KBC Group
Company presentation
FY 2021 / 4Q 2021

More infomation: www.kbc.com

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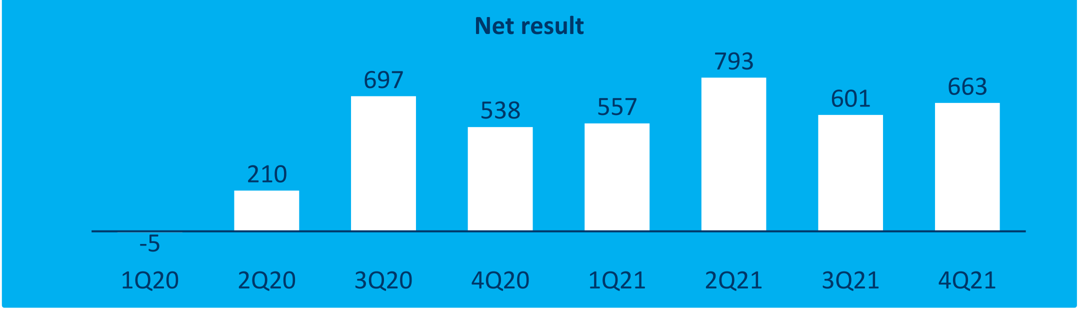
4Q 2021 key takeaways

- **Commercial bank-insurance franchises** in core markets performed excellent
- **Customer loans** and **customer deposits** increased y-o-y in most of our core countries
- KBC **converted its two remaining Belgian pension saving funds into SRI funds. High FY21 inflows in SRI:** roughly 55% of KBC Group FY21 gross sales were invested in SRI funds (see slide 94)
- Higher **net interest income** and net interest margin
- Higher **net fee and commission income**
- Small **net losses from financial instruments at fair value** and lower **net other income**
- Excellent sales of **non-life** insurance y-o-y and higher sales of **life** insurance q-o-q
- **Costs** in line with guidance
- Net **impairment releases**
- Solid **solvency** and **liquidity**
- **Updated financial guidance** (see slides 58-60)

Excellent net result of 663m EUR in 4Q21

FY21

- **ROE 15%***
- **Cost-income ratio excluding bank taxes 51%**
- **Combined ratio 89%**
- **Credit cost ratio -0.18% (-0.01% without collective Covid-19 impairments** and one-off impact of pending sales in Ireland)**
- **Common equity ratio 15.5%** (B3, DC, fully loaded)
- **Leverage ratio 5.4%** (fully loaded)
- **NSFR 148% & LCR 167%**



* when excluding the one-off items due to the pending sales transactions in Ireland

** Collective Covid-19 impairments lowered from 783m EUR at end 2020 to 289m EUR at end FY21 (see slide 20)

Comparisons against the previous quarter unless otherwise stated

4Q 2021 key takeaways

Capital deployment / Dividend proposal

For FY21:

- A **final gross dividend of 7.6 EUR per share, bringing the total gross dividend to 10.6 EUR per share,** will be proposed to the AGM, of which:
  - ☐ a dividend of 2.0 EUR per share related to the accounting year 2020, already paid in November 2021
  - ☐ an ordinary dividend of 4.0 EUR per share related to the accounting year 2021 (of which an interim dividend of 1.0 EUR per share already paid in November 2021 and the remaining 3.0 EUR per share to be paid in May 2022)
  - ☐ an extraordinary dividend of 4.6 EUR per share (to be paid in May 2022)

- This will lead to a fully loaded CET1 ratio (after capital distribution) of 15.5%, **in line with our announced capital deployment plan for FY21**

- The **pay-out ratio** (including AT1 coupon) amounts to approximately:
  - ☐ 66% based on the proposed ordinary dividend of 4.0 EUR per share related to the accounting year 2021
  - ☐ 139% based on the proposed total dividend of 8.6 EUR per share (ordinary + extraordinary dividend)

As of FY22 (see slide 61):

- On top of the payout ratio of at least 50% of consolidated profit, **all capital > 15.0% fully loaded CET1 ratio will be considered for distribution** to the shareholders, at the discretion of the Board of Directors when announcing the full year results (FY22 results on 9 February 2023)

KBC: the reference

What? | **Current relative ranking** | **Position versus industry average**

Profitability (FY21 ROE*)

KBC amongst most profitable banks

Solvency (FY21 CET1 ratio)

KBC amongst best capitalised banks

ESG / Sustainability**
SUSTAINALYTICS

KBC 5th of 415 diversified banks

Digitalisation
SIAPARTNERS

Conclusion of Sia Partners (independent research agency) is clear: ‘KBC Mobile is a perfect and efficient banking app for everyday needs and one of the most innovative with some interesting extras. The app surprises customers with the wide range of functionalities and the virtual assistance by Kate.'

KBC Mobile N°1 by Sia Partners

Differently THE NEXT LEVEL

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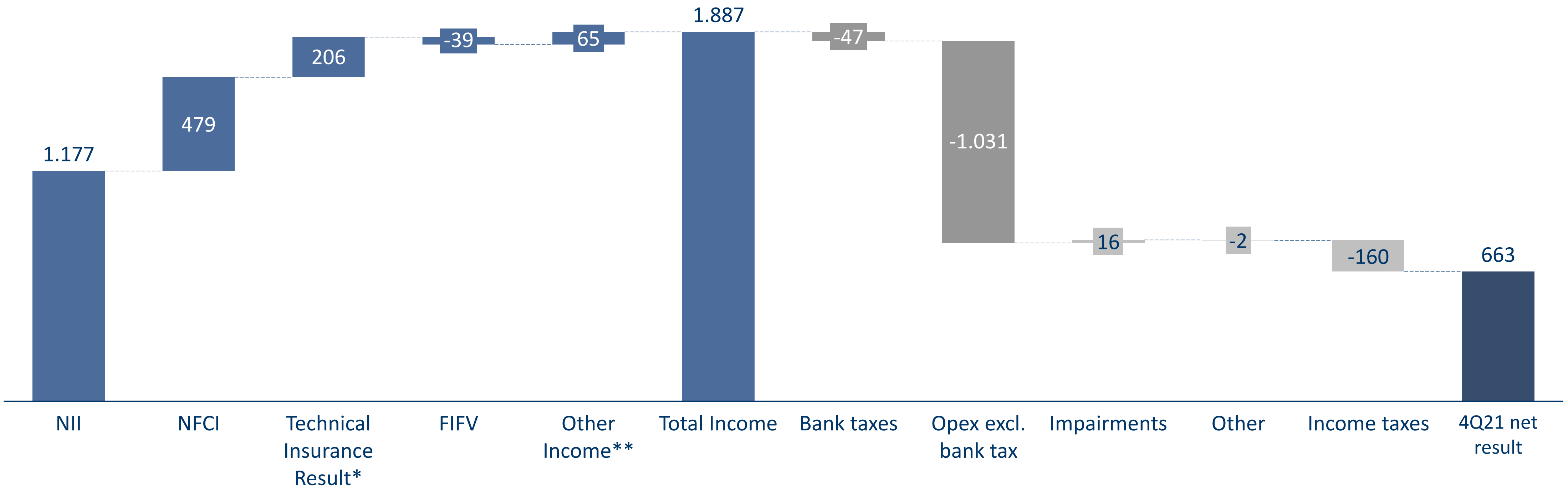
* excluding the one-off items due to the pending sales transactions in Ireland

** relative scoring versus banking sector

Overview of building blocks of the 4Q21 net result



	NII	NFCI	Technical Insurance Result*	FIFV	Other Income**	Total Income	Bank taxes	Opex excl. bank tax	Impairments	Other	Income taxes	4Q21 net result
Q-o-Q	+6%	+3%	+11%			0%		+3%				+10%
Y-o-Y	+10%	+19%	0%			+5%		+10%				+23%

* Earned premiums – technical charges + ceded reinsurance

** Dividend income + net realised result from debt instruments FV through OCI + net other income

Main exceptional items

		4Q21	3Q21	4Q20
GROUP	Opex – Update of software capitalisation policy			+10m EUR
	Impairments – Software			-59m EUR
	Total Exceptional Items GROUP			***-49m EUR***
BE BU	NII – One-off technical item (insurance)			+5m EUR
	Non-Life technical charges – flood impact above the legal limit (solidarity contribution)	-7m EUR	-38m EUR	
	NOI – Sale of the KBC Antwerp Tower		+13m EUR	
	Opex – Sale of the KBC Antwerp Tower		+9m EUR	
	Total Exceptional Items BE BU	***-7m EUR***	***-15m EUR***	***+5m EUR***
CZ BU	NOI – Legacy legal files			-6m EUR
	Total Exceptional Items CZ BU			***-6m EUR***
IM BU	IRL – NOI – Additional impact for the tracker mortgage review	-4m EUR	-13m EUR	-3m EUR
	IRL – NOI – Two pending sales transactions	-3m EUR		
	IRL – Opex – Two pending sales transactions	-16m EUR	-81m EUR	
	IRL – Impairments – Two pending sales transactions	-25m EUR	-185m EUR	
	HU – Impairments – Modification losses	-1m EUR	-5m EUR	-2m EUR
	IRL – Income tax – Two pending sales transactions		-53m EUR	
	Total Exceptional Items IM BU	***-49m EUR***	***-337m EUR***	***-5m EUR***
GC	NOI – Badwill on OTP SK	+28m EUR		
	NOI – Legacy legal file	+6m EUR		
	Total Exceptional Items GC	***+34m EUR***		
	Total Exceptional Items	-22m EUR	-352m EUR	-55m EUR
	Total Exceptional Items (post-tax)	-21m EUR	-346m EUR	-44m EUR

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4 Strong solvency and solid liquidity

5 Wrap up

6 Looking forward

Annex 1: FY 2021 performance of KBC Groep

Annex 2: Company profile

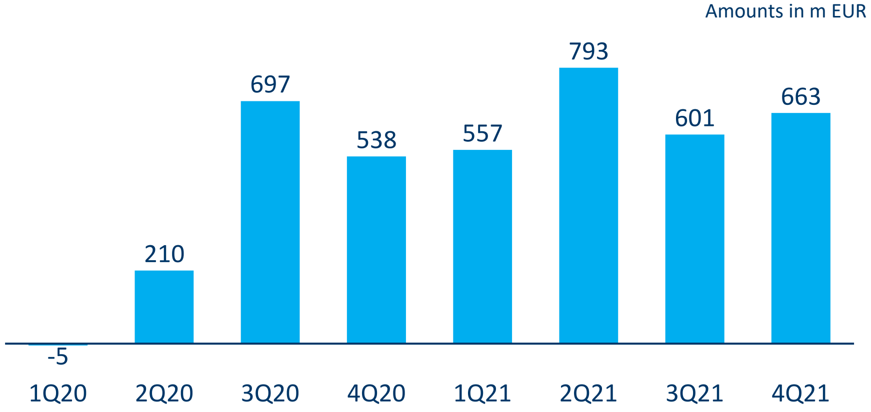
Annex 3: Differently: the next level

Annex 4: Other items

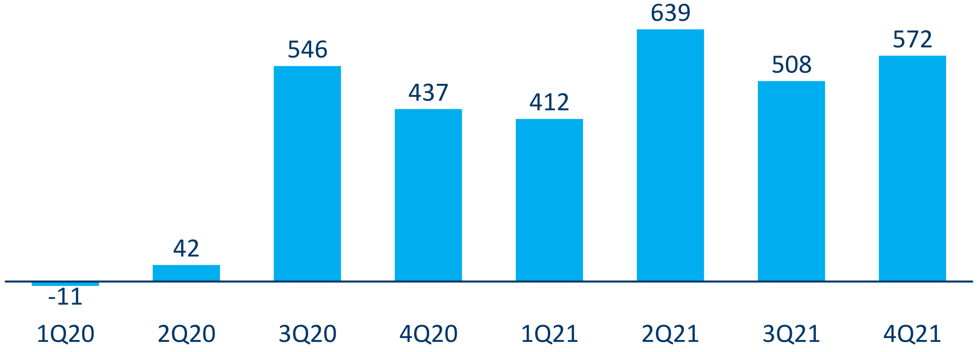
Section 1

4Q 2021 performance of KBC Group

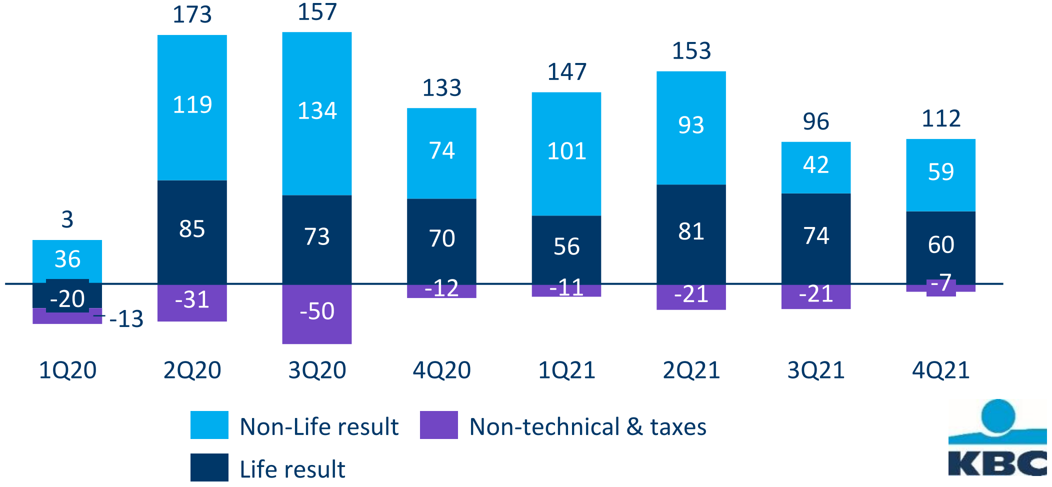
Net result at KBC Group



NET RESULT AT KBC GROUP*



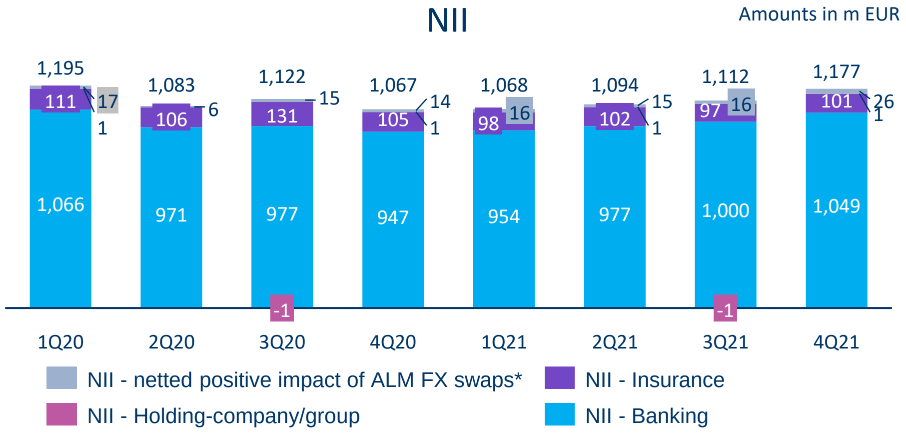
CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP NET RESULT*

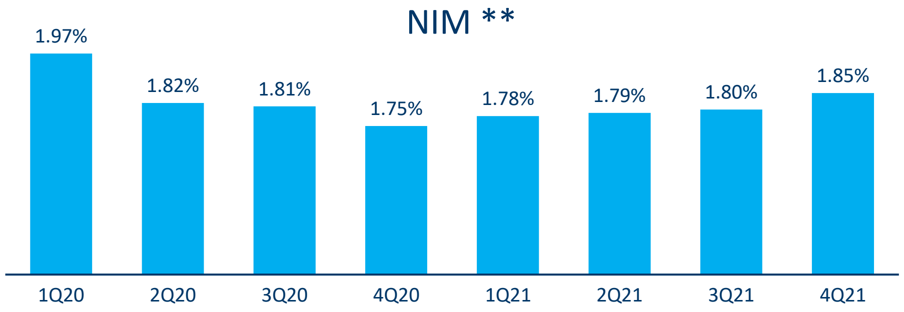


CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP NET RESULT*

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

Higher net interest income and net interest margin





* From all ALM FX swap desks

** NIM is calculated excluding the dealing room and the net positive impact of ALM FX swaps & repos

- **Net interest income (1,177m EUR)**
  - NII increased by 6% q-o-q, driven primarily by:
    - organic loan volume growth
    - a positive impact of the CNB and MNB rate hikes
    - intensified charging of negative interest rates on certain current accounts to corporates and SMEs
    - higher netted positive impact of ALM FX swaps
    - higher NII on insurance bond portfolio (inflation-linked bonds)

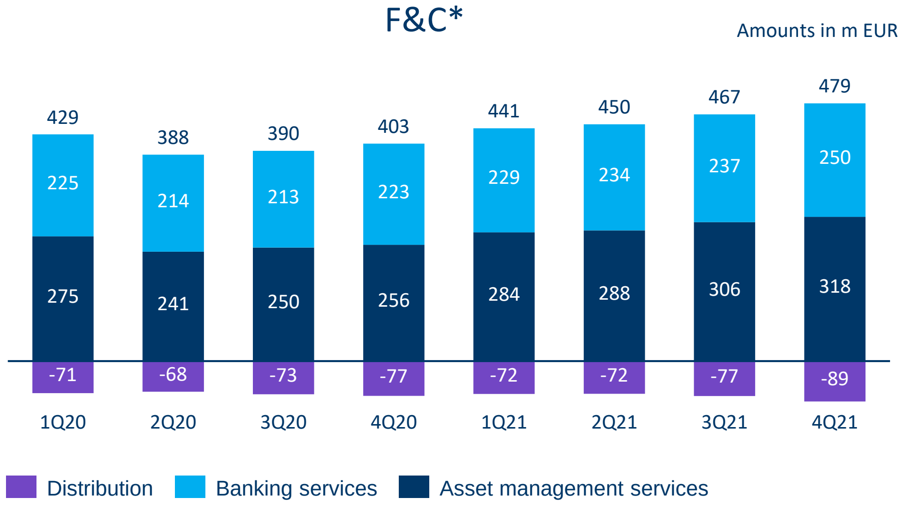
    partly offset by:
    - lower reinvestment yields in euro-denominated countries
    - margin pressure on the outstanding loan portfolio in almost all countries
    - depreciation of the HUF versus the EUR (-2m EUR q-o-q)
  - The 10% y-o-y NII increase was mainly the result of the positive impact of the CNB and MNB rate hikes, higher NII lending (volume-driven), lower funding costs, intensified charging of negative interest rates on certain current accounts to corporates and SMEs, higher netted positive impact of ALM FX swaps, the consolidation of OTP SK and a positive FX effect, partly offset by lower reinvestment yields in euro-denominated countries (impacting both banking and insurance) and margin pressure on the outstanding loan portfolio in almost all countries
- **Net interest margin (1.85%)**
  - Increased by 5 bps q-o-q and by 10 bps y-o-y for the reasons mentioned above, despite an increase of the interest-bearing assets (denominator)

ORGANIC VOLUME TREND	Total loans**	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	170bn	78bn	203bn	236bn	29bn
Growth q-o-q*	+1%	+2%	0%	+3%	+1%
Growth y-o-y	+5%	+6%	+6%	+12%	+3%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

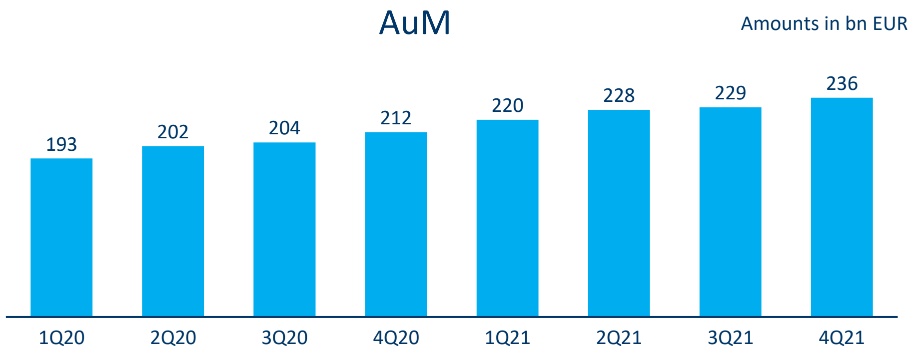
Higher net fee and commission income



F&C*

Amounts in m EUR

* The building blocks of the 2020 F&C figures were restated, resulting in a shift of roughly 5m EUR per quarter from Banking services to Asset Management services, related to F&C income from CSOB CZ Pension company



AuM

Amounts in bn EUR

Net fee and commission income (479m EUR)

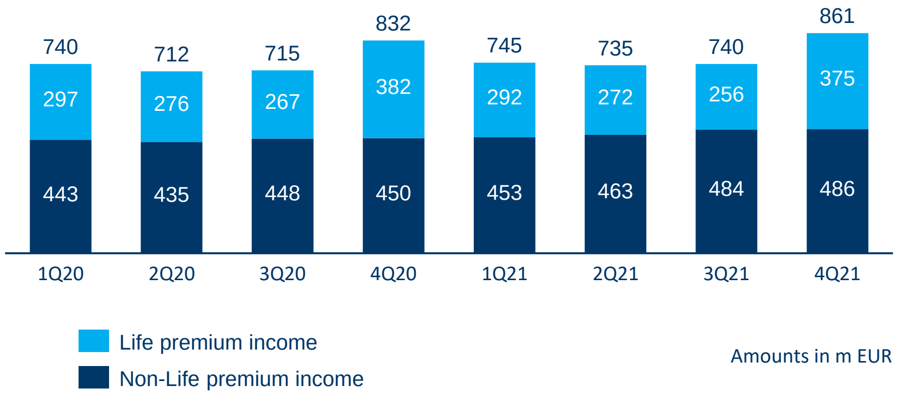
- Up by 3% q-o-q and by 19% y-o-y
- Q-o-q increase was the result of the following:
  - Net F&C income from Asset Management Services increased by 4% q-o-q due entirely to higher management fees. Entry fees stabilised q-o-q
  - Net F&C income from banking services rose by roughly 5% q-o-q (+6% q-o-q excluding FX effect) as a result of higher fees from payment services, higher securities-related fees, higher fees from credit files & bank guarantees and higher network income
  - Distribution costs rose by 17% q-o-q due chiefly to higher extra commissions paid linked to banking products and increased life insurance sales
- Y-o-y increase was mainly the result of the following:
  - Net F&C income from Asset Management Services rose by 24% y-o-y driven by higher management and entry fees
  - Net F&C income from banking services increased by 12% y-o-y (+11% y-o-y excluding FX effect) driven mainly by higher fees from payment services and higher network income
  - Distribution costs rose by 16% y-o-y due chiefly to higher extra commissions paid linked to banking products and increased insurance sales

