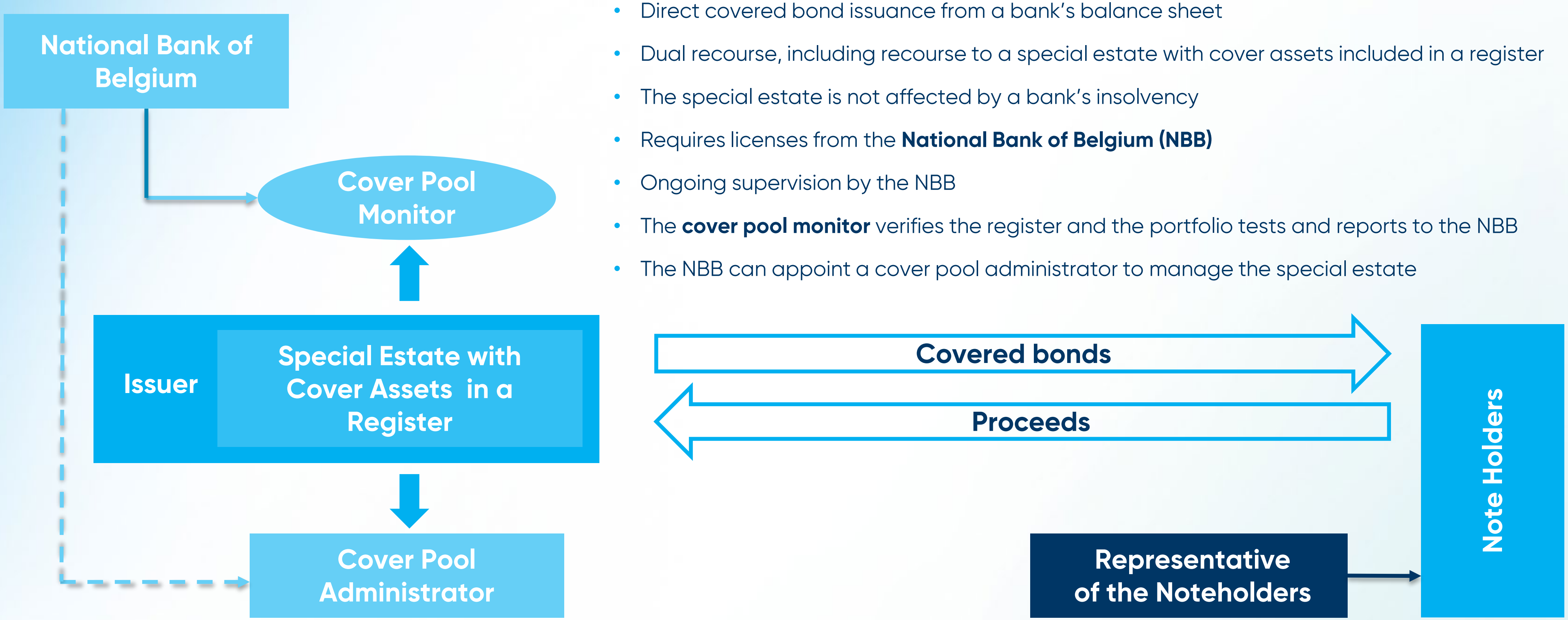
Social Report will be published annually and will include:
- **Allocation of Proceeds,** including a limited assurance report
- various **output indicators** of the allocated Eligible Assets
- See latest Social report as of EOY 2022 available on kbc.com

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 (62.5%) and high seasoning (58 months) • Disciplined origination policy
Programme size	**17.5bn EUR | Outstanding amount of 14.92 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 — 9.5% 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