Assets under management (236bn EUR)

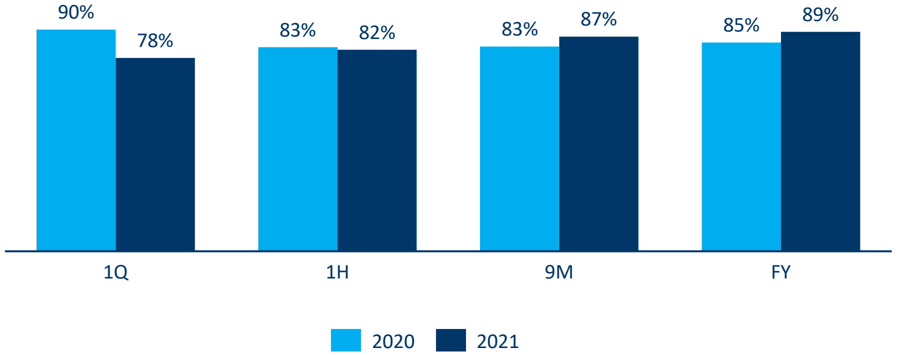
- Increased by 3% q-o-q and by 12% y-o-y due mainly to a positive price effect
- The mutual fund business has seen good net inflows in high-margin collective and discretionary management this quarter, more than offset by net outflows in low-margin investment advice

Insurance premium income up y-o-y and excellent combined ratio

PREMIUM INCOME (GROSS EARNED PREMIUMS)



COMBINED RATIO (NON-LIFE)



- **Insurance premium income** (gross earned premiums) **at 861m EUR**
  - Non-life premium income (486m EUR) increased by 8% y-o-y in 4Q21
  - Life premium income (375m EUR) rose by 46% q-o-q and fell by 2% y-o-y in 4Q21

- The non-life **combined ratio** for FY21 amounted to an excellent **89%** (85% in FY20). This is the result of:
  - 6% y-o-y earned premium growth in FY21
  - 21% y-o-y higher technical charges in FY21 due mainly to:
    - the severe flood impact in Belgium during summer (110m EUR gross impact and 87m EUR net impact after reinsurance, of which 45m EUR above the legal limit*)
    - higher normal claims (mainly in 'Motor', 'Property' and 'Workmen's compensation', primarily due to the re-opening of the economy)
    - partly offset by lower impact of parameter updates
  - ceded reinsurance result, which amounted to +27m EUR in FY21 (versus -18m EUR in FY20) due to higher recuperations for floods and storms

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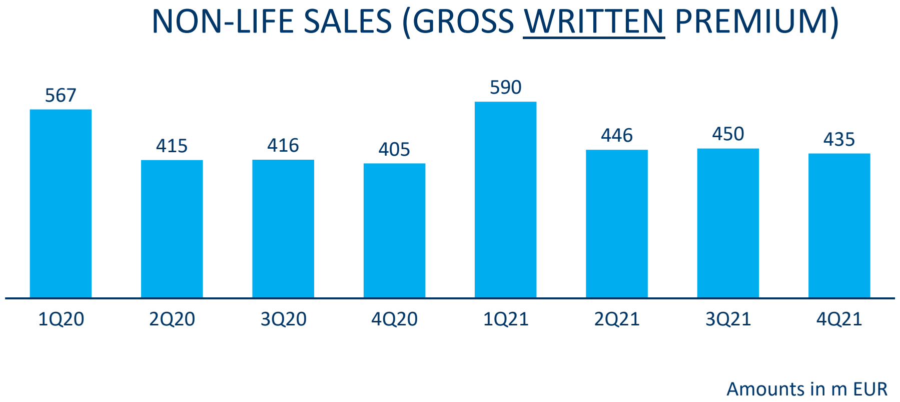
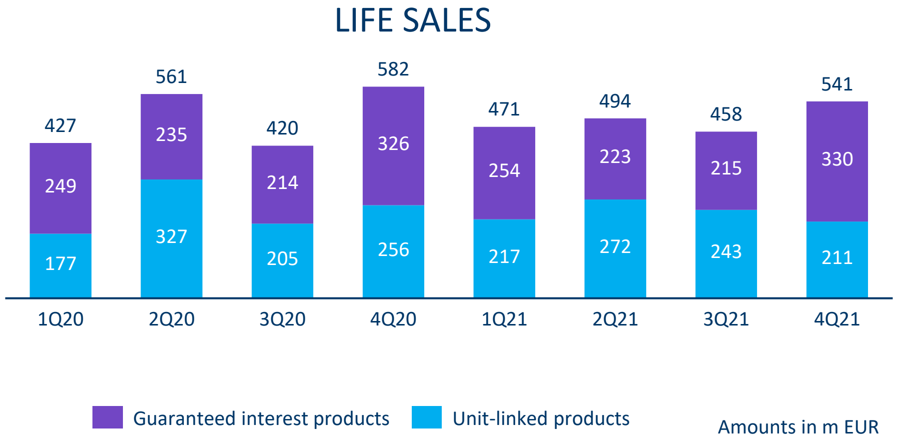
* i.e. the ceiling introduced in Belgian law on the intervention of insurers in the event of very large floods

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

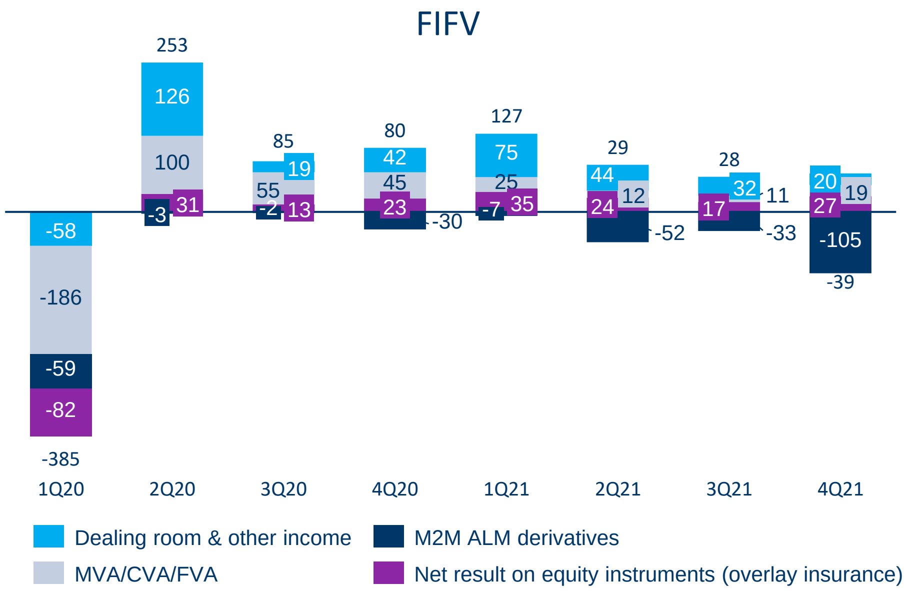


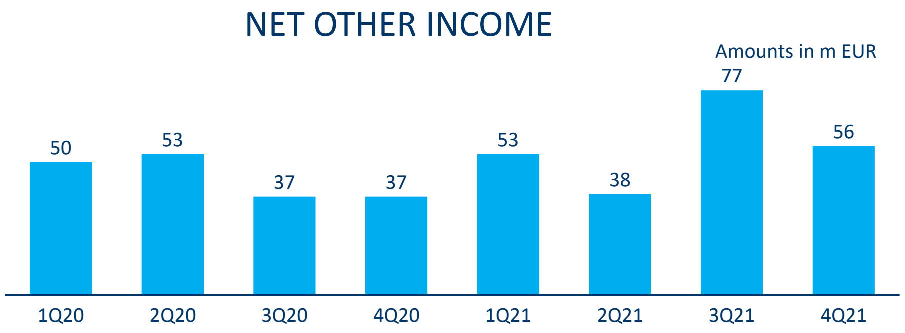


- **Sales of non-life insurance products**
  - Up by 7% y-o-y due to growth in all classes, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property'

- **Sales of life insurance products**
  - Increased by 18% q-o-q and decreased by 7% y-o-y
  - The q-o-q increase was driven mainly by higher sales of guaranteed interest products in Belgium (attributable chiefly to traditionally higher volumes in tax-incentivised pension savings products in 4Q21), partly offset by lower sales of unit-linked products in Belgium
  - The y-o-y decrease was driven entirely by lower sales of unit-linked products in Belgium and the Czech Republic, partly offset by higher sales of unit-linked products in Bulgaria (partly due to the consolidation of the NN's life insurance activities)
  - Sales of unit-linked products accounted for 39% of total life insurance sales in 4Q21

Small net losses from financial instruments at fair value and lower net other income





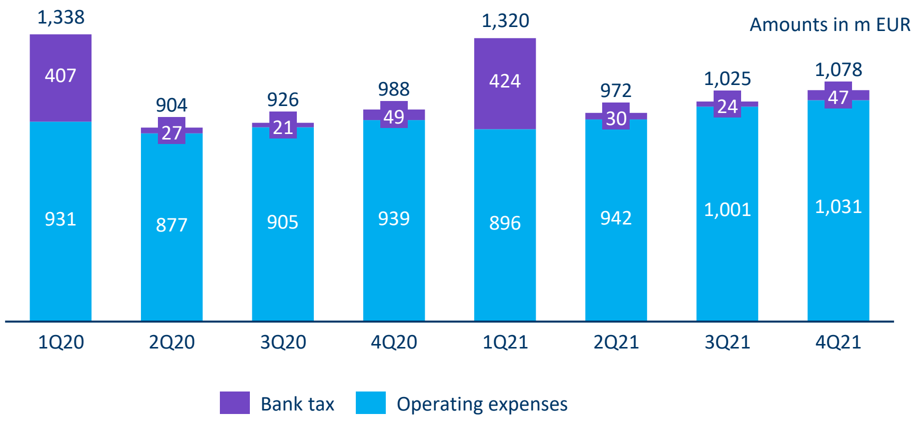
- The q-o-q decrease in **FIFV** was attributable mainly to:
  - a negative change in ALM derivatives (especially due to a substantial increase of Hungarian interest rates in ALM derivatives, not in hedge accounting… which will be recovered over time)
  - lower dealing room & other income

  partly offset by
  - a higher net result on equity instruments (insurance)
  - more positive credit and funding value adjustments mainly due to an increase in the yield curve, increasing equity markets and a decrease in counterparty credit spreads, partly offset by an increase in KBC funding spreads
    - FVA: 4m EUR (+2m EUR q-o-q)
    - CVA: 12m EUR (+6m EUR q-o-q)
    - MVA: 2m EUR (-1m EUR q-o-q)

- **Net other income** amounted to 56m EUR, slightly higher than the normal run rate of around 50m EUR per quarter, despite realised losses on the sale of bonds. Note that 4Q21 was impacted by some one-offs: +28m one-off badwill on OTP SK (in Group Centre) and +6m EUR one-off for a legacy legal file (in Group Centre), partly offset by -4m EUR additional impact for the tracker mortgage review in Ireland and -3m EUR related to the two pending sales transactions in Ireland

Costs fully in line with guidance

OPERATING EXPENSES



BANK TAX SPREAD IN 2021

Amounts in m EUR

	TOTAL	Upfront				Spread out over the year			
	4Q21	1Q21	2Q21	3Q21	4Q21	1Q21	2Q21	3Q21	4Q21
BE BU	**0**	311	6	0	0	0	0	0	0
CZ BU	**1**	50	1	1	1	0	0	0	0
Hungary	**25**	25	2	0	0	18	21	22	25
Slovakia	**0**	3	0	0	0	3	0	0	0
Bulgaria	**0**	9	-1	0	0	0	0	0	0
Ireland	**21**	3	0	0	0	1	1	1	21
GC	**0**	0	0	0	0	0	0	0	0
TOTAL	**47**	**402**	**8**	**1**	**1**	**22**	**22**	**23**	**46**

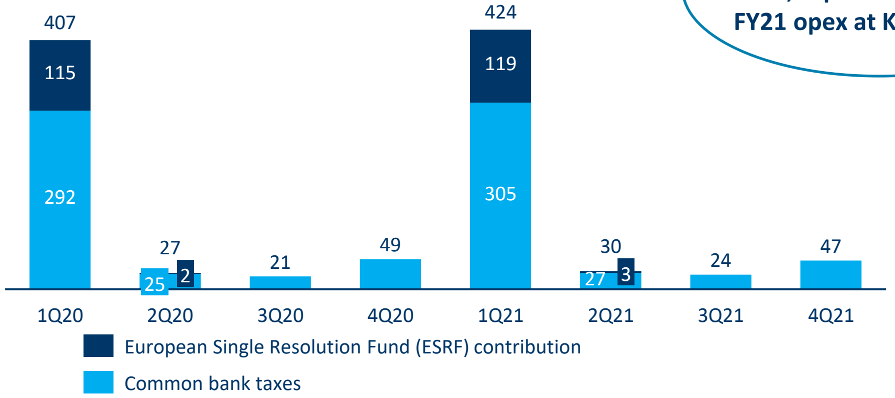
- **Operating expenses in FY21 excluding bank taxes, changes in the consolidation scope and one-offs rose by 1.5% y-o-y (+1.0% y-o-y when also excluding FX), fully in line with our FY21 guidance of slightly below +2% like-for-like**
- The C/I ratio excluding bank taxes amounted to 51% in FY21
- Note that both 3Q21 and 4Q21 were impacted by one-offs:
  - -16m EUR one-off costs in 4Q21 as a result of the two pending sales transactions in Ireland, mainly related to accelerated depreciations
  - -81m EUR one-off staff-related costs in 3Q21 as a result of the signing of the two pending sales transactions in Ireland
  - +9m EUR release of cost provision due to the sale of the Antwerp tower in 3Q21
- Operating expenses excluding FX, bank taxes, changes in the consolidation scope and one-offs increased by 10% q-o-q due mainly to:
  - higher staff expenses (due largely to a higher accrual of variable compensation, wage inflation in most countries and higher pension costs)
  - seasonally higher professional fees and marketing costs
  - higher ICT and facilities costs
- Operating expenses excluding FX, bank taxes, changes in the consolidation scope and one-offs rose by 6% y-o-y due chiefly to:
  - higher staff expenses despite lower number of FTEs, driven by wage inflation and higher variable remuneration
  - higher ICT and facilities costs and higher professional fees

  partly offset by
  - lower marketing costs
- Cost/income ratio (group) adjusted for specific items* at 58% in 4Q21 and 55% in FY21 (57% in FY20). Cost/income ratio (group): 57% in 4Q21 and 58% in FY21, distorted by one-offs
- Total bank taxes (including ESRF contribution) increased by 4% y-o-y to 525m EUR in FY21

* See glossary (slide 110) for the exact definition

Overview of bank taxes*

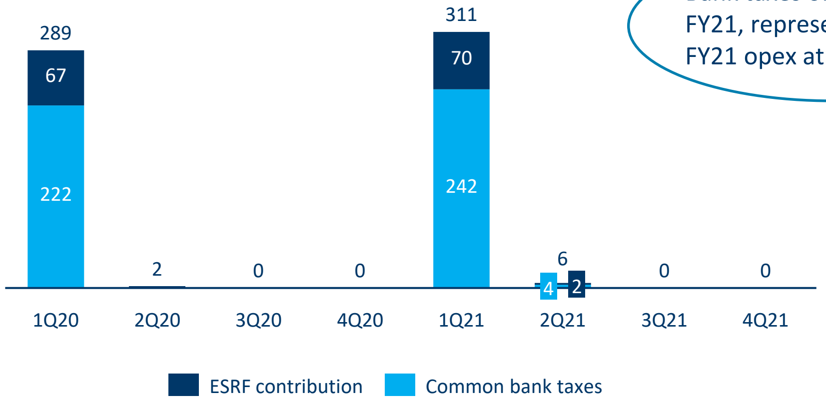
KBC GROUP



Bank taxes of 525m EUR in FY21, representing 11.9% of FY21 opex at KBC Group**

Amounts in m EUR

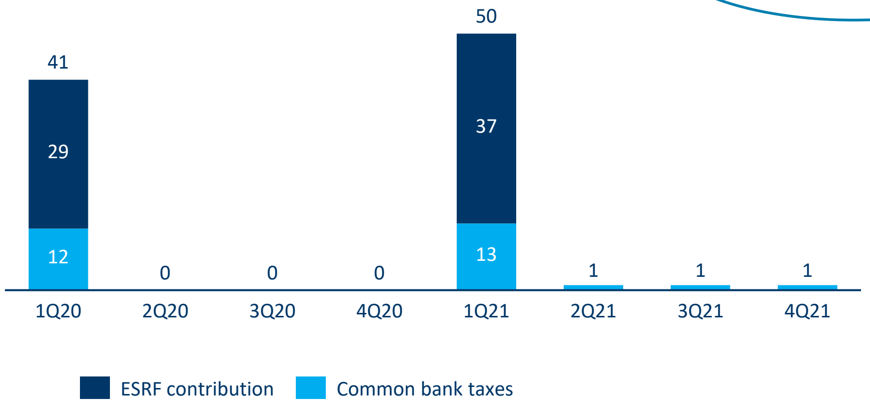
BELGIUM BU



Bank taxes of 318m EUR in FY21, representing 13.1% of FY21 opex at the Belgium BU

CZECH REPUBLIC BU

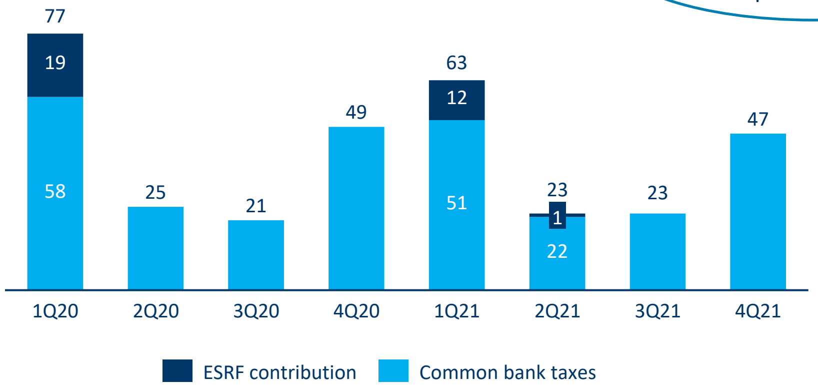
Bank taxes of 52m EUR in FY21, representing 6.5% of FY21 opex at the CZ BU



Amounts in m EUR

INTERNATIONAL MARKETS BU

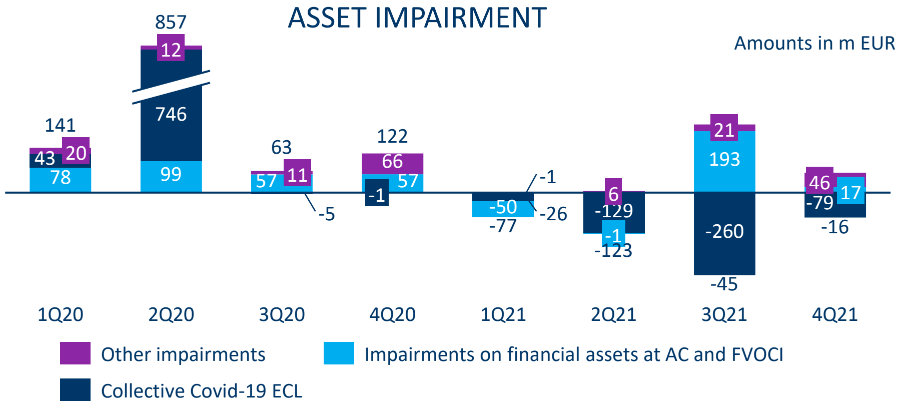
Bank taxes of 156m EUR in FY21, representing 14.9% of FY21 opex at the IM BU

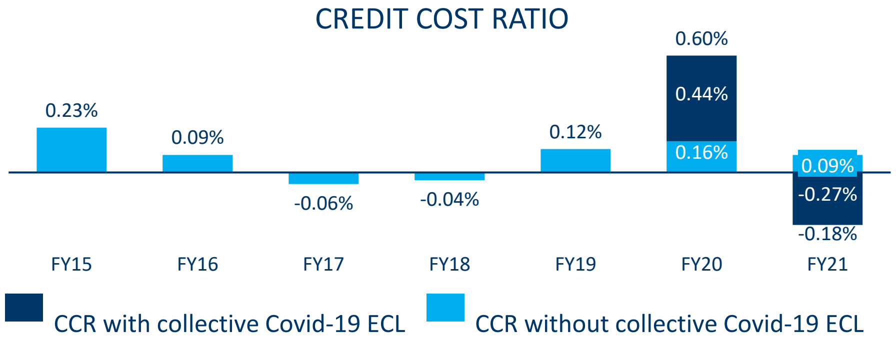


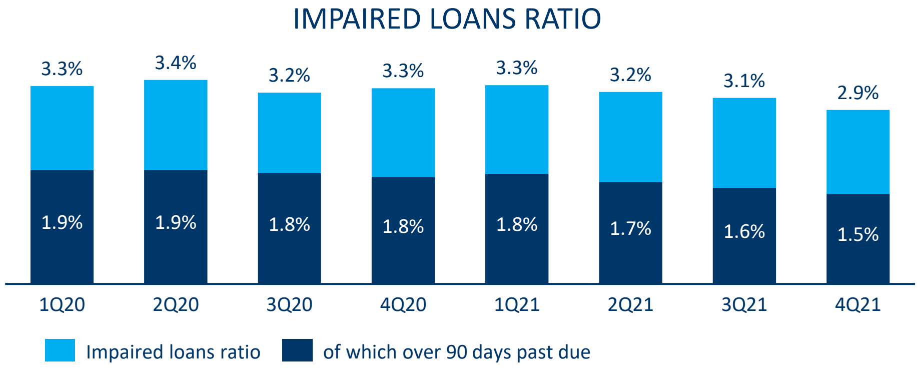
* This refers solely to the bank taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

** The C/I ratio (group) amounted to 51% in FY21 excluding these bank taxes

Net impairment releases and excellent credit cost ratio







- **Net impairment releases**
  - Loan loss impairment releases of 62m EUR in 4Q21 (compared with 66m EUR in 3Q21) due to:
    - a 79m EUR reversal of collective Covid-19 ECL (lowering the total collective Covid-19 impairments from 368m EUR in 3Q21 to 289m EUR in 4Q21)

    partly offset by
    - one-off loan loss impairments of 8m EUR as a result of the two pending sales transactions in Ireland
    - 9m EUR loan loss impairments mainly for a few individual corporate files
  - 46m EUR impairment on 'other', due mainly to:
    - a 17m EUR one-off as a result of the two pending sales transactions in Ireland due to impairment on (in)tangibles
    - a 17m EUR impairment on (in)tangibles in other countries (besides Ireland)
    - a 7m EUR goodwill impairment in the Czech Republic

- The **credit cost ratio in FY21** amounted to:
  - 9 bps (16 bps in FY20) without collective Covid-19 ECL
  - -18 bps (60 bps in FY20) with collective Covid-19 ECL

- The impaired loans ratio improved to 2.9%, 1.5% of which over 90 days past due. **Excluding Ireland, the impaired loans ratio amounted to 2.4%**

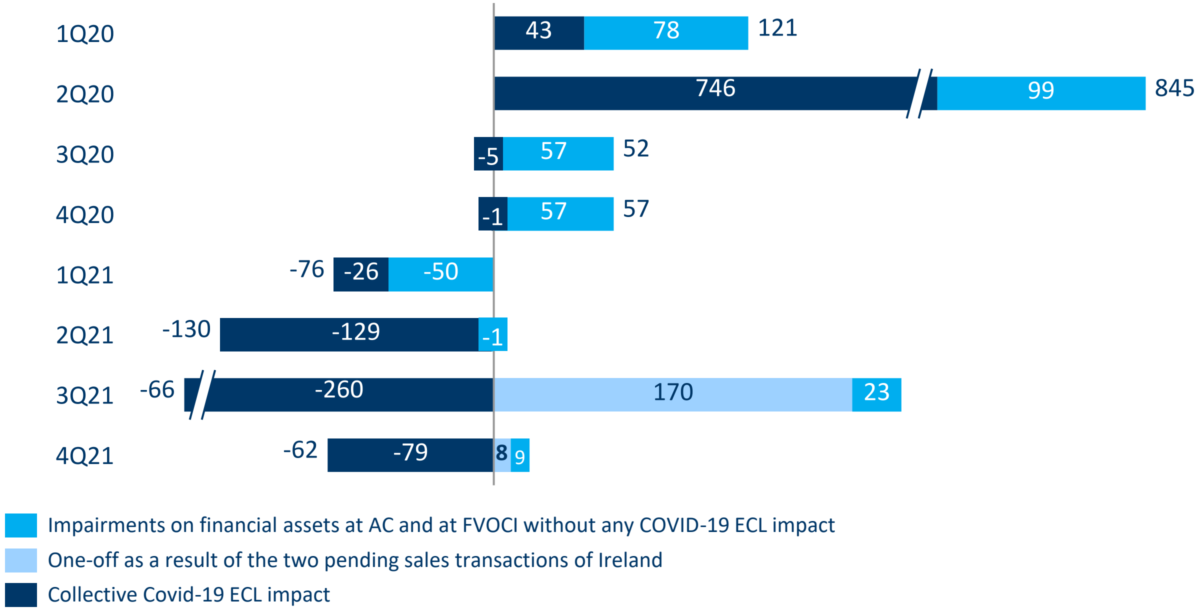
Section 2

Covid-19

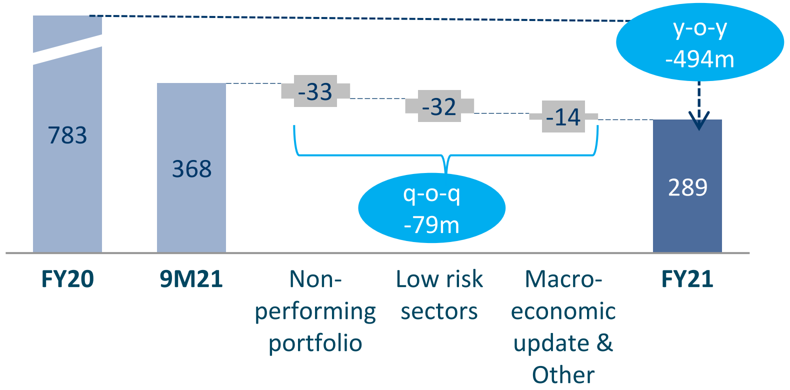
Covid-19 Expected Credit Loss (ECL)

q-o-q reversal of 79m EUR

Impairment on financial assets at AC and at FVOCI



Total collective Covid-19 ECL (incl. management overlay)



Since 2Q20, the **calculation principles** for the expert-based Covid-19 impact calculation at portfolio level **have remained the same**. Updates have been made over time to reflect portfolio changes, macroeconomic changes and ongoing insights into the impact of the pandemic on sector risk and additional default risk.

- At **year-end 2020**, the collective Covid-19 ECL for the performing and non-performing portfolio amounted to **783m EUR** driven by an expert-based calculation at portfolio level
- In the **first nine months** of **2021**, an updated Covid-19 impact assessment resulted in a **reversal** of **415m EUR** (26m EUR in 1Q21 , 129m EUR in 2Q21 and 260m EUR in 3Q21), which was mainly driven by an improvement of the macroeconomic assumptions (incl. probabilities), change in sector stress applied to less vulnerable sectors and lower loss given default for the performing portfolio
- In the **fourth quarter** of **2021**, **the reversal** of **79m EUR** was due mainly to:
    - the reduction in the existing non-performing portfolio ECL buffer (33m EUR), since there has been no need to use this buffer since the start of the crisis
    - the release of additional Covid-19 impairment (32m EUR) for low-risk sectors (e.g., financial sector and pharma sector)
    - further smaller changes in the macroeconomic scenarios (14m EUR)

  and resulted in a total collective Covid-19 ECL of 289m EUR at year-end 2021 (total y-o-y reversal of 494m EUR)

Amounts in m EUR

Covid-19 ECL

by country

Collective Covid-19 ECL by country:

EUR m	Total FY21	4Q21	3Q21	2Q21	1Q21	Total FY20	4Q20	3Q20	2Q20	1Q20
KBC Group	**289**	**-79**	**-260**	**-129**	**-26**	**783**	**-1**	**-5**	**746**	**43**
By country:										
Belgium	100	-58	-169	-66	-20	413	3	-3	378	35
Czech Republic	69	-9	-56	-30	2	162	-5	9	152	6
Slovakia	20	0	-10	-6	-1	37	0	-3	39	1
Hungary	37	-4	-3	-9	-3	56	2	-1	54	1
Bulgaria	12	-4	-4	-4	0	24	1	-5	28	n/a
Ireland	51	-4	-18	-14	-4	91	-2	-2	95	n/a

Covid-19

IFRS 9 macroeconomic scenarios

Macroeconomic scenarios

December 2021

Real GDP growth	2021			2022		
Annual average growth (in %)	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Euro area	5.2%	5.0%	4.9%	5.3%	4.2%	3.0%
Belgium	6.1%	6.0%	5.9%	5.1%	3.3%	2.6%
Czech Republic	2.8%	2.6%	2.4%	5.4%	4.2%	1.8%
Hungary	7.5%	7.3%	6.7%	6.0%	5.2%	2.7%
Slovakia	4.6%	3.7%	2.8%	5.0%	4.8%	3.0%
Bulgaria	3.5%	3.0%	1.6%	4.4%	4.0%	3.6%
Ireland	18.0%	15.0%	11.0%	11.0%	7.0%	1.0%

Unemployment rate *	2021			2022		
End-of-year (in %)	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Belgium	6.1%	6.2%	6.3%	5.5%	5.8%	6.0%
Czech Republic	3.0%	3.0%	3.1%	2.3%	2.6%	3.5%
Hungary	3.6%	3.8%	4.0%	3.3%	3.5%	4.2%
Slovakia	6.5%	7.5%	9.0%	7.0%	7.5%	8.5%
Bulgaria	4.5%	5.0%	7.0%	4.3%	4.8%	6.0%
Ireland	6.5%	7.5%	9.5%	4.5%	6.0%	10.0%

House-price index	2021			2022		
Annual average growth (in %)	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Belgium	7.0%	6.0%	5.0%	5.0%	3.0%	2.0%
Czech Republic	13.0%	12.8%	12.0%	6.0%	5.2%	1.5%
Hungary	10.5%	10.0%	8.5%	6.0%	4.5%	2.0%
Slovakia	6.0%	5.0%	4.0%	4.5%	3.5%	1.5%
Bulgaria	9.0%	8.0%	7.0%	7.0%	6.5%	3.5%
Ireland	10.0%	7.5%	5.0%	9.0%	6.0%	3.0%

(*) Note: Eurostat definition, except for Ireland (national Covid-19 adjusted unemployment rate)

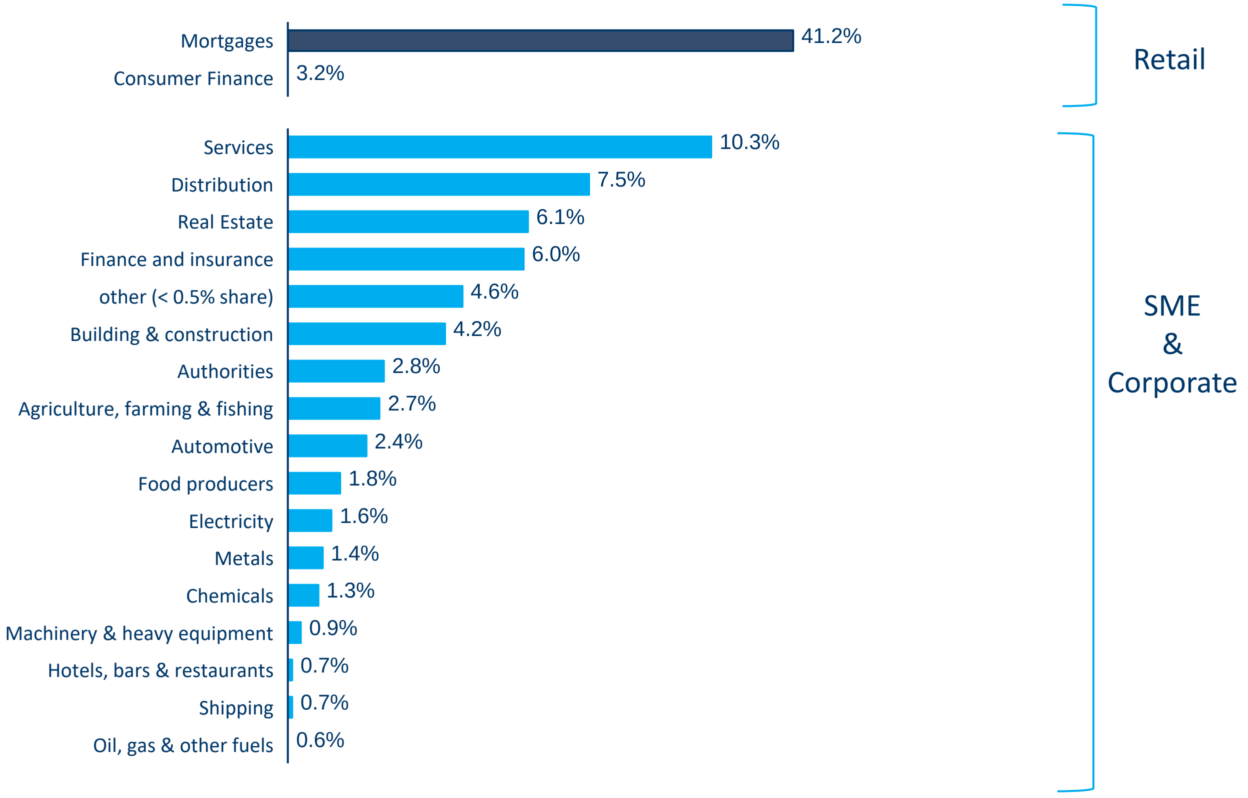
- The pandemic still plays a prominent role in shaping the macroeconomic landscape, with the Omicron variant serving as a reminder of this. New lockdown measures and deteriorating economic sentiment (risk aversion) caused by this variant, are temporarily weighing on economic activity. However, they are not derailing the ongoing path of the economic recovery. Fiscal and monetary policy will continue to support growth, albeit at a somewhat more moderate scale than right after the start of the pandemic
- Overall, we maintain a positive economic outlook, despite new uncertainties surrounding the road back to normality, created by such factors as the spread of the Omicron variant and persistent supply chain disruptions
- Because of this uncertainty, we continue working with three alternative scenarios: a base-case scenario, a more optimistic scenario and a more pessimistic scenario
- The definition of each scenario reflects the latest pandemic and related economic developments, with the following probabilities: **80% for the base-case, 10% for the pessimistic and 10% for the optimistic scenario** (in line with 3Q21)
- The economic outlook for the home markets remains aligned to that of the euro area and confirms the better-than-expected level of resilience

Covid-19

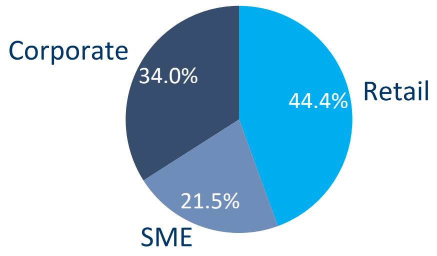
Diversified loan portfolio

Total loan portfolio outstanding by sector as a % of total Group portfolio outstanding(1)

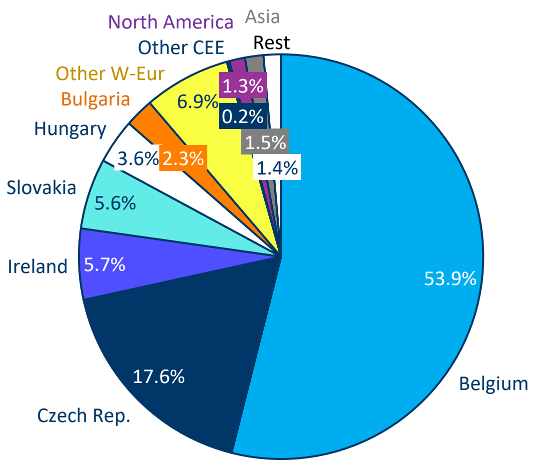
188bn EUR(2)



Total loan portfolio outstanding by segment(1)



Total loan portfolio outstanding by geographical breakdown(1)



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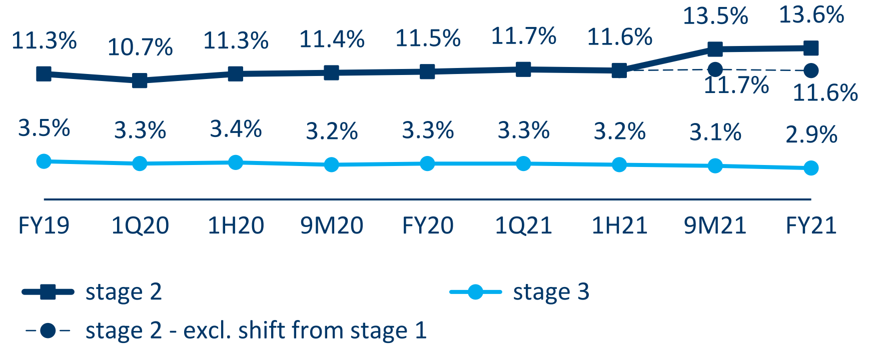
(1) Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

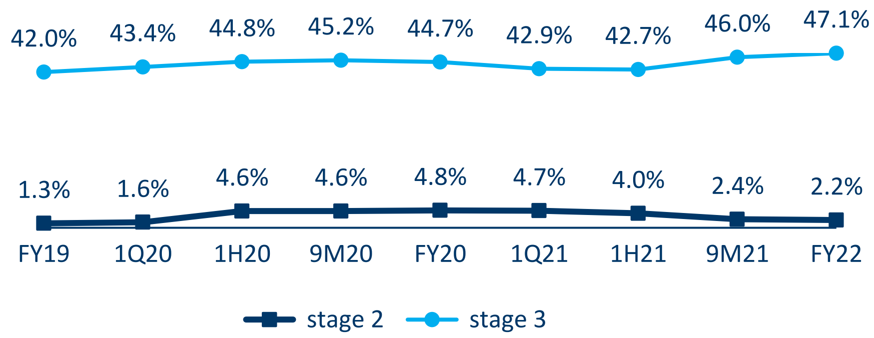
(2) Including loan portfolio of KBC Bank Ireland, the pro-forma total loan portfolio outstanding without KBC Bank Ireland amounts to 178bn EUR

Covid-19

Continue improvement of stage 3


Total loan portfolio outstanding by IFRS 9 ECL stage*

- As of 3Q21, given the aim of returning fully to the regular impairment process, KBC has decided to capture part of the Covid-19 ECL by means of a collective transfer to Stage 2 of two Stage 1 portfolios for which the repayment is still uncertain. More specifically, they concern SME & Corporate clients active in a highly vulnerable sectors (see details on next slide) and the payment holidays (Retail & Non-Retail) that are still ongoing or ended up to 6 months ago. The related files will revert to Stage 1 after a probation period of 6 months if no other signs of an increase in credit risk are detected
- Excluding this collective transfer, only minor PD shifts have been observed in our portfolio
- Excluding KBC Bank Ireland, the pro-forma stage 3 ratio is 2.4%


Coverage ratio*

- As of 3Q21, the increase of the Stage 3 coverage ratio is mainly driven by additional impairments from the sale of the non-performing portfolio in Ireland
- Excluding KBC Bank Ireland, the pro-forma Stage 3 coverage ratio is 48.2% (versus 47.2% in 9M21)
- From 1Q21, the decline of the Stage 2 coverage ratio resulted mainly from the release of the collective Covid-19 ECL over previous quarters in combination with the collective shift to Stage 2 in 3Q21, which was maintained in 4Q21

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

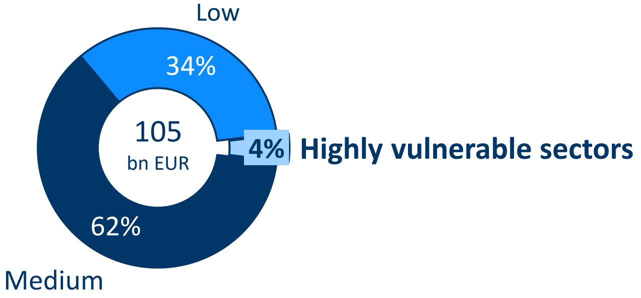
Covid-19

SME & Corporate loan portfolio* broken down by sector sensitivity to Covid-19

Details of the sector sensitivity applied into the calculation of the collective Covid-19 ECL:

- From mid-2020, a sectoral risk effect was incorporated into the calculation of the collective Covid-19 ECL impact. All exposures in the SME & Corporate portfolio were classified as high, medium or low risk based on the expected impact of the Covid-19 crisis on the sector affected
- As of 2Q21, we recategorised the high-risk sectors into two groups:
    - the more vulnerable part is still risk weighted at 150% (in line with the originally defined high risk sectors)
    - the less vulnerable part is risk weighted at 100% (in line with the originally defined medium risk sectors)
- **Furthermore, from 4Q21 we apply no longer a Covid-19 sector risk weight to the low-risk sectors (previously 50% risk weight)**

In line with previous quarter, 4% of the total SME & Corporate loan portfolio is categorised as highly vulnerable (or 2% of the total loan portfolio)



HIGHLY VULNERABLE RISK SECTORS:	
Hotels, bars & restaurants	Fully allocated
Services	A minor share of activities related to entertainment & leisure services
Distribution	Only the activities linked to the wholesale distribution of apparel and retail fashion
Commercial real-estate	A minor share of activities linked to the development of office properties & shopping projects and all activities related to hotels & leisure
Shipping	Mainly the manufacturing activities assigned within the shipping sector
Aviation	Fully allocated

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

Covid-19

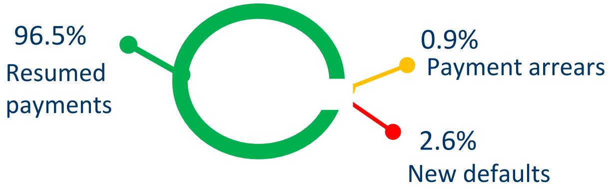
Overview of payment holidays and public Covid-19 guarantee schemes

Payment holidays – expiring volumes

(in bn EUR)

By the end of December 2021:

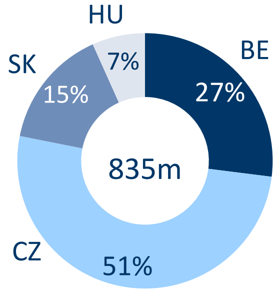
- The volume of loans granted payment holidays amounted to 10bn EUR[1] or 6% of the total loan book[2] (8.7bn EUR EBA-compliant + 1.3bn EUR non-EBA compliant in HU)
- By now, nearly all EBA-compliant payment holidays have expired, of which:



- Non-EBA-compliant:
  - Hungary: the opt-out moratorium ended at the end of October 2021 and was replaced by a conditional/opt-in moratorium that runs until the end of June 2022. By the end of December 2021, total active payment holidays accounted for 0.1bn EUR or 3% of the total loan book
  - The remaining non-EBA-compliant portfolios are mainly in BE & CR and total 0.4bn EUR[3]

Public Covid-19 guarantee schemes

(in m EUR)



By country:	Loans granted	Covered by government guarantee
KBC Group	**835**	**79%**
BE BU [4]	225	80%
CZ BU	427	85%
Slovakia	127	63%
Hungary	56	59%
Ireland & Bulgaria	-	-

By the end of December 2021:

- Government-guaranteed loans (under the Covid-19 scheme) amounted to 835m EUR for 6k obligors
- Belgium: As of 2Q21, extension of the revised state guarantee scheme (launched in 3Q20 for up to 10bn EUR) to cover losses on future SME loans granted before 31 Dec 2021 (instead of 30 JUN 2021). This government guarantee covers 80% of all losses, in total

(1) In line with the external EBA templates. The volume of payment holidays excludes the loans granted moratoria at KBC Bank Ireland, because they are no longer EBA-compliant (defined as assets under IFRS 5)
(2) Loans to customers, excluding reverse repos (and bonds)
(3) Mainly Belgian retail loans and leases not fully in line with national moratoria legislation and early deferral requests in the Czech Republic (before implementation of national moratoria legislation)
(4) In Belgium, no longer any exposure under the first Covid guarantee scheme, which has reached the end of its 12-month term