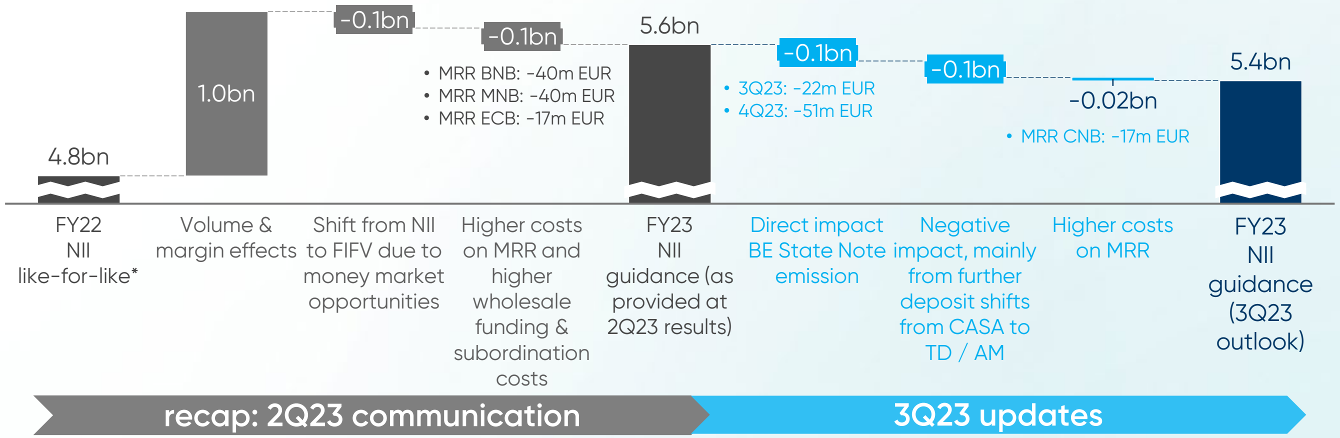
- The growth in the euro area is expected to stagnate for the remainder of 2023, due to the impact of the ECB's tightening cycle on credit growth, the weakness in the manufacturing sector and increasingly also in the service sector
- The main risks to our short-term outlook for European growth relate to the current geopolitical tensions, with an upside risk for energy and commodity prices. Stronger-than expected persistence of underlying core inflation and uncertainty regarding the impact on the real economy of the ECB's tightening cycle are also playing a role. Additional risks include the increasing financing costs of high levels of sovereign debt in the euro area against the background of tightened financing conditions and subdued economic growth

Group guidance under IFRS17 | 2023

- Our **FY23 total income guidance** remains 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 **5.4bn EUR ballpark for NII (instead of 5.6bn EUR ballpark previously) due to (1) the direct negative impact of the issued State Note in Belgium; 2) the negative impact mainly from further shifts from current & savings accounts to term deposits & asset management and 3) higher costs on the Minimum Required Reserves (MRR) held with central banks**
- **FY23 opex (excluding bank & insurance taxes) and insurance commissions** is estimated at **4.75bn EUR ballpark figure (not changed)**
- Our FY23 **credit cost ratio guidance remains at 10-15bps,** excluding any movement in the ECL buffer

FY23 NII guidance

in bn EUR; MRR = Minimum Required Reserves; CASA = Current Accounts and Savings Accounts, TD = Term Deposits



*FY22 NII, accounting for impacts of (i) KBC Ireland disposal, (ii) KBC Bank Bulgaria acquisition and (iii) TLTRO, ECB Tiering & negative charging

Indicative impacts of recent external events on FY24

Impact of the SEP23 Belgian State Note emission

- Referencing its 1-year tenor, the deposit outflows following the SEP23 Belgian State Note emission will continue to impact KBC's NII in 2024
- The **direct impact** is -139m EUR in 2024 (-51m EUR in 1Q24, -51m EUR in 2Q24, and -37m EUR in 3Q24)

MRR impact

- Assuming Minimum Reserve Requirements will remain in place in 2024, negative impacts on NII will persist as well
- The magnitude of impacts depends (linearly) on the interest rate evolution for KBC's core countries
- Sensitivity: Following impacts for FY24 are in place based on the current policy rates and current MRR remuneration structure

	ECB	BNB	CNB	MNB	Total
Policy rate	4.00% ECB rate		7.00%	12.25%	
MRR impact FY24	-64m EUR*	-60m EUR	-65m EUR	-31m EUR	**-220m EUR**

** If the market rumour that the ECB would increase the MRR from 1% to 2% as of 1 April 2024 materialises, the ECB MRR impact for FY24 would double to -112m EUR

Increased Belgian bank tax

- The Belgian government decided recently to increase the national bank taxes by:
  - (1) higher bank taxes for deposits on the balance sheet above 50bn EUR
  - (2) abolishment of the income tax deductibility of the banking taxes

  The combined impact for KBC is **roughly -40m EUR and expected as of 2024 (of which roughly -30m EUR in banking & insurance tax and -10m in income tax expense)**
- Additionally, a further increase of the bank taxes can be expected based on a latest discussion in the Belgian Parliament driven by **an increase of the contribution to the Deposit Guarantee Scheme, which will result in roughly -10m EUR in 4Q23 and -24m EUR in 2024**