Section 3

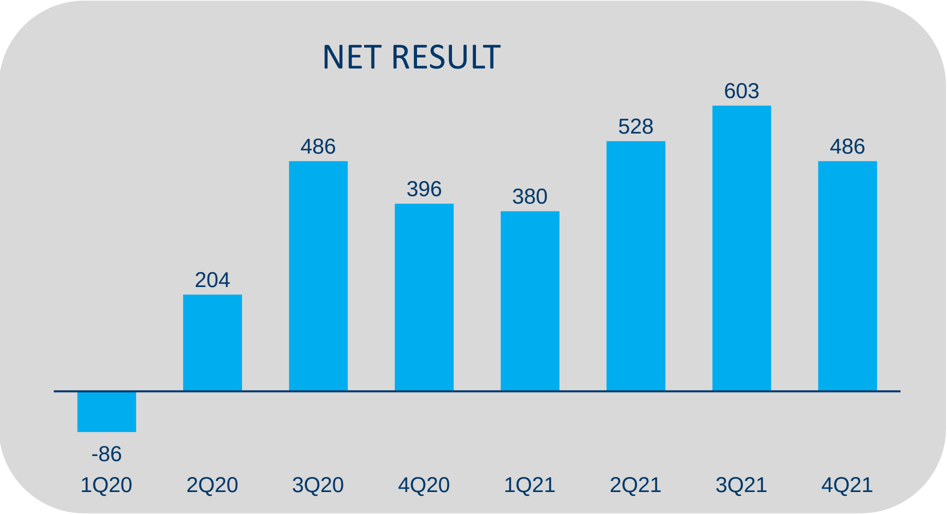
4Q 2021 performance of business units

Business profile

	BELGIUM	CZECH REPUBLIC	SLOVAKIA	HUNGARY	BULGARIA	IRELAND	GROUP CENTRE
4Q21 NET RESULT (in million euros)	486m	198m	18m	46m	29m	-37m	-77m
ALLOCATED CAPITAL (in billion euros)	7.5bn	1.8bn	0.6bn	0.8bn	0.4bn	0.5bn	0.2bn
LOANS (in billion euros)	108bn	33bn	9bn	5bn	4bn	10bn	
DEPOSITS* (in billion euros)	130bn	45bn	8bn	10bn	6bn	5bn	
BRANCHES (end 4Q21)	439	208	123	198	168	12	
Clients (end 4Q21)	3.8m	4.2m	0.8m	1.6m	1.5m	0.3m	

* Customer deposits, excluding debt certificates and repos

Belgium BU (1): net result of 486m EUR



Amounts in m EUR

Net result at the Belgium Business Unit amounted to 486m EUR in 4Q21

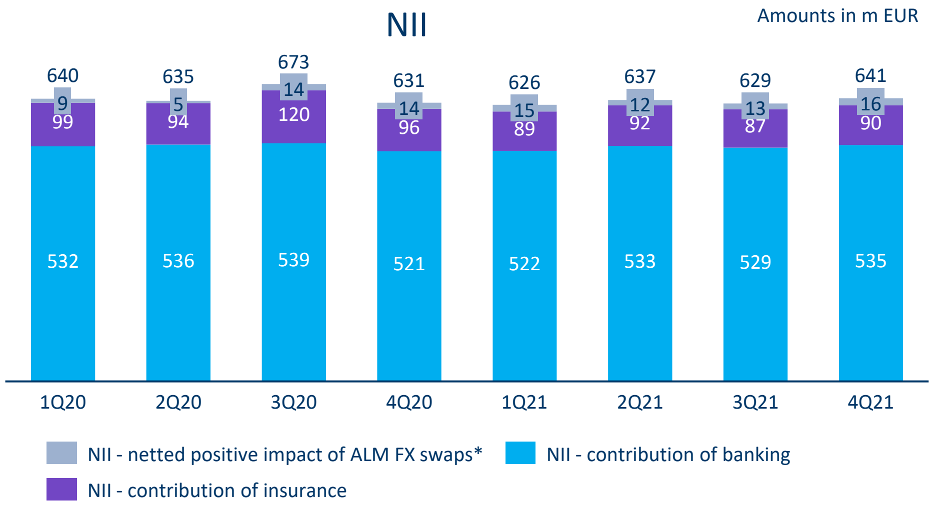
- The quarter under review was characterised by higher net interest income, higher net fee and commission income, roughly stable trading and fair value income, lower net other income, lower sales of non-life insurance products, higher sales of life insurance products, higher operating expenses and lower net impairment releases q-o-q

- Customer deposits excluding debt certificates and repos rose by 6% y-o-y, while customer loans rose by 5% y-o-y

ORGANIC VOLUME TREND	Total loans**	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	108bn	42bn	130bn	216bn	26bn
Growth q-o-q*	+1%	+2%	-1%	+3%	+2%
Growth y-o-y	+5%	+7%	+6%	+11%	+3%

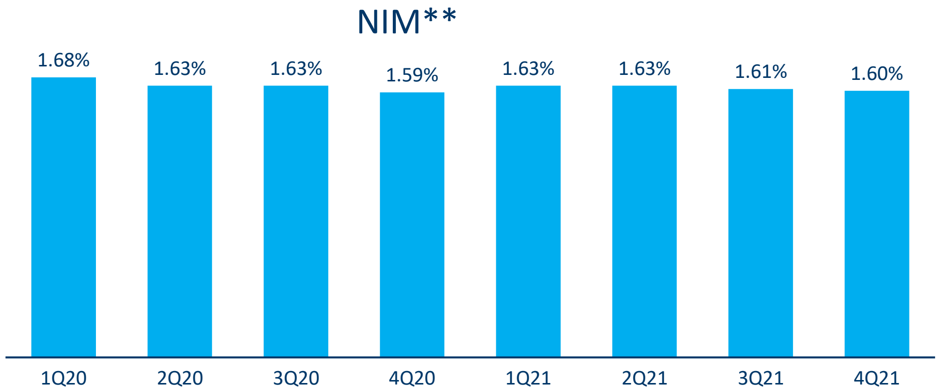
* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL
*** Customer deposits, excluding debt certificates and repos

Belgium BU (2): higher NII and lower NIM



* From all ALM FX swap desks

** NIM is calculated excluding the dealing room and the net positive impact of ALM FX swaps & repos

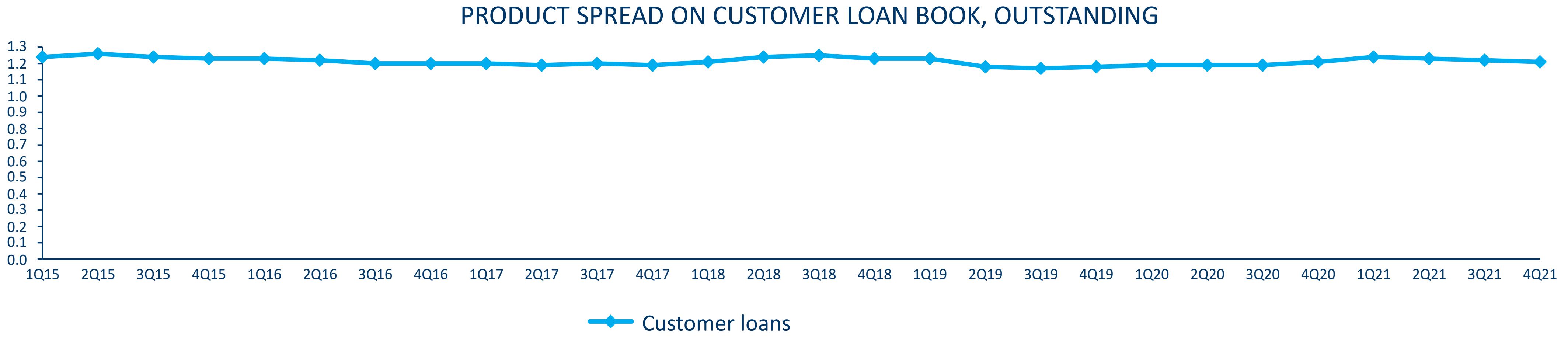


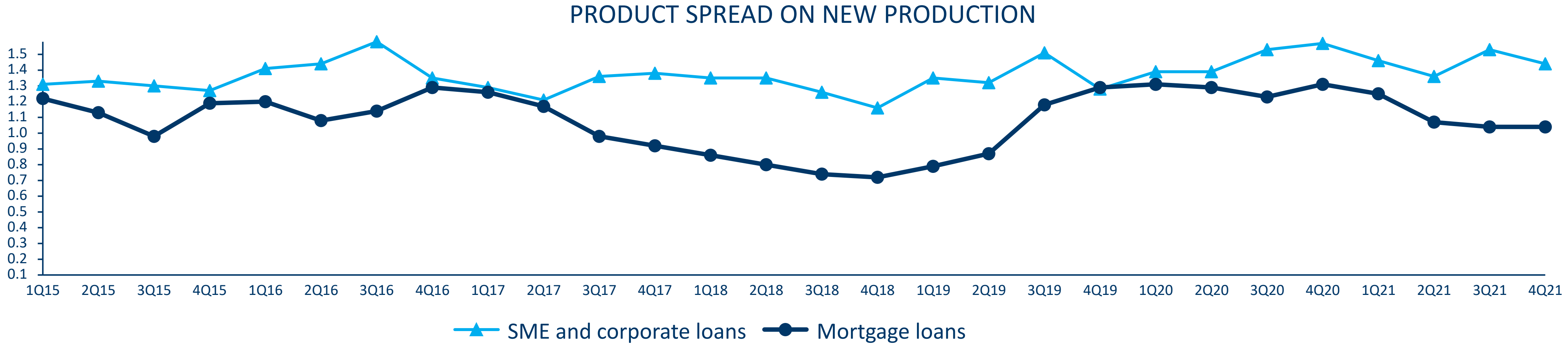
- **Net interest income (641m EUR)**
  - NII rose by 2% q-o-q due mainly to:
    - good loan volume growth in almost all segments
    - intensified charging of negative interest rates on certain current accounts to corporates and SMEs
    - higher netted positive impact of ALM FX swaps
    - higher NII on bond portfolio insurance due to inflation-linked bonds

    partly offset by:
    - lower reinvestment yields
    - margin pressure on the outstanding loan portfolio in almost all segments
  - NII increased by 2% y-o-y as:
    - higher NII on lending (volume-driven)
    - lower funding costs (of which +3m EUR y-o-y positive impact of TLTRO3)
    - intensified charging of negative interest rates on certain current accounts to corporates and SMEs
    - the positive impact of ECB deposit tiering (+3m EUR y-o-y)

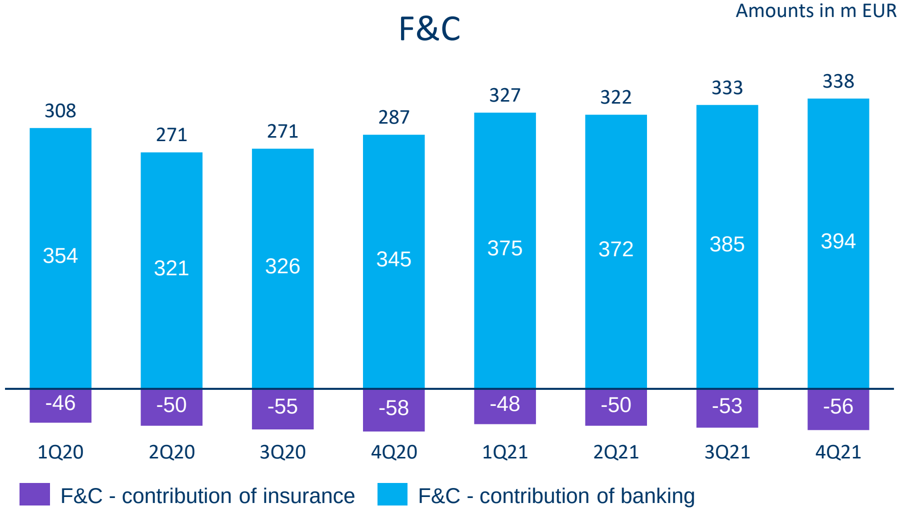
    were partly offset by:
    - the negative impact of lower reinvestment yields (both on banking and insurance)
- **Net interest margin (1.60%)**
  - Decreased by 1 bp q-o-q and increased by 1 bp y-o-y for the reasons mentioned above, despite a y-o-y increase of the interest-bearing assets (denominator)

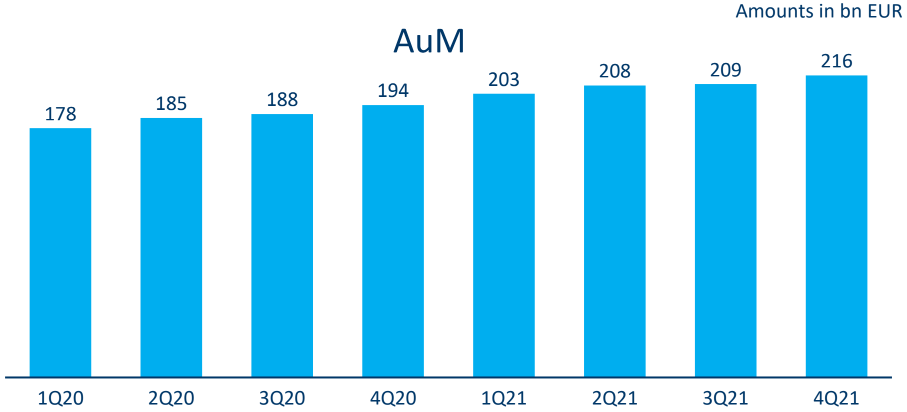
Credit margins in Belgium





Belgium BU (3): higher net F&C income level





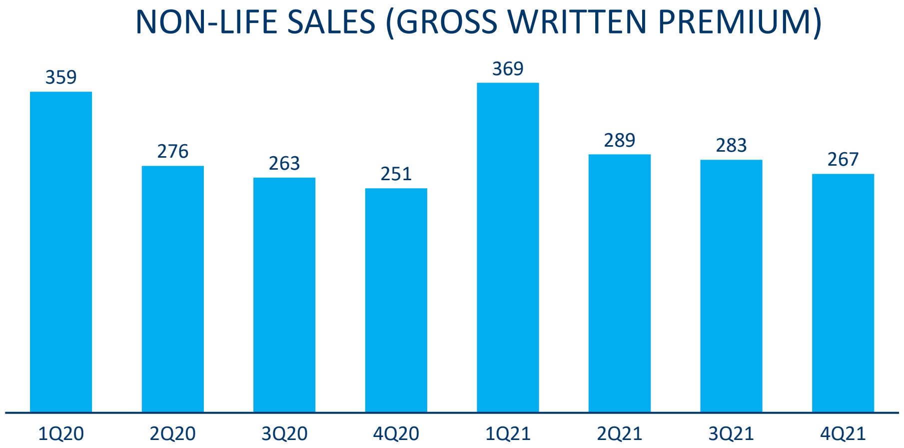
- **Net fee and commission income (338m EUR)**
  - Increased by 2% q-o-q due mainly to:
    - higher management fees
    - higher fees from credit files & bank guarantees
    - higher securities-related fees
    - higher network income

    partly offset by:
    - seasonally lower fees from payment services
    - higher commissions paid linked to mutual funds and increased life insurance sales
  - Rose by 18% y-o-y driven chiefly by:
    - higher management & entry fees
    - higher fees from payment services
    - higher network income

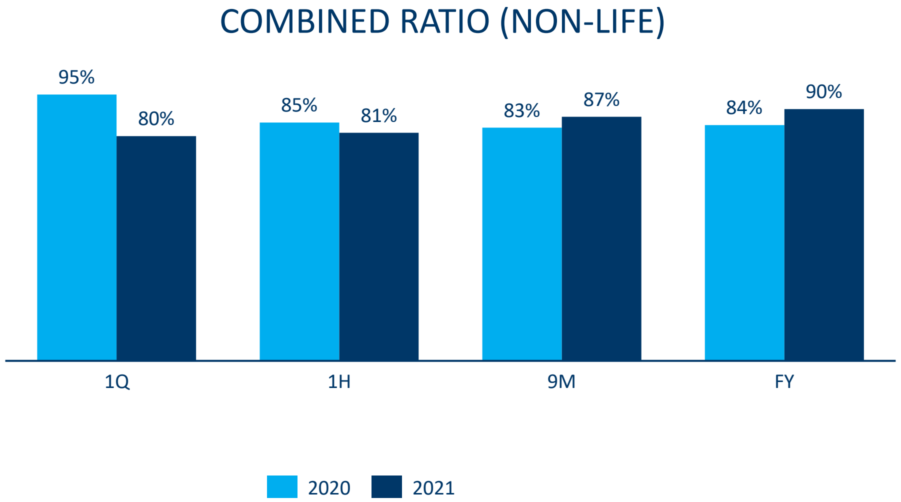
    partly offset by:
    - lower securities-related fees
    - higher commissions paid linked to mutual funds and increased insurance sales
- **Assets under management (216bn EUR)**
  - Increased by 3% q-o-q and 11% y-o-y due entirely to a positive price effect

Belgium BU (4): higher y-o-y non-life sales, excellent combined ratio

Amounts in m EUR



- **Sales of non-life insurance products**
  - Rose by 6% y-o-y in 4Q21
  - Premium growth in all classes, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property'

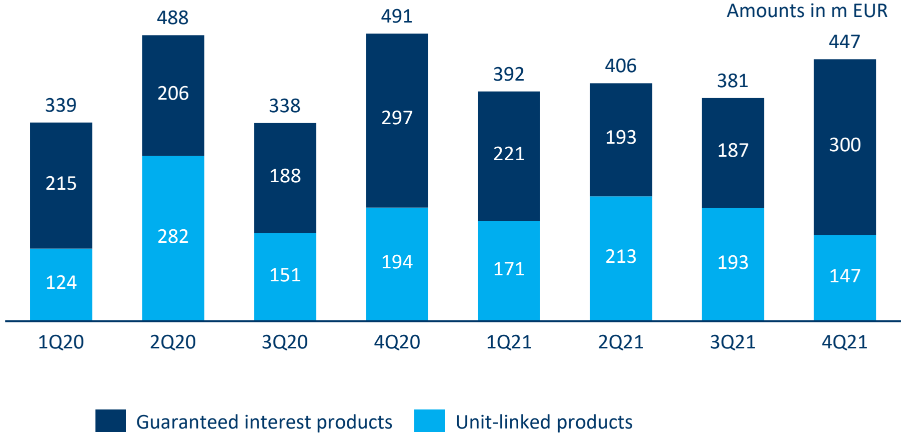


- **Combined ratio** amounted to an excellent **90%** in FY21 (84% in FY20). This is the result of:
  - 5% y-o-y earned premium growth in FY21
  - 27% y-o-y higher technical charges in FY21 due mainly to:
    - the severe flood impact during summer (110m EUR gross impact and 87m EUR net impact after reinsurance, of which 45m EUR above the legal limit*)
    - higher normal claims (mainly in 'Motor', 'Property' and 'Workmen's compensation', primarily due to the re-opening of the economy),
    - partly offset by lower impact of parameter updates
  - ceded reinsurance result, which amounted to +36m EUR in FY21 (versus -14m EUR in FY20) due to higher recuperations for floods and storms

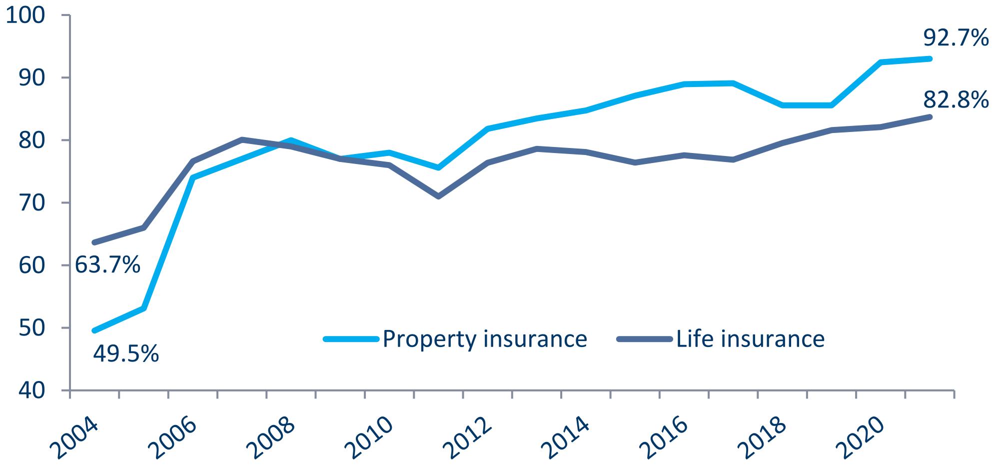
* i.e. the ceiling introduced in Belgian law on the intervention of insurers in the event of very large floods

Belgium BU (5): life sales higher q-o-q, but lower y-o-y, good cross-selling ratios

LIFE SALES



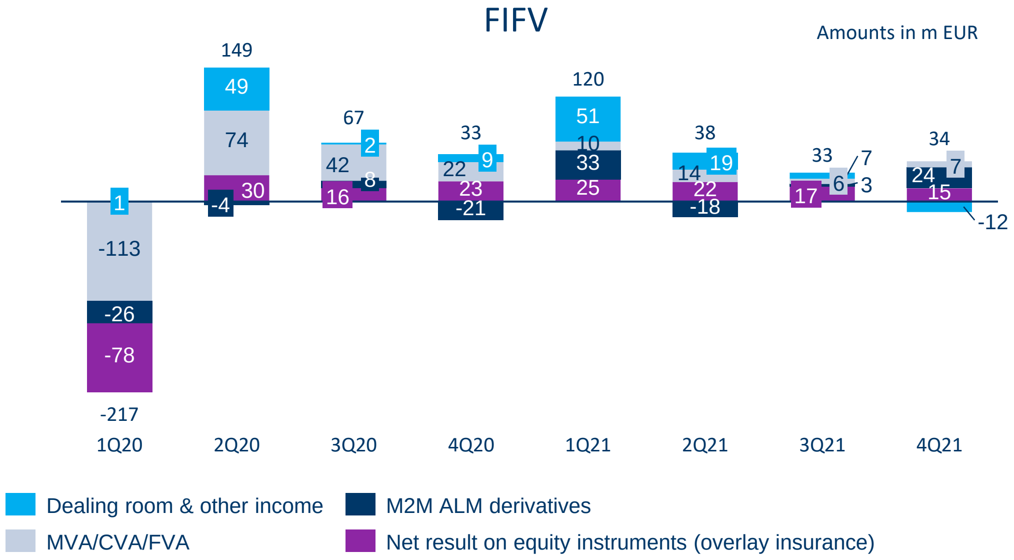
MORTGAGE-RELATED CROSS-SELLING RATIOS



- **Sales of life insurance products**
  - Increased by 17% q-o-q and decreased by 9% y-o-y
  - The q-o-q increase was driven entirely by higher sales of guaranteed interest products, attributable chiefly to traditionally higher volumes in tax-incentivised pension savings products
  - The y-o-y decrease was driven fully by lower sales of unit-linked products as the sales of unit-linked products in 4Q20 were supported by commercial actions towards Retail/SME clients
  - Guaranteed interest products and unit-linked products accounted for 67% and 33%, respectively, of life insurance sales in 4Q21

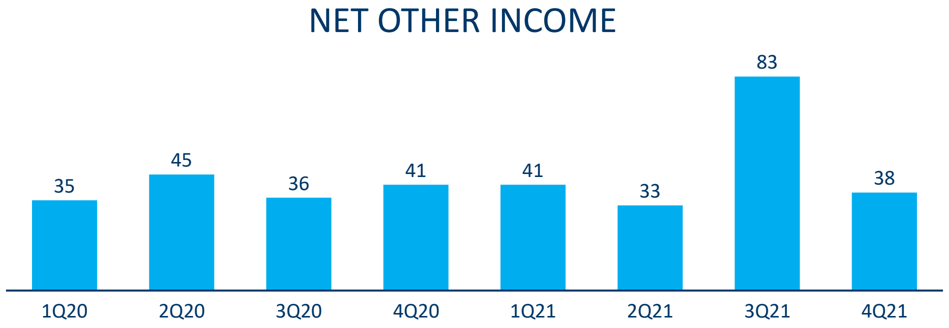
- **Mortgage-related cross-selling ratios**
  - 92.7% for property insurance
  - 82.8% for life insurance

Belgium BU (6): stable FIFV and lower net other income



- Net gains from financial instruments at fair value roughly stabilised q-o-q, attributable mainly to:
  - a positive change in ALM derivatives

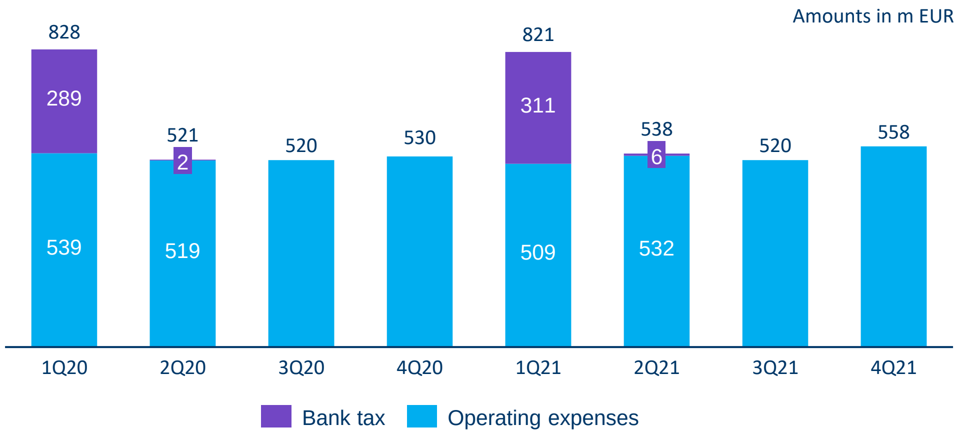
  offset by:
  - negative fair value income of the dealing room & other income



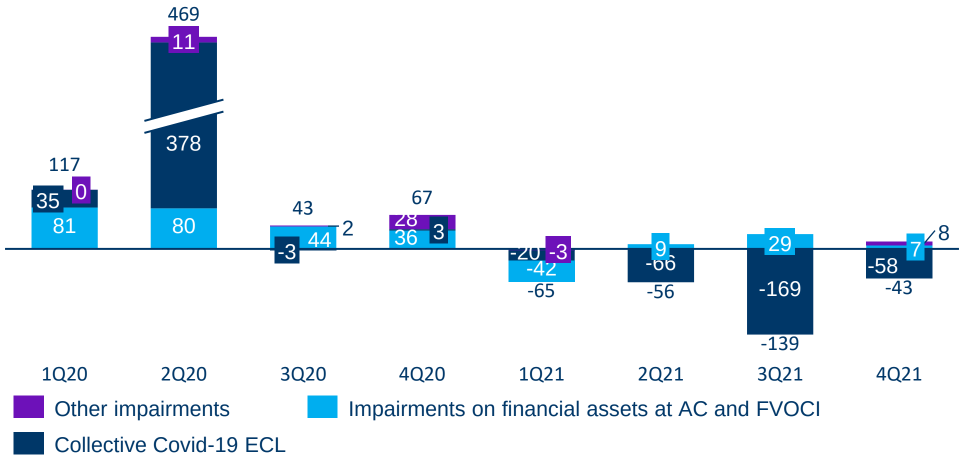
- **Net other income** decreased q-o-q to 38m EUR in 4Q21, more or less in line with the normal run rate. Note that 3Q21 benefited from realised gains on the sale of bonds and a +13m EUR one-off gain on the sale of the Antwerp tower

Belgium BU (7): higher opex and lower net impairment releases

OPERATING EXPENSES



ASSET IMPAIRMENT



- **Opex without bank taxes**: +7% q-o-q and +5% y-o-y
  - Operating expenses without bank taxes increased by 7% q-o-q due mainly to:
    - higher staff expenses (due largely to a higher accrual of variable compensation, wage inflation and higher pension costs)
    - seasonally higher professional fees & marketing costs
    - higher ICT costs (mainly due to lower capitalisation rate)
    - a +9m EUR one-off release of cost provision due to the sale of the Antwerp in 3Q21

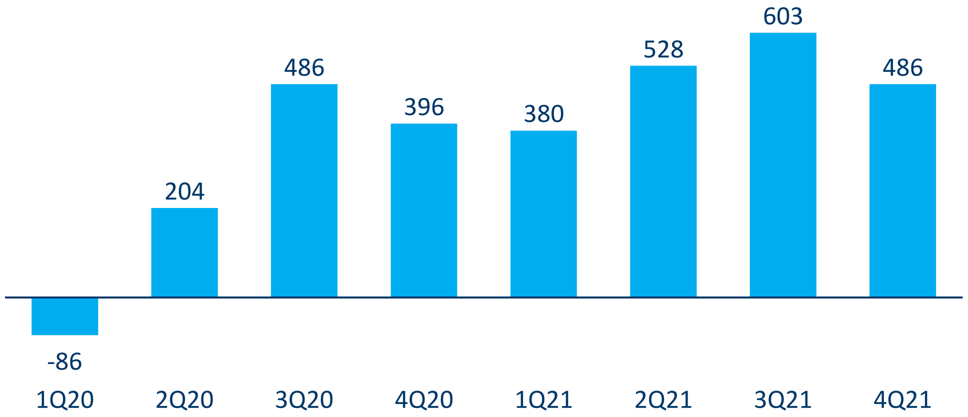
    partly offset by:
    - lower facilities costs
  - Operating expenses without bank taxes rose by 5% y-o-y for the same reasons as mentioned above, except for professional fees which stabilised y-o-y. Note that 4Q20 benefited from an 11m EUR positive one-off as a result of the updated software capitalisation policy
  - Adjusted for specific items, the C/I ratio (group) amounted to 56% in 4Q21 and 51% in FY21 (54% in FY20)
  - Cost/income ratio (group): 48% in 4Q21 and 51% in FY21

- **Loan loss impairment releases** of 51m EUR compared with 139m EUR in 3Q21. Besides a 58m EUR reversal of collective Covid-19 ECL in 4Q21, there were very limited loan loss provisions for individual files. **Credit cost ratio** amounted to 0 bps (21 bps in FY20) without collective Covid-19 ECL and -26 bps with collective Covid-19 ECL in FY21
- 8m EUR impairment on ‘other’, due mainly to impairment on (in)tangibles
- **Impaired loans ratio** improved to 2.2%, 1.0% of which over 90 days past due

Net result at the Belgium BU

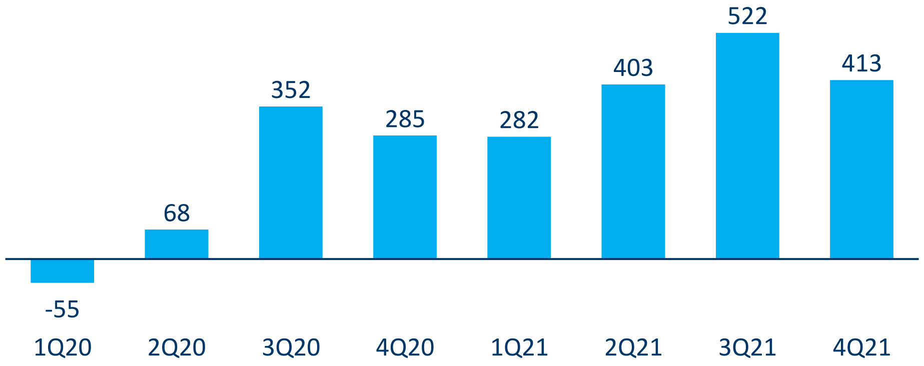
NET RESULT AT THE BELGIUM BU*

Amounts in m EUR

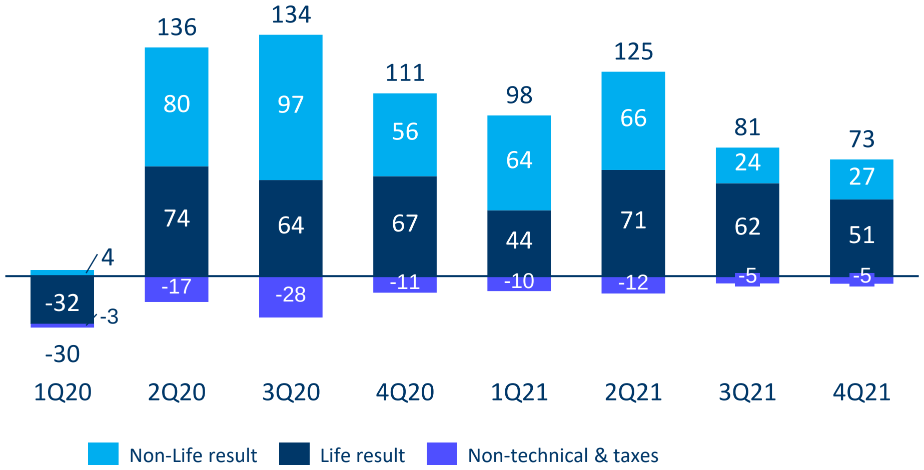


* Difference between net profit at the Belgium Business Unit and the sum of the banking and insurance contribution is accounted for by the rounding up or down of figures

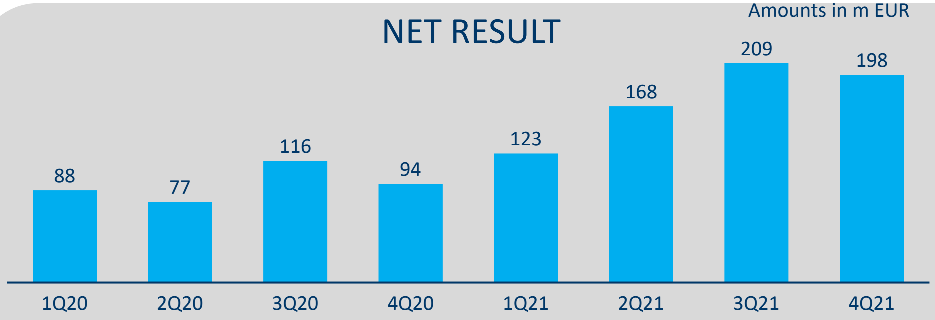
CONTRIBUTION OF BANKING ACTIVITIES TO NET RESULT OF THE BELGIUM BU*



CONTRIBUTION OF INSURANCE ACTIVITIES TO NET RESULT OF THE BELGIUM BU*

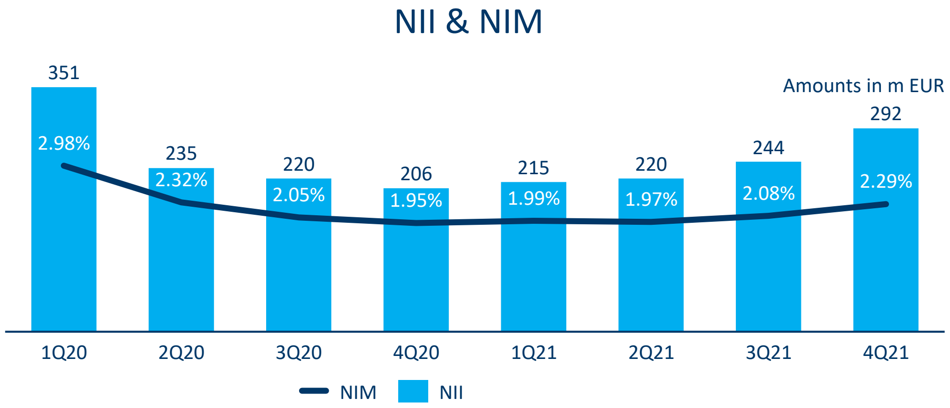


Czech Republic BU



Net result of 198m EUR in 4Q21

- -6% q-o-q excluding FX effect due mainly to higher net interest income, lower net fee & commission income, higher net results from financial instruments at fair value, lower net other income, an excellent combined ratio, higher sales of non-life and life insurance products, higher costs and lower net impairment releases
- Customer deposits (excluding debt certificates and repos) and customer loans both rose by 6% y-o-y



Highlights

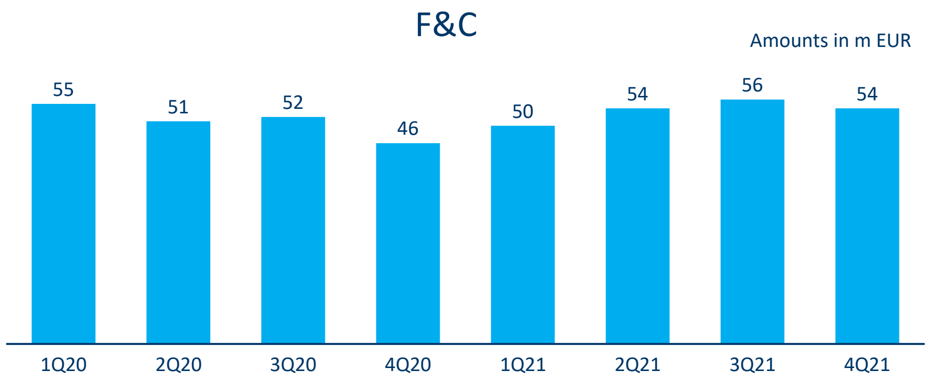
- **Net interest income**
  - +19% q-o-q and +35% y-o-y (both excl. FX effect)
  - Q-o-q and y-o-y increase primarily due to short- & long-term increasing interest rates and growth in loan volumes (and also growth in deposit volumes y-o-y), despite pressure on commercial margins
- **Net interest margin**
  - Rose by 21 bps q-o-q and 34 bps y-o-y for the reasons mentioned above, despite an increase of the interest-bearing assets (denominator)

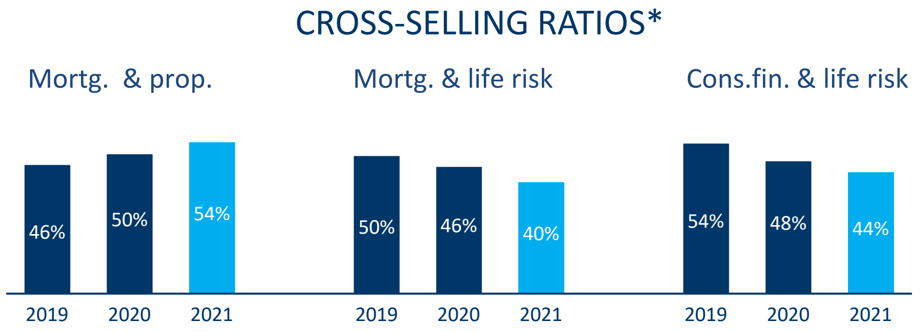
ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	33bn	18bn	45bn	14.0bn	1.2bn
Growth q-o-q*	+2%	+2%	0%	+6%	-3%
Growth y-o-y	+6%	+7%	+6%	+23%	-4%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits excluding debt certificates and repos

Czech Republic BU





* FY19 and FY20 figures have been restated as a result of the integration of Hypoteční Banka in the retail sales network in 1H21

Net F&C income

- -4% q-o-q and +11% y-o-y (both excl. FX effect)
- The lower q-o-q net F&C income was mainly the result of higher commissions paid linked to banking products, partly offset by higher management fees, higher fees from payment services and higher securities-related fees
- The higher y-o-y net F&C income was driven chiefly by higher management & entry fees, higher fees from payment services, higher network income and higher securities-related fees, partly offset by higher distribution costs (due chiefly to higher extra commissions paid linked to banking products)

Assets under management

- 14.0bn EUR
- +6% q-o-q due to net inflows (+3%) and a positive price effect (+3%)
- +23% y-o-y due to net inflows (+15%) and a positive price effect (+8%)

Trading and fair value income

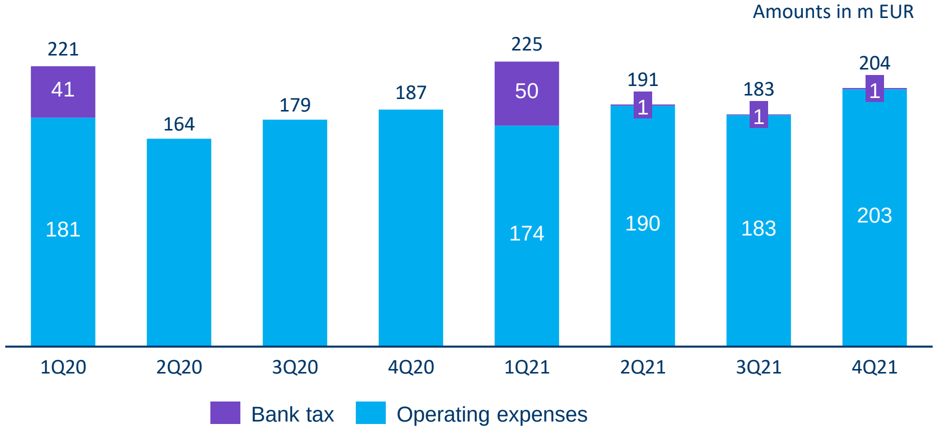
- 11m EUR higher q-o-q net results from financial instruments at fair value (FIFV) due mainly to a positive q-o-q change in market, credit and funding value adjustments (due mainly to a strong increase of the CZK interest rate curve) and higher dealing room income results

Insurance

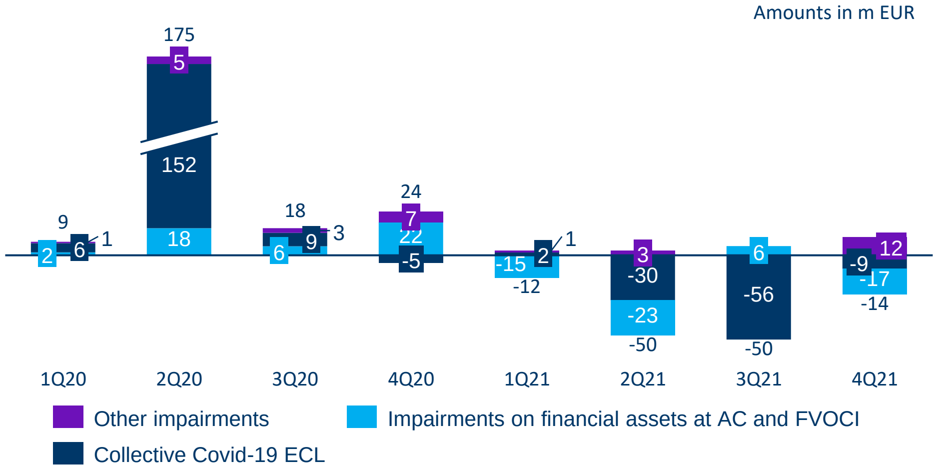
- Insurance premium income (gross earned premium): 136m EUR
  - Non-life premium income (89m EUR) +10% y-o-y excluding FX effect, due to growth in all products
  - Life premium income (47m EUR) +13% q-o-q and -24% y-o-y, excluding FX effect. The q-o-q increase was mainly the result of higher sales of unit-linked products
- Combined ratio of 87% in FY21 (87% in FY20)

Czech Republic BU

OPERATING EXPENSES



ASSET IMPAIRMENT



Operating expenses

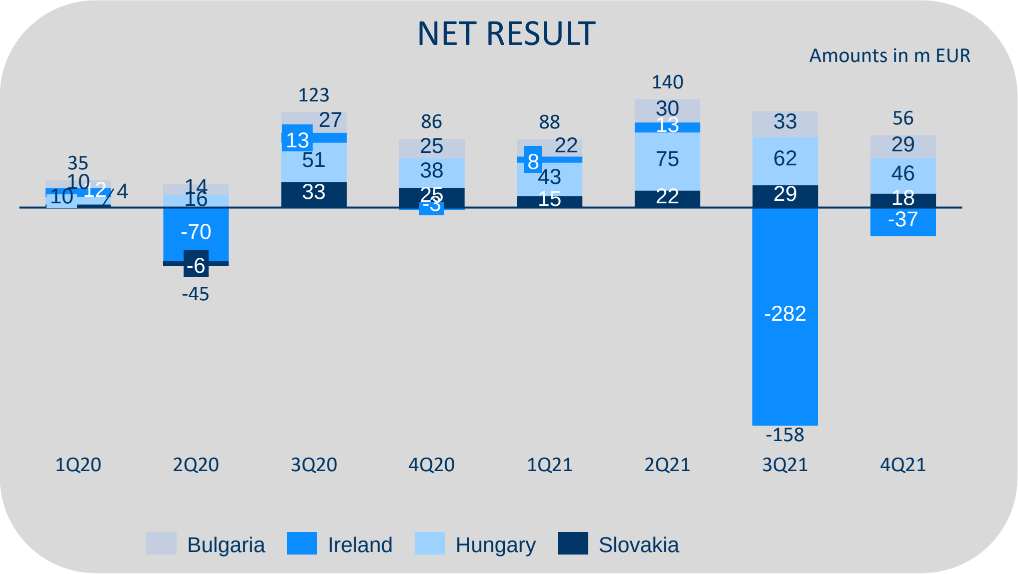
- 204m EUR; +11% q-o-q and +4% y-o-y, both excluding FX effect and bank taxes
  - Q-o-q increase was due mainly to:
    - higher staff expenses (due largely to a higher accrual of variable compensation)
    - higher ICT costs (partly due to lower capitalisation rate)
    - higher professional fees
    - higher depreciations
  - Y-o-y increase was chiefly the result of higher staff and facilities expenses, higher professional fees and higher depreciations, partly offset by lower ICT and marketing costs

- Adjusted for specific items, C/I ratio amounted to roughly 51% in 4Q21 and 53% in FY21 (52% in FY20)