Anticipated tax benefit of 0.3bn EUR

- Based on the approval received from the Irish Department of Finance on 13 September 2023, the main hurdles to start the legal liquidation process of KBC Bank Ireland have been taken. The aim is to close this liquidation process in the course of 2024. The formal closing of the liquidation process can give rise to a tax-deductible loss in KBC Bank NV of about 1.3 billion euros in 2024 for which no deferred tax assets are yet recognized, as we consider this as a contingent asset at this moment subject to official authorization of the Irish tax authorities to liquidate KBC Bank Ireland.
- This could lead to a **tax benefit in P&L of 0.3bn EUR in 2024**

FY24 NII indication and Basel IV

FY24 NII is estimated to be flattish y-o-y (hence 5.4bn EUR ballpark), based on the following assumptions:

- The market forward rates (for ST & LT interest rates)
- Commercial transformation result will continue to benefit from the positive impact of increasing reinvestment yields
- The deposit outflows following the SEP23 Belgian State Note emission will continue to impact KBC's NII in 2024 (see previous slide)
- Conservative assumption re. deposit flow once the Belgian State Note matures
- Further shifts from current accounts and savings accounts to term deposits
- Higher pass-through rates on saving accounts
- Higher costs on MRR* (see previous slide)
- Loan volume growth at roughly 3% y-o-y in 2024
- Asset margins will (very) gradually improve
- Higher funding costs

* We assume that the ECB will increase the MRR from 1% to 2% as of 1 April 2024 (in line with market expectations)

Indicative view on transitional risk-weighted assets (RWA) evolution under Basel IV (based on current EU consensus for Basel IV, a static balance sheet and all other parameters ceteris paribus, without any mitigating actions):

- on 1 January 2025, we expect a first-time application impact of approximately +2.5bn EUR and
- by 1 January 2033, we expect a further fully loaded impact of approximately +3.5bn EUR

Annex 1 | Summary of the different business units' performance

9M 2023	KBC Group	Belgium BU	Czech Republic BU	Slovakia (International Markets BU)	Hungary (International Markets BU)	Bulgaria (International Markets BU)	Group Centre BU
Net result (YTD, in euros)	2 725m	1 392m	661m	87m	191m	220m	174m
ROAC (YTD)	27%	23%	40%	15%	26%	31%	
Allocated capital (in %)		64%	15%	5%	7%	7%	2%
Cost/Income ratio(1) (YTD)	41%	40%	44%	56%	27%	41%	
Combined ratio(2) (YTD)	85%	83%	83%	97%	108%(3)	83%	
Loans(4) (in euros) (y-o-y organic growth loans)	182bn (+2%)	118bn (+0.5%)	37bn (+4%)	11bn (+9%)	6bn (+8%)	9bn (+9%)	
Deposits(5) (in euros) (y-o-y organic growth deposits)	214bn (-2%)	133bn (-6%)	52bn (+7%)	8bn (+3%)	9bn (-5%)	13bn (+10%)	

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).

(1) Cost/Income ratio without banking and insurance taxes
(2) Combined ratio, Non-life insurance
(3) Combined ratio excluding windfall tax amounted to 97%
(4) Loans to customers, excluding reverse repos and bonds (growth figures are excluding FX, consolidation adjustments and reclassifications)
(5) Customer deposits, excluding debt certificates and repos (growth figures are excluding FX, consolidation adjustments and reclassifications)

Annex 2 | Outstanding benchmarks as at end of October 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
KBC Group	EUR	BE0002961424	750	8.000%	M/S+492.8bps	5/09/2023	5/09/2029	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	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	USB5341FAB79/ US48241FAB04	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 Group	EUR	BE0002951326	750	4.375%	M/S+145bps	6/06/2023	6/12/2031	8.5y
KBC Group	EUR	BE0002950310	1,250	4.500%	M/S+95bps	6/06/2023	6/06/2026	3NC2
KBC Group	USD	USB5341FAC52/ US48241FAC86	1,000	6.324%	T+205bps	21/09/2023	21/09/2034	11NC10

KBC Green Bond

KBC Social Bond

Annex 3 | KBC's covered bond programme characteristics

Portfolio data as of 30 September 2023

in EUR

Total Outstanding Principal Balance	18 904 063 932
Total value of the assets for the over-collateralisation test	17 288 793 130
No. of Loans	222 880
Average Current Loan Balance per Borrower	126 243
Maximum Loan Balance	1 084 182
Minimum Loan Balance upon selection	1 000
Number of Borrowers	149 744
Longest Maturity	318 months
Shortest Maturity	0 months
Weighted Average Seasoning	58 months
Weighted Average Remaining Maturity	192 months
Weighted Average Current Interest Rate	1.80%
Weighted Average Current LTV	62.52%
No. of Loans in Arrears (+30days)	259
Direct Debit Paying	99%

Interest rate type

in %

Fixed	86%
1 y / 1y	5%
3y / 3y	6%
5y / 5y	3%
10y / 5y	<1%
15y / 5y	<1%
20y / 5y	<1%

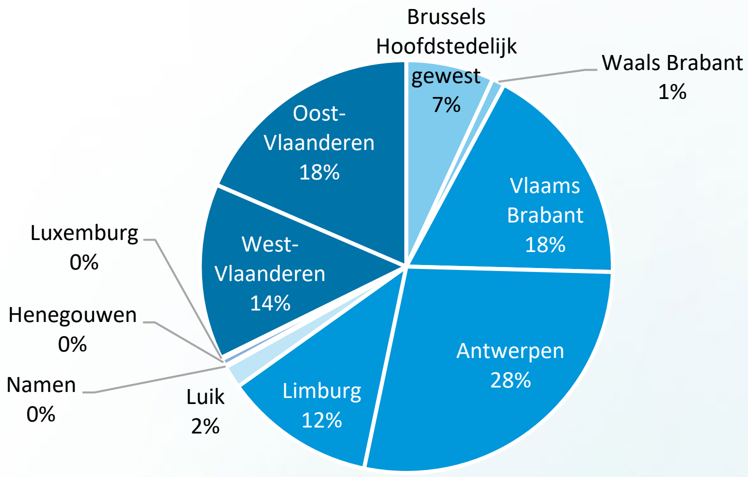
Repayment type

in %

Annuity	>99%
Linear	<1%

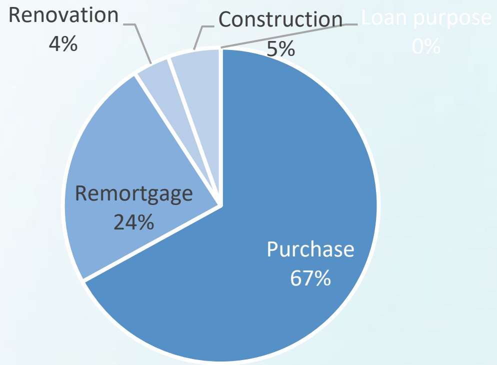
Geographical allocation

in %



Loan purpose

in %

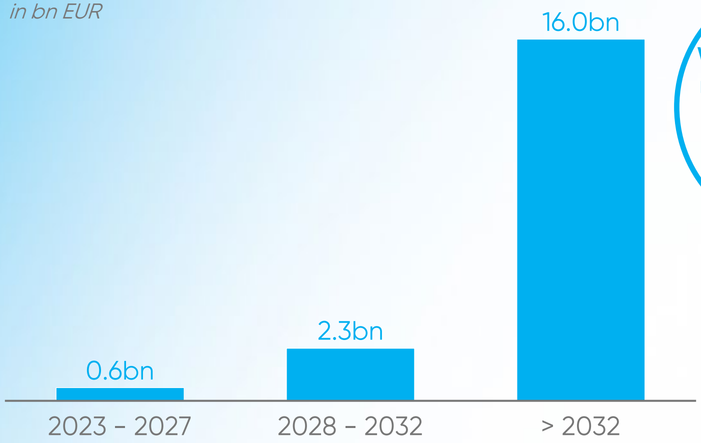


Investor reports, final terms and prospectus are available on www.kbc.com/covered_bonds