Loan loss and other impairment

- Loan loss impairment releases of 26m EUR compared with 50m EUR in 3Q21. Besides a 9m EUR reversal of collective Covid-19 ECL, there were also loan loss provision releases on some corporate and retail files in 4Q21
- Credit cost ratio amounted to -0.14% (0.15% in FY20) without collective Covid-19 ECL and -0.42% with collective Covid-19 ECL in FY21
- 12m EUR impairment on ‘other’, due mainly to a 7m goodwill impairment
- Impaired loans ratio improved to 1.8%, 0.8% of which over 90 days past due

International Markets BU



Net result of 56m EUR

- Slovakia 18m EUR, Hungary 46m EUR, Bulgaria 29m EUR and Ireland -37m EUR

Highlights (q-o-q results)

- Higher net interest income. NIM 2.69% in 4Q21 (+9 bps q-o-q and +10 bps y-o-y)
- Higher net fee and commission income
- Lower result from financial instruments at fair value
- Less negative net other income due mainly to a lower additional impact for the tracker mortgage review in Ireland (-4m EUR in 4Q21 versus -13m EUR in 3Q21)
- An excellent combined ratio of 86% in FY21 (84% in FY20)
- Lower non-life insurance sales and higher life insurance sales
- Lower costs due entirely to a -81m EUR one-off in 3Q21 compared with a -16m EUR one-off in 4Q21 as a result of the two pending sales transactions in Ireland. Higher bank taxes in 4Q21
- Net impairment charges: 41m EUR in 4Q21 (versus 142m EUR in 3Q21) due partly to a 25m EUR one-off as a result of the two pending sales transactions in Ireland (versus a 185m EUR one-off in 3Q21)

ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	29bn	18bn	28bn	6.5bn	0.8bn
Growth q-o-q*	+1%	+1%	+4%	0%	+1%
Growth y-o-y	+5%	+5%	+3%	+13%	+18%

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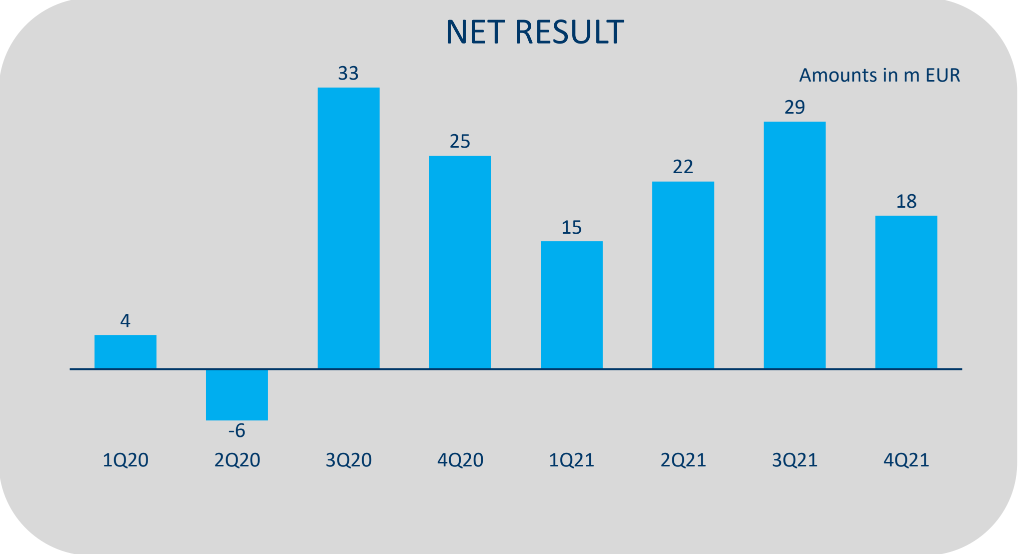
* Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

International Markets BU - Slovakia



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	9bn	5bn	8bn
Growth q-o-q*	+2%	+2%	+1%
Growth y-o-y	+4%	+9%	-11%

* Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

Net result of 18m EUR

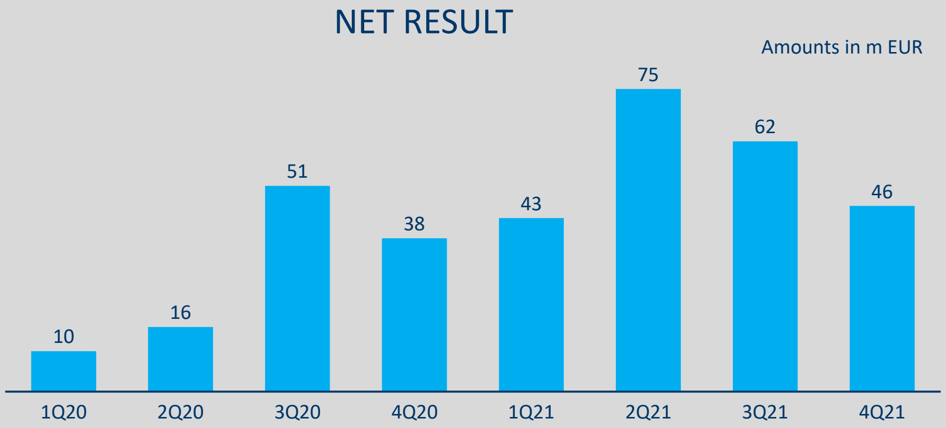
Highlights (q-o-q results)

- Lower net interest income due to higher funding costs and pressure on commercial margins, partly offset by loan volume growth
- Slightly higher net fee & commission income due chiefly to higher securities-related fees and payment-related fees
- Higher result from financial instruments at fair value
- Good combined ratio of 92% in FY21 (82% in FY20)
- Higher non-life insurance sales and slightly higher life insurance sales
- Higher operating expenses due mainly to higher staff expenses and marketing costs, partly offset by ICT costs
- Small net impairment charges (versus net impairment releases in 3Q21). Credit cost ratio of 0.02% (0.19% in FY20) without collective Covid-19 ECL and -0.16% with collective Covid-19 ECL in FY21

Volume trend

- Total customer loans rose by 2% q-o-q and by 4% y-o-y, the latter due almost entirely to the increasing mortgage portfolio (and to a more limited extent the increasing Corporate and SME portfolio)
- Total customer deposits rose by 1% q-o-q and fell by 11% y-o-y (the latter as the increase in retail & SME deposits was more than offset by managed outflow of corporate and financial institutions deposits as a result of charging negative external rates)

International Markets BU - Hungary



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	5bn	2bn	10bn
Growth q-o-q*	+2%	+2%	+11%
Growth y-o-y	+11%	+15%	+11%

- Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

Net result of 46m EUR

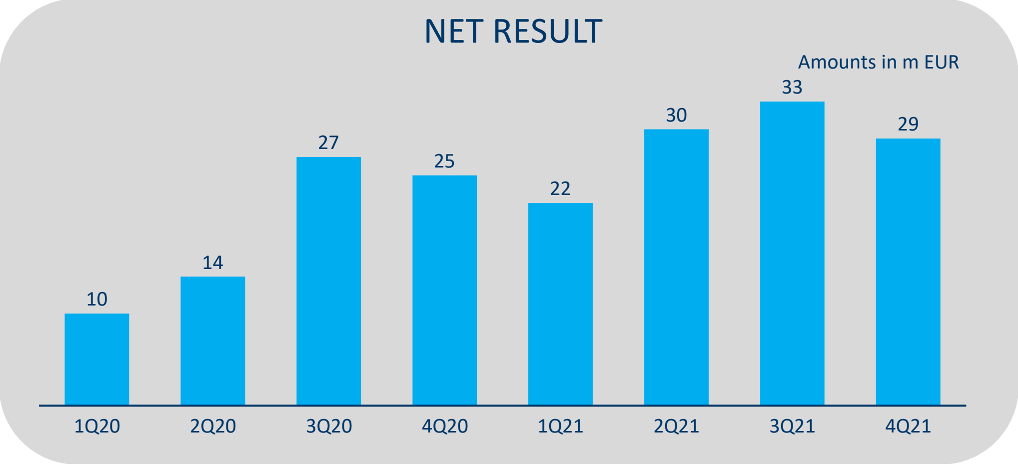
Highlights (q-o-q results)

- Higher net interest income excluding FX effect due chiefly to increasing interest rates and loan & deposit volume growth, despite pressure on commercial margins
- Higher net fee and commission income excluding FX effect, due mainly to higher fees from payment services and asset management fees
- Lower net results from financial instruments at fair value, due mainly to a negative change in ALM derivatives
- Excellent combined ratio of 87% in FY21 (86% in FY20)
- Lower non-life insurance sales and higher life insurance sales
- Higher operating expenses driven mainly by higher ICT and facilities expenses, besides higher bank taxes
- Net impairment charges can mainly be explained by the new forborne flag implementation for clients participating in the opt-in extension of the financial moratorium (versus net impairment releases in 3Q21). Credit cost ratio of -0.04% (0.05% in FY20) without collective Covid-19 ECL and -0.34% with collective Covid-19 ECL in FY21
- 5m EUR impairment on ‘other’ (software)

Volume trend

- Total customer loans rose by 2% q-o-q (due mainly to consumer finance (baby boom loans) and corporate loans) and by 11% y-o-y (due to growth in all segments, except SME loans)
- Total customer deposits rose by 11% both q-o-q and y-o-y (due to growth in all segments)

International Markets BU - Bulgaria



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	4bn	1bn	6bn
Growth q-o-q*	+5%	+3%	+4%
Growth y-o-y	+13%	+12%	+15%

* Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

Net result of 29m EUR

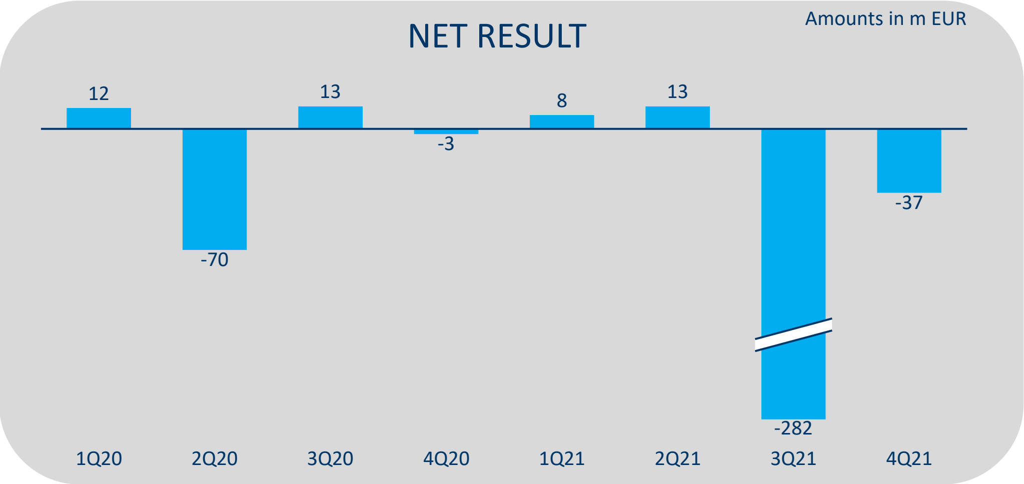
Highlights (q-o-q results)

- Slightly higher net interest income driven mainly by strong loan volume growth and intensified charging of negative interest rates on certain current accounts to corporates and SMEs, largely offset by pressure on commercial margins
- Higher net fee and commission income due mainly to higher management & entry fees (due partly to the consolidation of the former NN Pension company) and higher fees from credit files & bank guarantees, partly offset by higher distribution costs (higher commissions paid linked to increased life insurance sales)
- Excellent combined ratio at 82% in FY21 (82% in FY20)
- Higher non-life insurance sales and sharply higher life insurance sales (due partly to the consolidation of the NN's life insurance activities)
- Higher operating expenses driven mainly by higher staff expenses (due largely to a higher accrual of variable compensation), besides the consolidation of and integration costs for NN's activities
- Small net loan loss impairment charge in 4Q21 (versus small release in 3Q21). Credit cost ratio of 0.25% (0.07% in FY20) without collective Covid-19 ECL and -0.06% with collective Covid-19 ECL in FY21

Volume trend:

- Total customer loans +5% q-o-q and +13% y-o-y (the latter due to growth in all segments)
- Total customer loans: new bank portfolio +5% q-o-q and +15% y-o-y, while legacy -22% q-o-q and -31% y-o-y
- Total customer deposits increased by 4% q-o-q (due to retail & SME deposits) and by 15% y-o-y (due to growth in all segments)

International Markets BU - Ireland



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	10bn	10bn	5bn
Growth q-o-q*	0%	0%	-3%
Growth y-o-y	0%	0%	-2%

Net result of -37m EUR

Highlights (q-o-q results)

- Lower net interest income due mainly to the sale of the sovereign bond portfolio to KBC Bank NV (shift from Ireland to Group Centre) at the end of 3Q21
- Less negative net other income due mainly to a lower additional impact for the tracker mortgage review in Ireland (-4m EUR in 4Q21 versus -13m EUR in 3Q21)
- Lower costs due entirely to a -81m EUR one-off in 3Q21 compared with a -16m EUR one-off in 4Q21 as a result of the two pending sales transactions in Ireland. Higher bank taxes in 4Q21
- Net impairment charges: 18m EUR in 4Q21 (versus 165m EUR in 3Q21) due to a 25m EUR one-off as a result of the two pending sales transactions in Ireland (versus a 185m EUR one-off in 3Q21), partly offset by a 4m EUR reversal of collective Covid-19 ECL. Credit cost ratio of 1.82% (-0.01% in FY20) without collective Covid-19 ECL and 1.43% with collective Covid-19 ECL in FY21

Volume trend

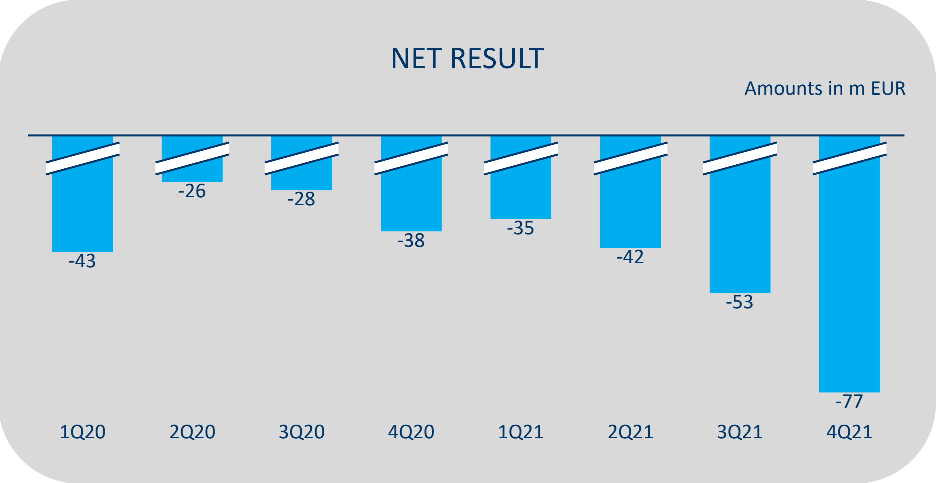
- Total customer loans stabilised both q-o-q and y-o-y
- Total customer deposits decreased by 3% q-o-q and by 2% y-o-y (across all segments)

* Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, excluding debt certificates and repos

Group Centre



Net result of -77m EUR

The net result for the Group Centre comprises the results from activities and/or decisions specifically made for group purposes (see table below for components)

Highlights (q-o-q results)

The q-o-q deterioration was attributable mainly to:

- lower net results from financial instruments at fair value, related entirely to a negative change in ALM derivatives (especially due to a substantial increase of Hungarian interest rates in ALM derivatives, not in hedge accounting… which will be recovered over time)
- higher costs

partly offset by

- higher net other income, mainly due to a 28m positive one-off related to badwill on OTP SK and a 6m EUR positive one-off for a legacy legal file

Amounts in m EUR

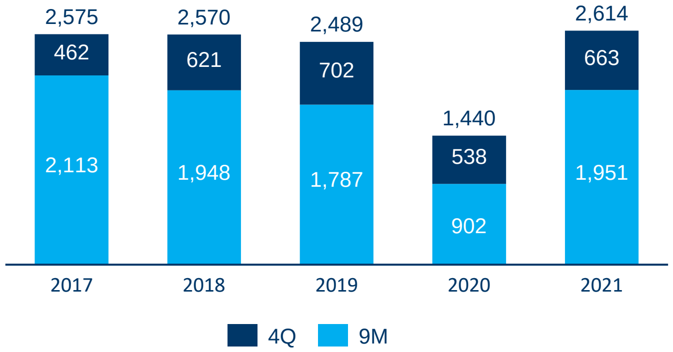
BREAKDOWN OF NET RESULT AT GROUP CENTRE	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Group item (ongoing business)	**-46**	**-25**	**-24**	**-39**	**-34**	**-37**	**-50**	**-81**
Operating expenses of group activities	-15	-18	-20	-42	-16	-11	-17	-42
Capital and treasury management	-11	-6	1	-4	-4	-6	-3	0
Holding of participations	-3	-1	2	-1	1	0	1	29
Group Re	7	3	3	6	18	5	-5	17
Other	-25	-3	-10	3	-33	-25	-27	-85
Ongoing results of divestments and companies in run-down	**3**	**-1**	**-4**	**0**	**0**	**-5**	**-3**	**4**
Total	**-43**	**-26**	**-28**	**-38**	**-35**	**-42**	**-53**	**-77**

Overview of contribution of business units to FY21 result

Amounts in m EUR

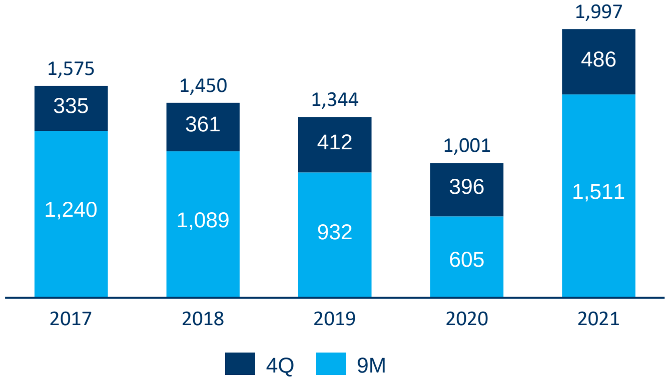
NET PROFIT – **KBC GROUP**

FY21 ROAC: 22%



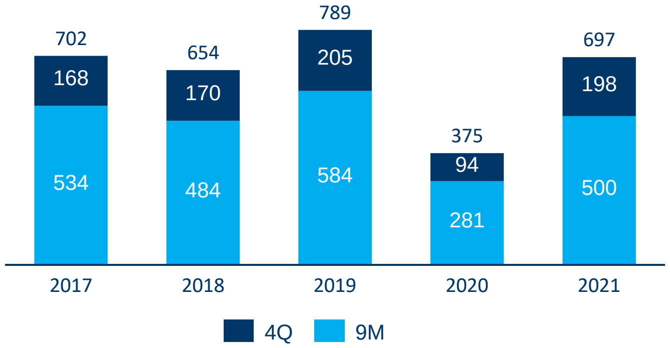
NET PROFIT – **BELGIUM**

FY21 ROAC: 27%



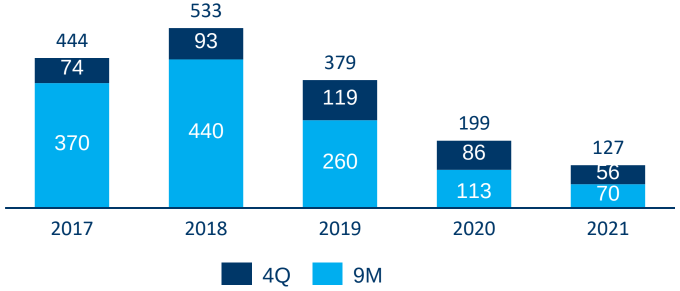
NET PROFIT – **CZECH REPUBLIC**

FY21 ROAC: 38%



NET PROFIT – **INTERNATIONAL MARKETS**

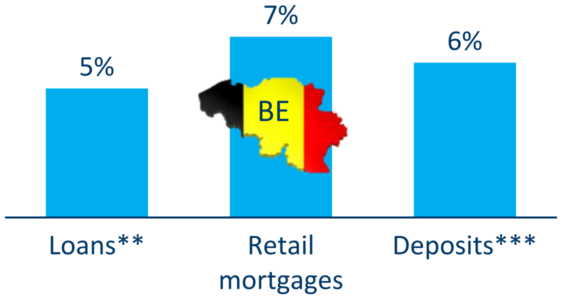
FY21 ROAC: 5%

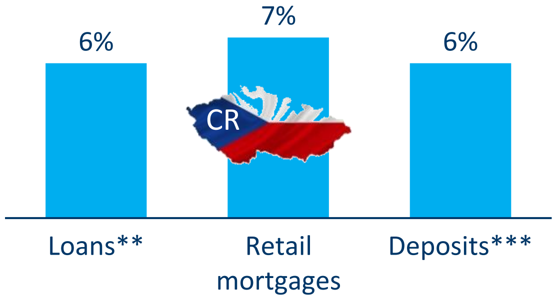


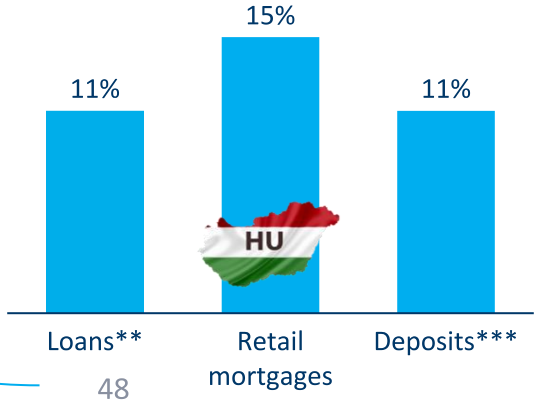
Balance sheet:

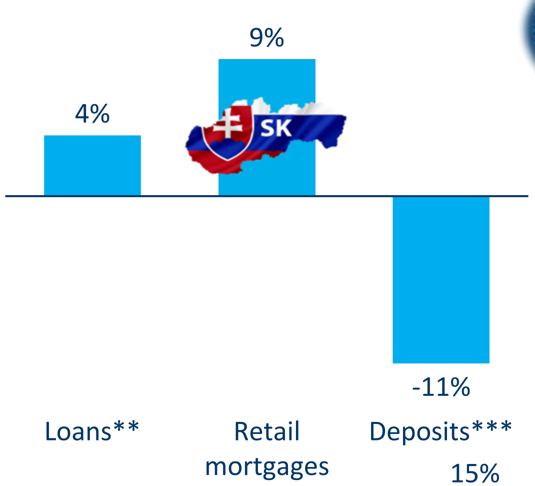
Loans and deposits continue to grow in most countries