Annex 4 | Key cover pool characteristics

Final maturity date

in bn EUR

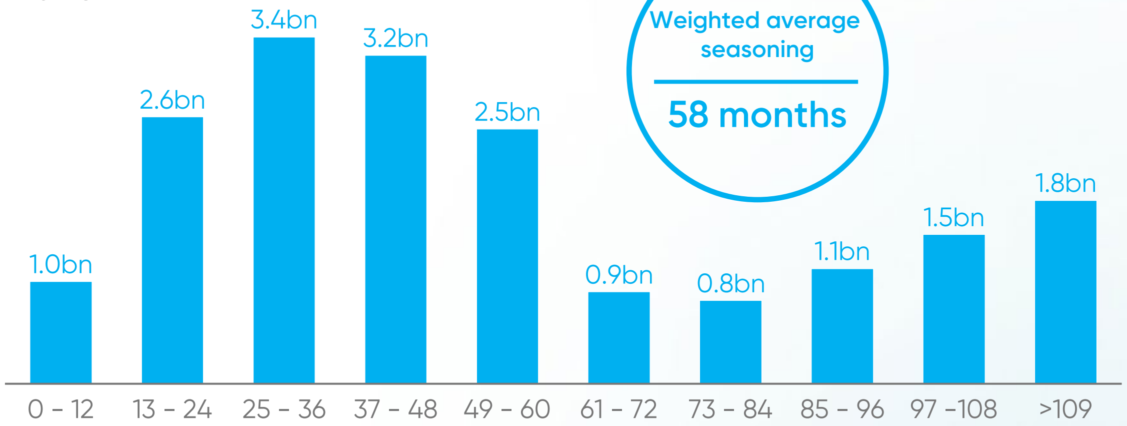


Weighted average remaining maturity

192 months

Seasoning (in months)

in bn EUR

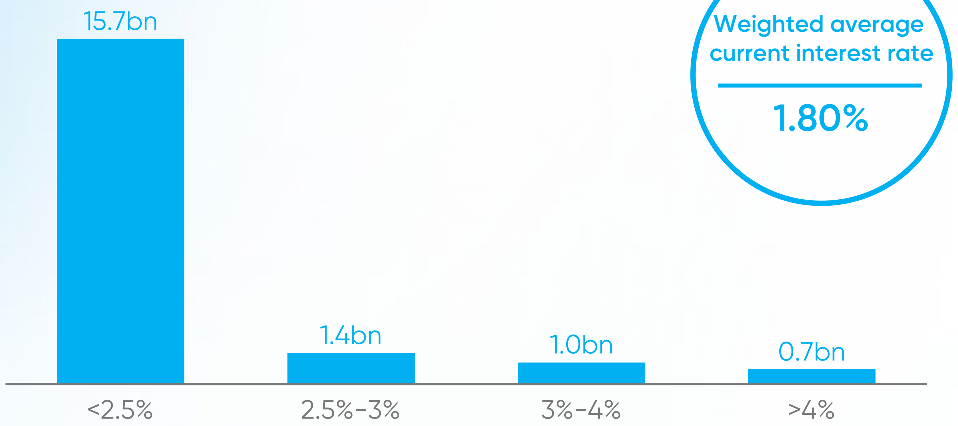


Weighted average seasoning

58 months

Interest rate

in bn EUR

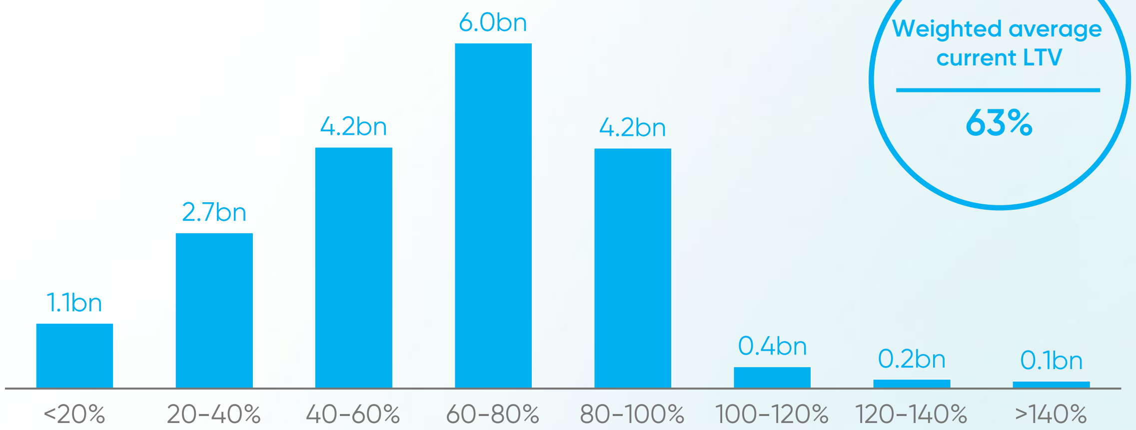


Weighted average current interest rate

1.80%

Current LTV

in bn EUR

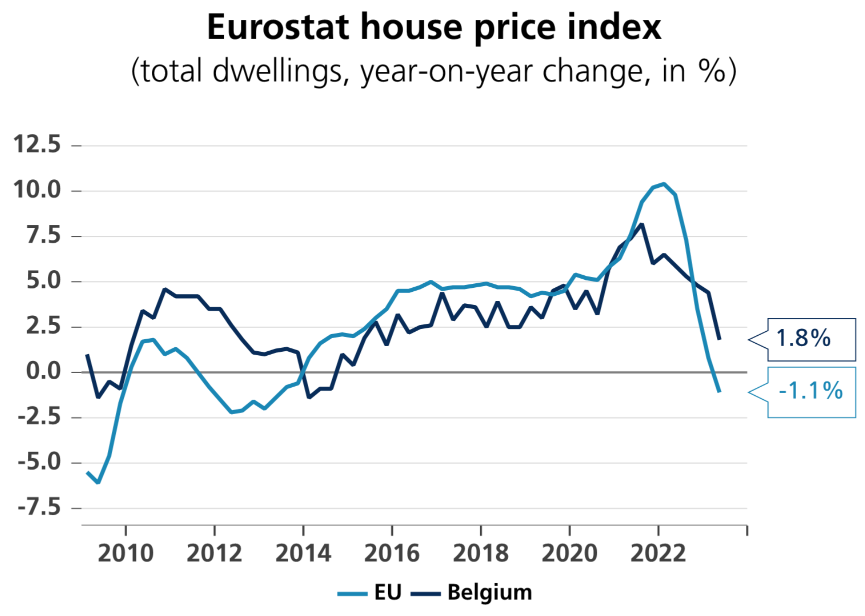


Weighted average current LTV

63%

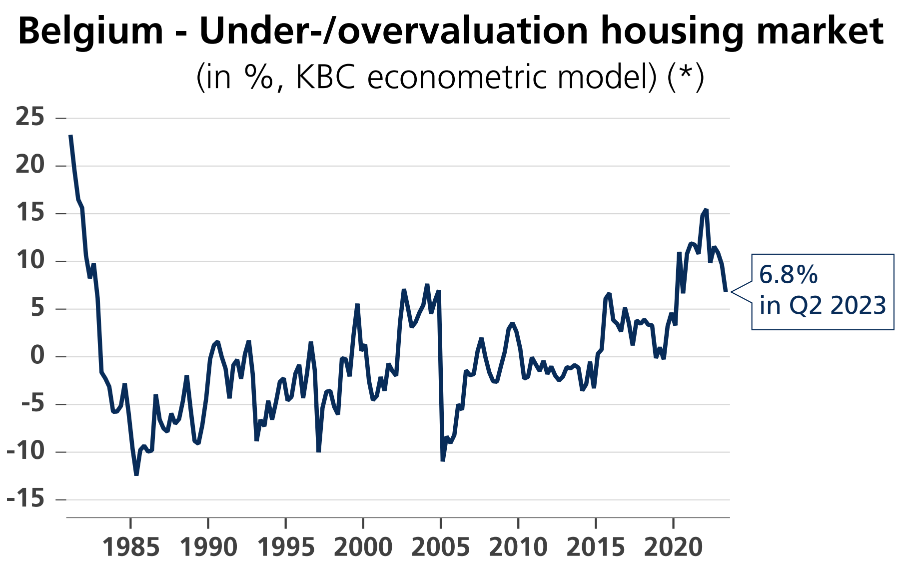
Annex 5 | Belgian real estate market – House price dynamics in Belgium are slowing down

The y-o-y house price increase slowed to 1.8% in Q2 2023, down from a peak of 8.2% in Q3 2021



Source: KBC Economics based on Eurostat

The overvaluation of Belgian real estate is estimated at some 7% in Q2 2023



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

14 Nov 2023	ESG virtual event
6 Dec 2023	Boston, credit update
7 Dec 2023	Yankee FIG Conference, New York
…	
24 Jan 2024	4Q23 black out period
8 Feb 2024	4Q23 Publication of Results

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