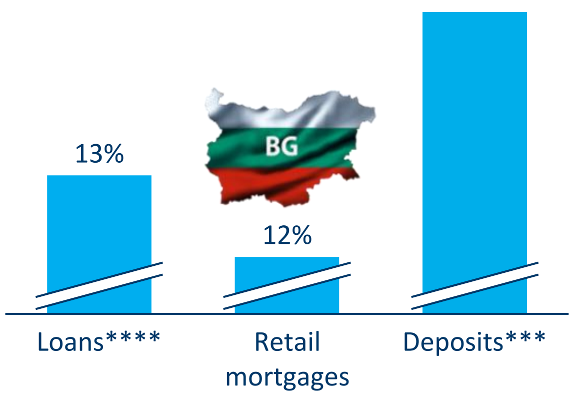
Y-O-Y ORGANIC* VOLUME GROWTH











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* Volume growth excluding FX effects, divestments/acquisitions and collective Covid-19 ECL

** Loans to customers, excluding reverse repos (and bonds)

*** Customer deposits, excluding debt certificates and repos

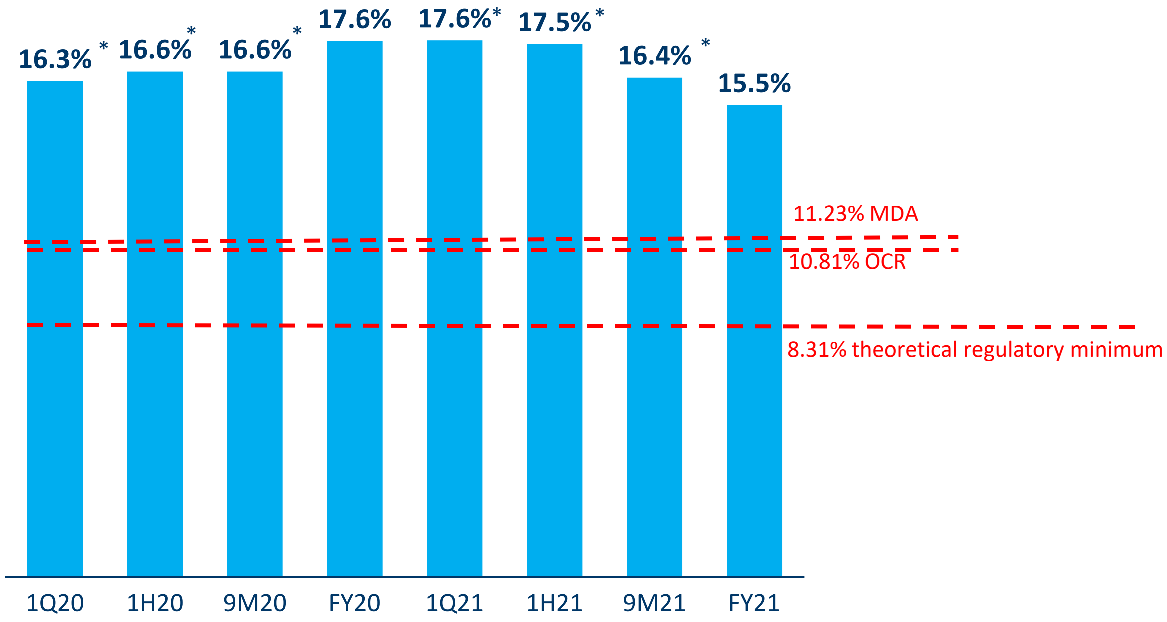
**** Total customer loans in Bulgaria: new bank portfolio +15% y-o-y, while legacy -31% y-o-y

Section 4

Strong solvency and solid liquidity

Strong capital position (1)

Fully loaded Basel 3 CET1 ratio at KBC Group (Danish Compromise)



* No IFRS interim profit recognition given the more stringent ECB approach

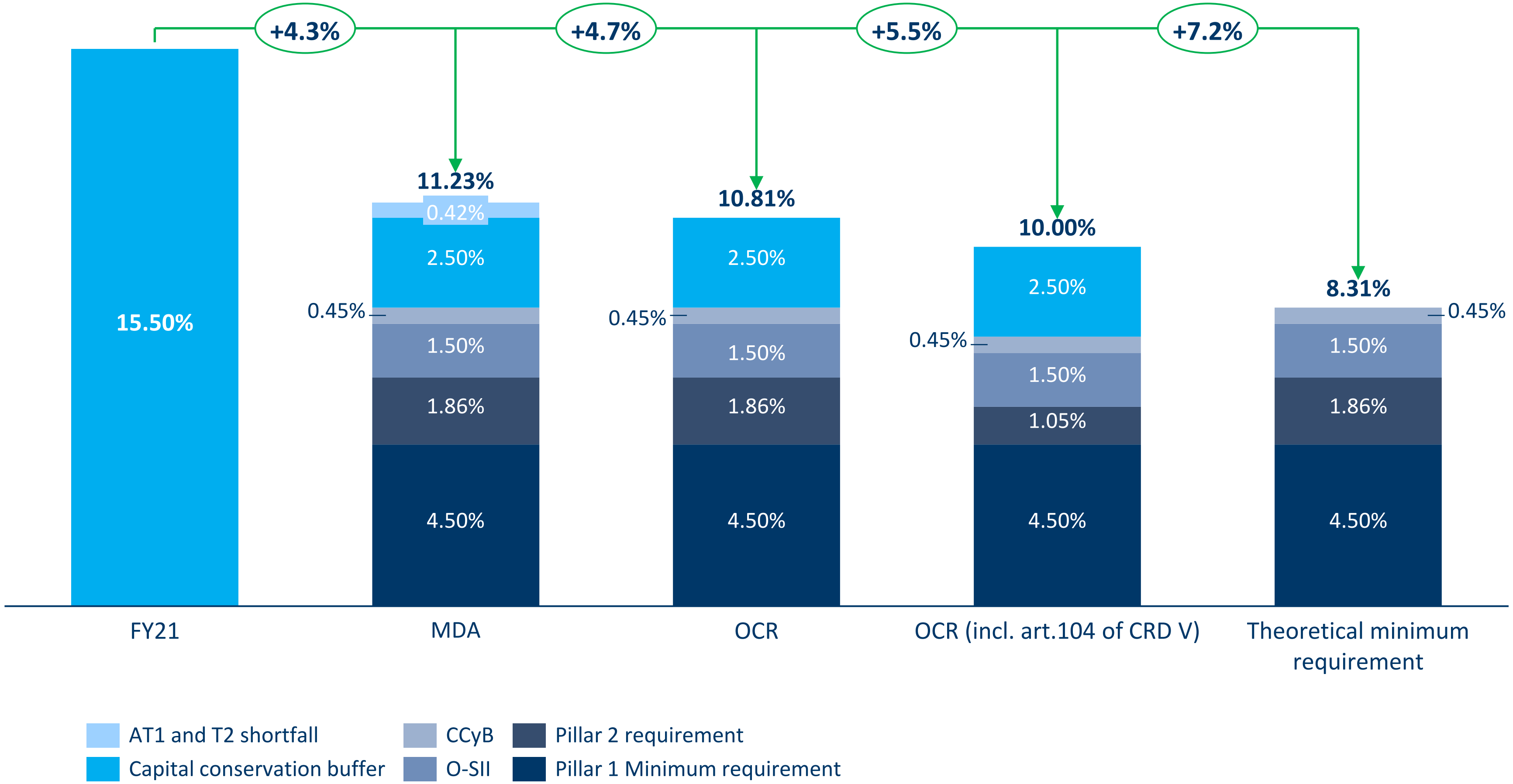
- **The fully loaded common equity ratio amounted to 15.5%** at the end of FY21 based on the Danish Compromise.
  - The q-o-q decrease in 4Q21 was the result of the payout of a 7.6 EUR gross dividend per share (of which 3.0 EUR final ordinary dividend per share related to the accounting year 2021 and 4.6 EUR extraordinary dividend per share), which will be proposed to the AGM and to be paid in May 2022
  - This came on top of the 3.0 EUR interim dividend per share (2.0 EUR over the accounting year 2020 and 1.0 EUR as an advance payment of the total dividend for the accounting year 2021) already paid in November 2021. This explained the q-o-q CET1 ratio decrease in 3Q21

- KBC's CET1 ratio of 15.5% at the end of FY21 represents a solid capital buffer:
  - **7.2% capital buffer compared with the current theoretical minimum capital requirement of 8.31%** (as a result of the announced ECB and National Bank measures which provided significant temporary relief on the minimum capital requirements)
  - **4.7% capital buffer compared with the Overall Capital Requirement (OCR) of 10.81%** (which still includes the 2.50% capital conservation buffer on top of the 8.31%)
  - **4.3% capital buffer compared with the Maximum Distributable Amount (MDA) of 11.23%** (given small shortfall in AT1 and T2 bucket)

- At the end of FY21, the impact of the application of the transitional measures resulted in a positive impact on CET1 ratio of 127 bps compared to fully loaded (transitional CET1 ratio amounted to 16.8% at the end of FY21)

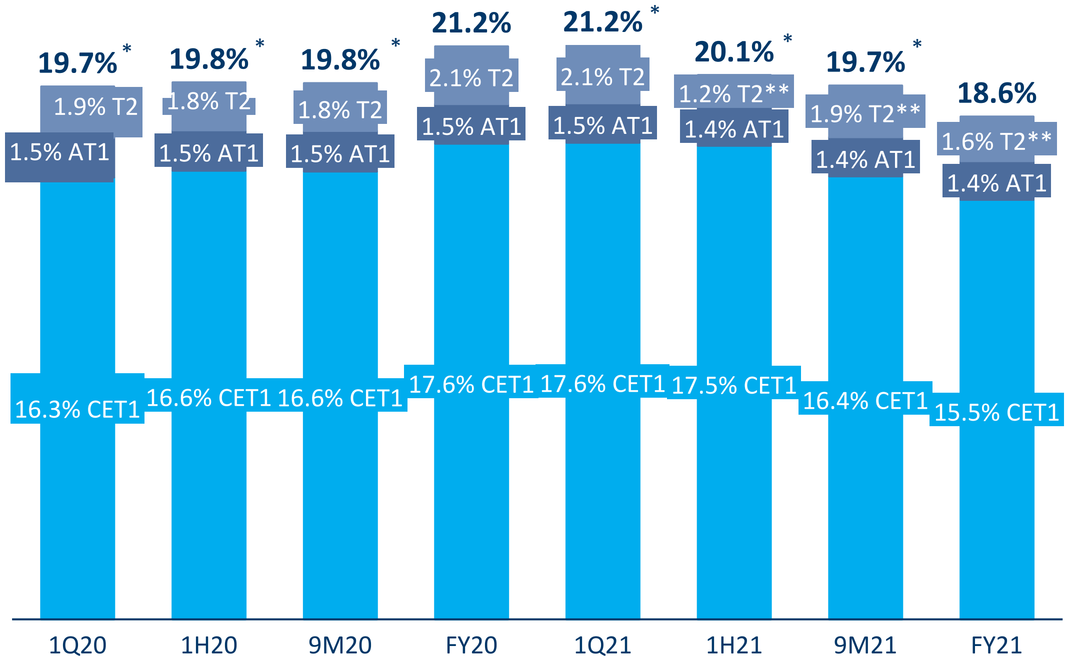
Strong capital position (2)

Fully loaded Basel 3 CET1 ratio at KBC Group (Danish Compromise)



Strong capital position (3)

Fully loaded Basel 3 total capital ratio (Danish Compromise)



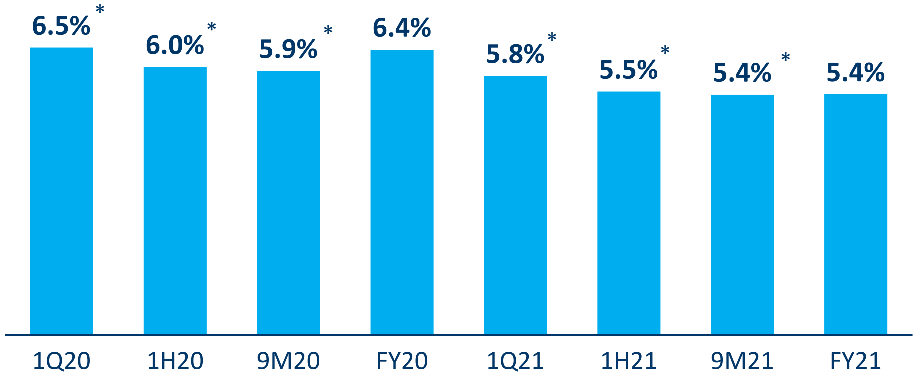
* No IFRS interim profit recognition given more stringent ECB approach

** As of 2Q21, the fully loaded T2 capital excludes the T2 instruments grandfathered under CRR2. These T2 instruments are however included in the actual (transitional) T2 capital for the period of grandfathering, in line with CRR2 and the COREP 3.0 reporting framework

- **The fully loaded total capital ratio amounted to 18.6% at the end of FY21.** The q-o-q decrease in 4Q21 was mainly the result of the payout of a final 7.6 EUR gross dividend per share, which will be proposed to the AGM

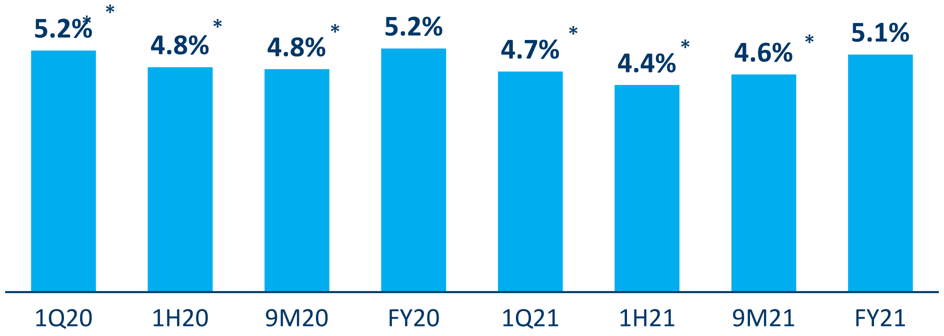
Fully loaded Basel 3 leverage ratio and Solvency II ratio

Fully loaded Basel 3 leverage ratio at KBC Group



* No IFRS interim profit recognition given more stringent ECB approach

Fully loaded Basel 3 leverage ratio at KBC Bank



* No IFRS interim profit recognition given more stringent ECB approach

- The decrease of the leverage ratio at KBC Group was mainly the result of:
  - increased short-term money market and repo opportunities as of 1Q21
  - regulatory and methodology changes implemented as of 2Q21
  - the payout of the 3.0 EUR dividend per share, partly offset by reduced short-term money market and repo opportunities in 3Q21
  - the payout of the final 7.6 EUR dividend per share, partly offset by reduced short-term money market and repo opportunities in 4Q21

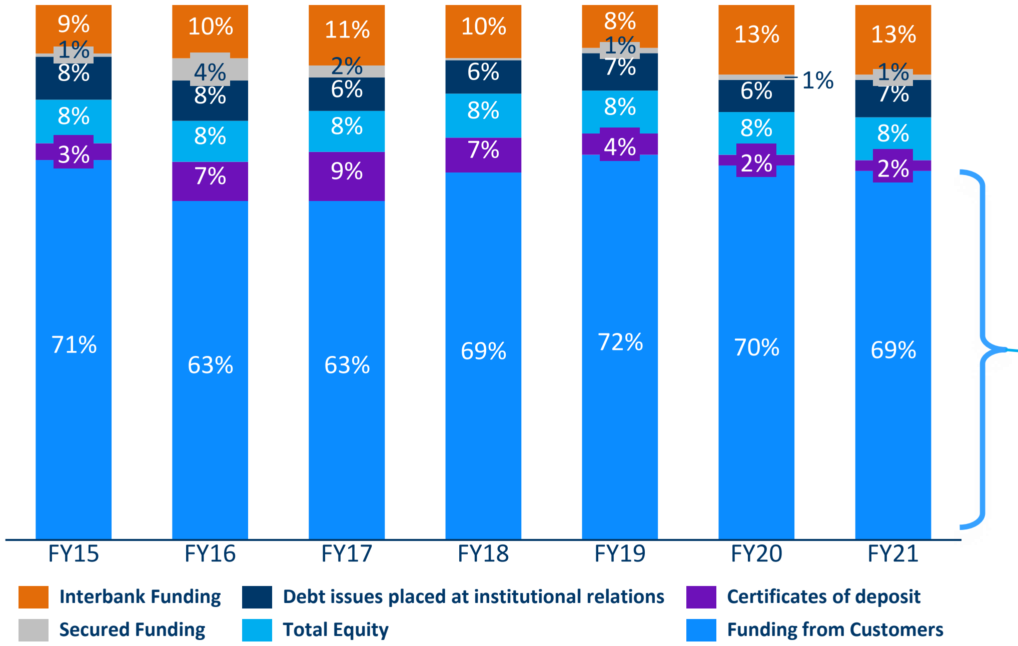
Solvency II ratio

	9M21	FY21
Solvency II ratio	218%	201%

- The q-o-q delta in the Solvency II ratio was driven mainly by the pay out of the retained full-year 2020 profit as dividend to KBC Group

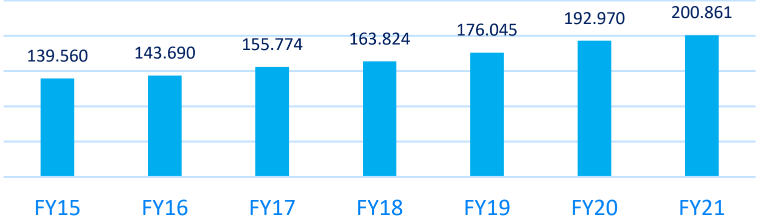
Strong and growing customer funding base with liquidity ratios remaining very strong

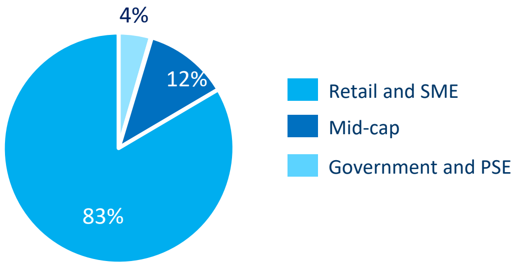
- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Drop in % customer funding** as growth in interbank/CD/secured funding was even outpacing growth in customer funding – monetising several **short-term money market and repo opportunities**
- KBC Bank **participated to the TLTRO III** for a total exposure of 24.5bn EUR, which is reflected in the 'Interbank Funding' item below



69% customer driven

Funding from customers (m EUR) of KBC Banking Group





Ratios	FY20	FY21	Regulatory requirement
NSFR*	146%	148%	≥100%
LCR**	147%	167%	≥100%

- **NSFR is at 148% and LCR is at 167% by the end of FY21**
  - Both ratios were well above the regulatory requirement of 100% due to a strong growth in customer funding and the participation to TLTRO III

** 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 to EBA guidelines on LCR disclosure.*

Section 5

Wrap up

Wrap up 4Q21

Excellent performance: KBCs engine firing on all its cylinders

Excellent net result of 663m EUR

- NII up 6% q-o-q to 1,177m EUR, boosted by rates hikes in CZ and HU
- Higher fees (+3% q-o-q) given higher AM fees and higher banking services fees
- Better Non-Life result after Reinsurance - Combined Ratio for FY21: an excellent 89%
- Lower FIFV and lower net other income
- Costs in line with guidance
- Net impairment releases
- ROE in FY21: 15%*

Franchise performing very well

- Continued strong production in mortgages (+2% q-o-q, +6% y-o-y) and term loans, increasing in all countries
- Customer deposits flat q-o-q, +6% y-o-y
- Sale of non-Life insurance products +7% y-o-y, with growth in all classes
- Sale of life insurance products: +18% q-o-q

KBC amongst best capitalized banks

- CET1 15.5%, which means a buffer of 4.7% versus OCR of 10.8%
- Solvency II ratio: 201%
- Strong liquidity: NSFR 148% - LCR 167%
- Dividend proposal: A total gross dividend of 10.6 EUR per share will be proposed to the AGM (of which 3.0 EUR already paid in November 2021 and 7.6 EUR to be paid in May 2022

Kate is convincing customers

- Digital assistant Kate is convincing customers as already 1.75m clients were already in contact with Kate.
- Growing number of cases: > 170 in BE & CZ
- Digital sales boosted by Covid-19
- Kate autonomy already up to 37%
- KBC Mobile named best mobile banking app worldwide by independent research agency Sia Partners

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* excluding the one-off items due to the pending sales transactions in Ireland

Section 6

Looking forward

Looking forward

Economic outlook

- The fourth quarter saw economic dynamics diverging between the US and the euro area economy. While US growth dynamics accelerated quarter-on-quarter in Q4, economic growth in the euro area actually slowed down, mainly as a result of the impact of the fourth pandemic wave and the omicron variant. Nevertheless, European economic activity almost fully recovered, with its pre-pandemic level GDP-level in reach by the end of 2021. Our growth outlook for KBC's home markets is broadly aligned with that for the euro area
- The main risks to our short-term growth outlook include the implications of the geopolitical conflict between Russia and Ukraine, the omicron variant, longer-than-expected supply-side bottlenecks, more persistent high energy prices and a damaging cost-push spiral if higher and rising inflation expectations get persistently embedded in the wage formation process. Finally, the global debt build-up remains topical, especially if financing conditions will be less supported by monetary policy and the global financial cycle turns

Group guidance for 2022*

- Our FY22 total income guidance stands at 8.2bn EUR ballpark figure (including the already announced 0.2bn EUR positive one-off effect upon closing of substantially all of KBC Bank Ireland's performing loan assets and its deposit book), of which 4.55bn EUR ballpark for NII
- FY22 opex excluding bank taxes is estimated at approximately 3.9bn EUR (excluding one-offs) and 4.0bn EUR (including additional one-offs in Ireland and some one-off integration/restructuring costs of Raiffeisen Bulgaria)
- The Credit Cost Ratio (CCR) for FY22 is estimated at around 10bps (including Covid-19 ECL reversals in 2022)

Basel 4 guidance

- Assuming a static balance sheet (end 2021), we reconfirm the B4 impact for KBC Group at roughly 8bn EUR higher RWA on a fully loaded basis (impact between 2025 and 2033), corresponding with 7% RWA inflation and -1.1% points impact on CET1 ratio at the end of 2021. Note that the B4 impact on RWA will be phased-in, and therefore the first-time application RWA impact in 2025 will only be approximately 2bn EUR

* Our Group guidance for 2022 is based on the following assumptions:

- deconsolidation of KBC Bank Ireland and the consolidation of Raiffeisen Bulgaria both as of mid-2022
- no P&L benefit from TLTRO3 anymore as of mid-2022 (meaning for KBC Group only 60m EUR positive NII impact in 2022 versus roughly 120m EUR in 2021) and no potential mitigating ECB measures taken into account
- We took into account a CNB policy rate of 4.50% throughout the year and no potential ECB rate hikes in 2022'

Differently: the next level

3-year and long-term financial guidance

3-year financial guidance*

CAGR total income (‘21-’24)	± 4.5%	by 2024
CAGR OPEX excl. bank taxes (’21-’24)	± 1.5%	by 2024
Combined ratio	≤ 92%	as of now
Surplus capital **	> 15%	as of now

=> Jaws of ± 3%
=> C/I ratio excl BT ±47% in 2024

* IFRS17 impact is not yet taken into account given early days
** Fully loaded CET1 ratio, Danish Compromise (see slide 61)

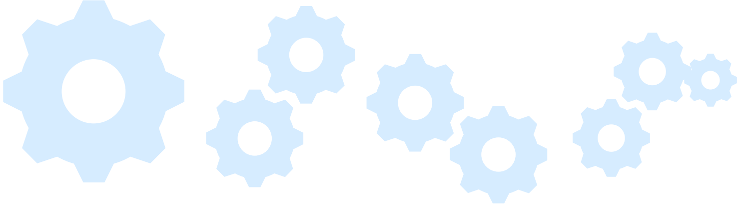
Long-term financial guidance

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

Regulatory requirements

Overall capital requirement (OCR)*	≥ 10.81%	by 2022
MREL as a % of RWA**	≥ 26.58%	by 2024
MREL as a % of LRE**	≥ 7.34%	by 2022
NSFR	≥ 100%	as of now
LCR	≥ 100%	as of now

* Excluding Pillar 2 guidance of 100 bps
** The SRB communicated the final MREL targets (under BRRD2) in % of RWA and in % of LRE to KBC. Regarding MREL as a % of RWA; (i) an intermediate MREL target of 25.98% as from 01-01-2022 and (ii) a final MREL target of 26.58% as from 01-01-2024



Differently: the next level

Digital investment 2022-2024

OPEX excl. bank taxes

CAGR (21-24) =
±1.5%

Forecast Cashflow only digital first strategy
2022-2024 = 1.4bn EUR

Amounts in m EUR

Forecast OPEX only digital first strategy
2022-2024 = 1.1bn EUR

Differently: the next level

Dividend policy & capital distribution as of 2022

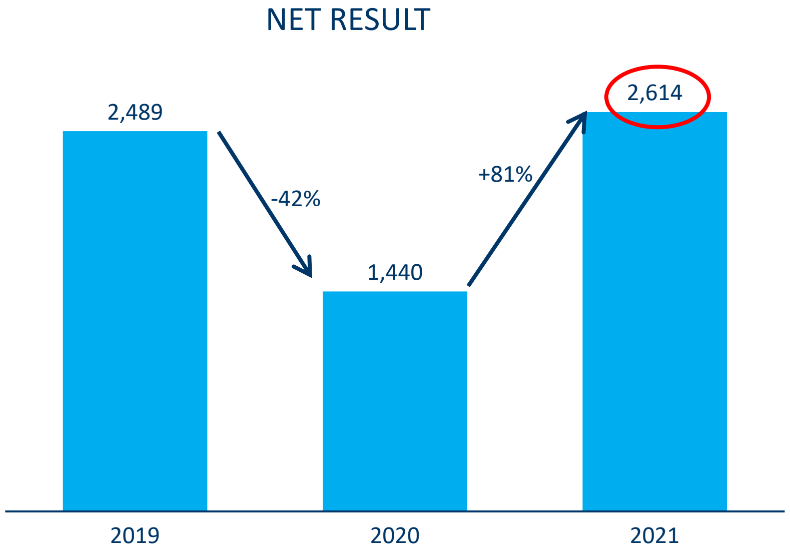
- We aim to be amongst the better capitalised financial institutions in Europe. As a consequence, the dividend policy of KBC Group is tailored to that purpose. Each year, the Board of Directors will decide, at its discretion, on the total dividend based on the assessment of risks, forward looking profitability 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

* next FY results on 9 February 2023

Annex 1

FY 2021 performance of KBC Group

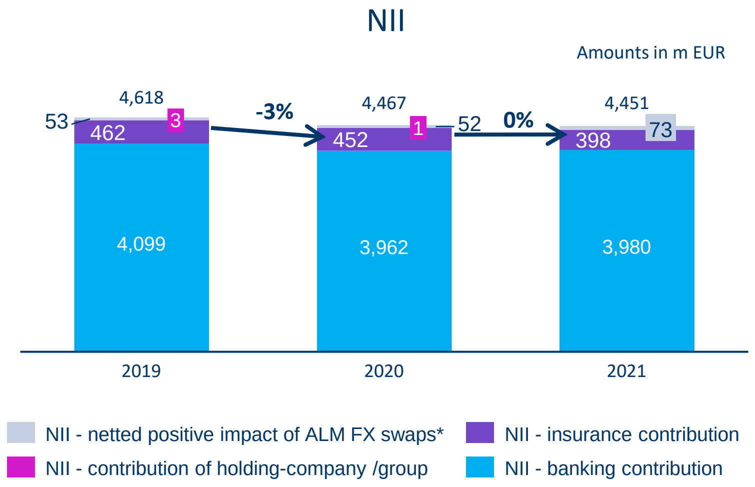
FY 2021 net result amounted to 2,614m EUR

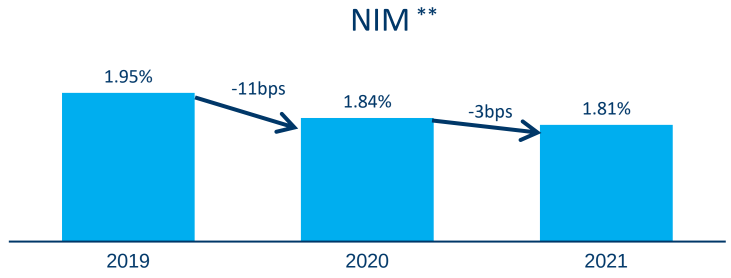


Amounts in m EUR

- **Net result rose by 81% y-o-y to 2,614m EUR in 2021,** mainly as a result of the following:
  - Revenues rose by 5% y-o-y mainly due to higher net fee & commission income, net result from FIFV, net other income and higher result from life insurance, partly offset by lower result from non-life insurance after reinsurance (the severe flood impact in Belgium during summer)
  - Operating expenses in FY21 excluding bank taxes, changes in the consolidation scope and one-offs rose by 1.5% y-o-y (+1.0% y-o-y when also excluding FX), fully in line with our FY21 guidance of slightly below +2% like-for-like. Total bank taxes (including ESRF contribution) increased from 503m EUR in FY20 to 525m EUR in FY21
  - Net impairment releases amounted to 261m EUR (compared with net impairment charges of 1,182m EUR in FY20). This was attributable chiefly to:
    - a 494m EUR reversal of collective Covid-19 impairments in FY21
    - one-off loan loss impairments of 178m EUR as a result of the two pending sales transactions in Ireland
    - 18m EUR loan loss provision releases on some individual files
    - Impairment of 73m EUR on ‘other’, of which:
      - a 32m EUR one-off as a result of the two pending sales transactions in Ireland due to impairment on (in)tangibles
      - a 20m EUR impairment on (in)tangibles in other countries (besides Ireland)
      - 8m EUR modification losses in Hungary
      - a 7m EUR goodwill impairment in BU CZ

Roughly stable net interest income and lower net interest margin





* From all ALM FX swap desks

** NIM is calculated excluding the dealing room and the net positive impact of ALM FX swaps & repos

Net interest income

- Net interest income roughly stabilised y-o-y
- Net interest income banking slightly increased y-o-y due mainly to:
  - continued good loan volume growth
  - intensified charging of negative interest rates on certain current accounts to corporates and SMEs
  - lower funding costs, due largely to the positive impact of TLTRO3 and of ECB deposit tiering
  - consolidation of the OTP SK
  - higher netted positive impact of ALM FX swaps
  - the appreciation of the CZK versus the EUR

  which were partly offset by:
  - the negative impact of lower reinvestment yields in euro-denominated countries
  - margin pressure on the outstanding portfolio in almost all countries
- Net interest income insurance fell by 12% y-o-y due to the negative impact of lower reinvestment yields in 2021 and 31m positive one-off technical items in 2020
- Loan volumes increased by 5% y-o-y, while customer deposits excluding debt certificates and repos rose by 6% y-o-y

Net interest margin (1.81%)

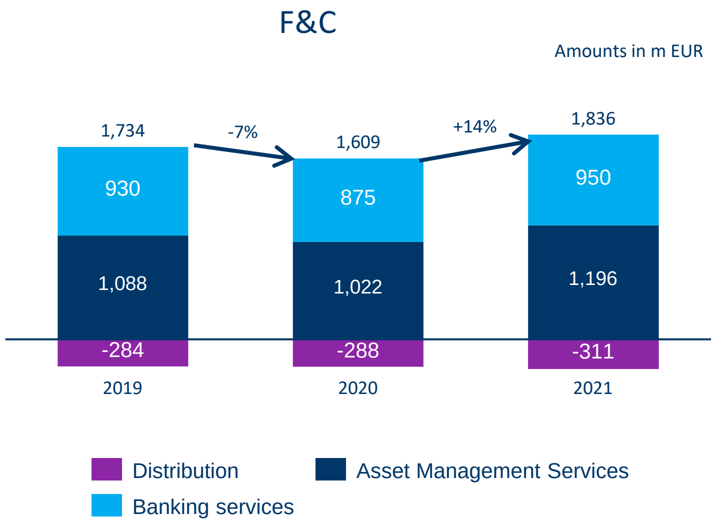
- Decreased by 3 bps y-o-y due mainly to the negative impact of lower reinvestment yields in euro-denominated countries, margin pressure on the outstanding portfolio in almost all countries and an increase of the interest-bearing assets (denominator)

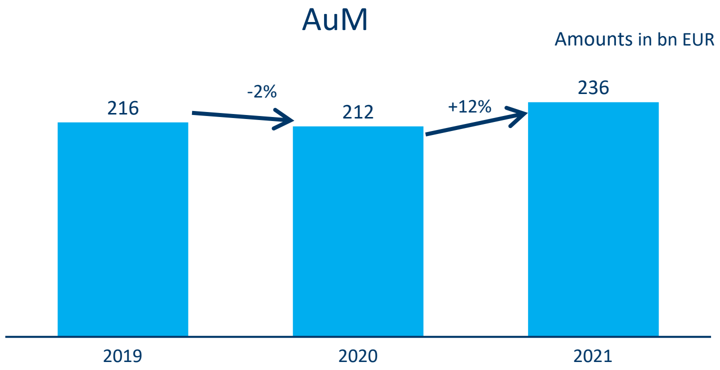
ORGANIC VOLUME TREND	Total loans*	o/w retail mortgages	Customer deposits**	AuM	Life reserves
Volume	170bn	78bn	203bn	236bn	29bn
Growth y-o-y	+5%	+6%	+6%	+12%	+3%

* Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

** Customer deposits, excluding debt certificates and repos

Higher net fee and commission income and AUM



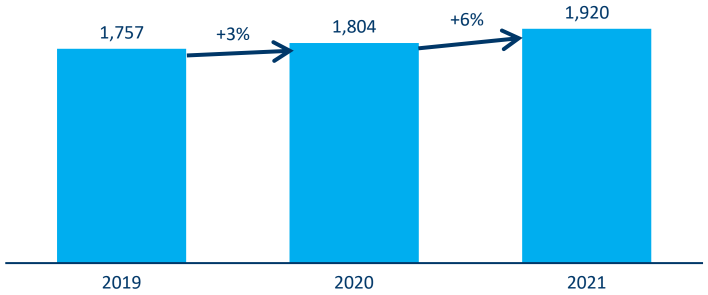


- **Net fee and commission income**
  - Increased by 14% y-o-y:
    - Net F&C from Asset Management Services increased by 17% y-o-y driven entirely by higher management fees. Entry fees stabilised y-o-y
    - Net F&C income from banking services increased by 9% y-o-y (8% y-o-y excluding FX effect) driven mainly by higher fees from payment services, higher network income, higher securities-related fees and higher fees from credit files & bank guarantees
    - Distribution costs rose by 8% y-o-y due chiefly to higher commissions paid linked to banking products and increased insurance sales

- **Assets under management (236bn EUR)**
  - Increased by 12% y-o-y due mainly to a positive price effect (+11%) and net inflows (+1%)

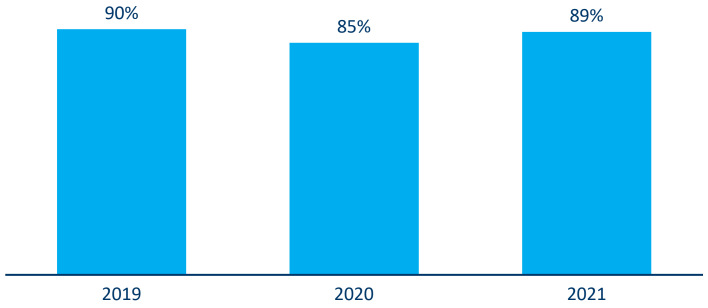
Higher non-life insurance sales and excellent combined ratio

NON-LIFE SALES
(GROSS WRITTEN PREMIUM)



Amounts in m EUR

COMBINED RATIO (NON-LIFE)

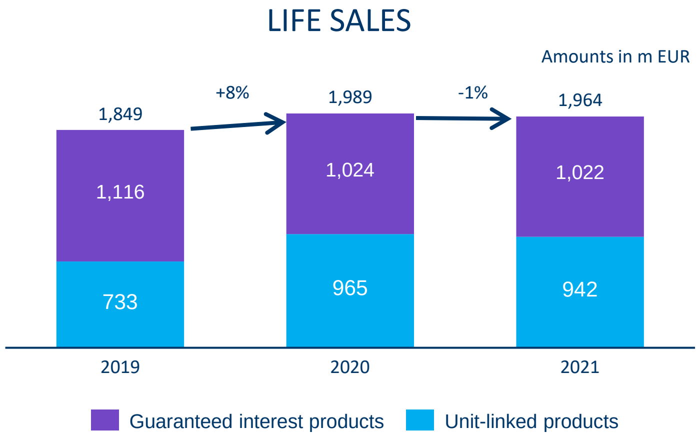


- **Sales of non-life insurance products**
  - Up by 6% y-o-y thanks to growth in all classes

- The non-life **combined ratio** for FY21 amounted to an excellent **89%** (85% in FY20). This is the result of:
  - 6% y-o-y earned premium growth in FY21
  - 21% y-o-y higher technical charges in FY21 due mainly to:
    - the severe flood impact in Belgium during summer (110m EUR gross impact and 87m EUR net impact after reinsurance, of which 45m EUR above the legal limit*)
    - higher normal claims (mainly in ‘Motor’, ‘Property’ and ‘Workmen’s compensation’, primarily due to the re-opening of the economy)
    - partly offset by lower impact of parameter updates
  - ceded reinsurance result, which amounted to +27m EUR in FY21 (versus -18m EUR in FY20) due to higher recuperations for floods and storms

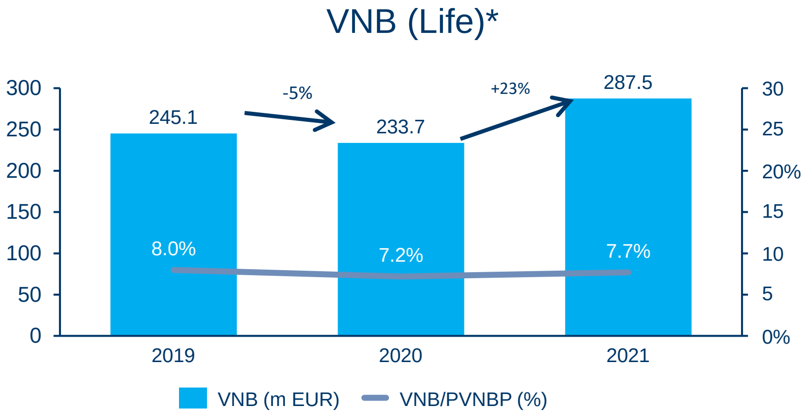
* i.e. the ceiling introduced in Belgian law on the intervention of insurers in the event of very large floods

Life insurance sales slightly decreased, while VNB sharply increased



Sales of life insurance products

- Down by 1% y-o-y
  - The 2% y-o-y decrease in sales of unit-linked products was the result of a shift from mutual funds to unit-linked products by Private Banking clients in 2020, only partly offset by higher sales of unit-linked products by Retail/SME clients in 2021
  - Sales of guaranteed interest products roughly stabilised
- Sales of unit-linked products accounted for 48% of total life insurance sales

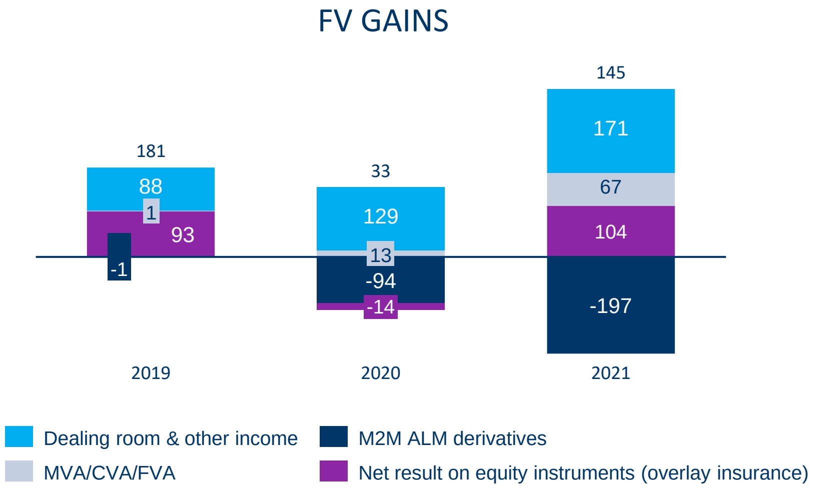


VNB

- Increase y-o-y mainly driven by higher fee income on unit-linked products in Belgium
- The VNB/PVNBP increased to 7.7% due to the higher margin on guaranteed interest rate products, driven by increasing interest rates

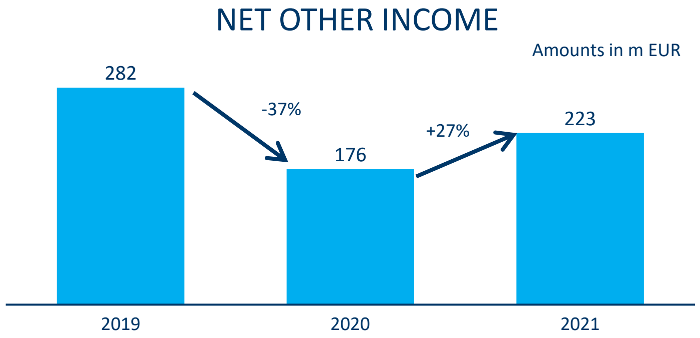
- VNB = Value of New Business = present value of all future profit attributable to the shareholders from the new life insurance policies written during the year
- The VNB of KBC Group includes the expected future income generated by parties other than KBC Insurance, but within KBC Group (e.g. KBC Bank & KBC Asset Management) arising from the sales of life insurance business. In 2021, this income amounted to 124m EUR (compared with 120m EUR in 2020)
- VNB/PVNBP = VNB at point of sale compared with the Present Value of New Business Premiums. This ratio reflects the margin earned on total premiums

Higher FV gains and higher net other income



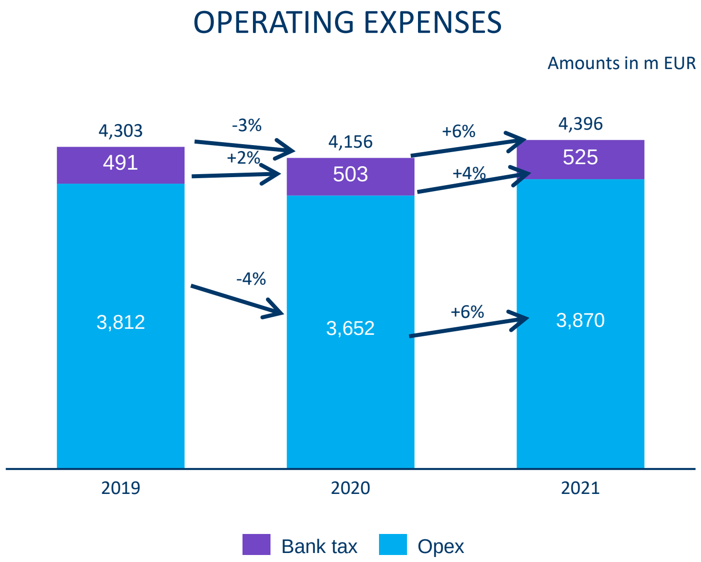
- The higher y-o-y figure for **net gains from financial instruments at fair value** was attributable to:
  - sharply higher net result on equity instruments (insurance)
  - higher dealing room & other income
  - a positive change in market, credit and funding value adjustments

  partly offset by:
  - a negative change in ALM derivatives



- **Net other income** increased from 176m EUR in FY20 to 223m EUR in FY21. This is somewhat higher than the normal run rate of 200m EUR per year due to some one-off items (with an overall positive impact of 19m EUR)

Costs fully in line with guidance



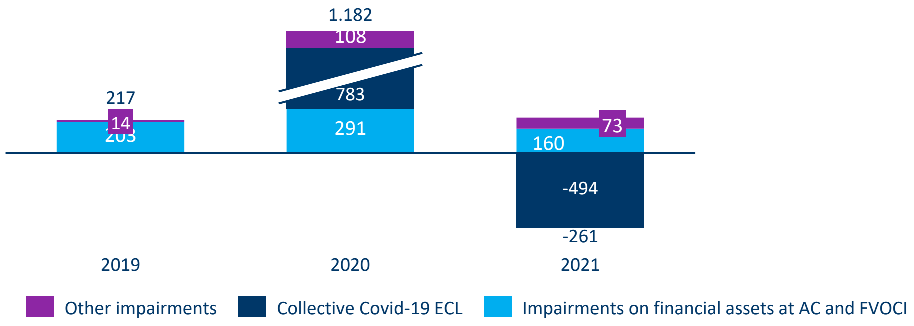
- **Operating expenses in FY21 excluding bank taxes, changes in the consolidation scope and one-offs rose by 1.5% y-o-y** (+1.0% y-o-y when also excluding FX), fully in line with our FY21 guidance of slightly below +2% like-for-like

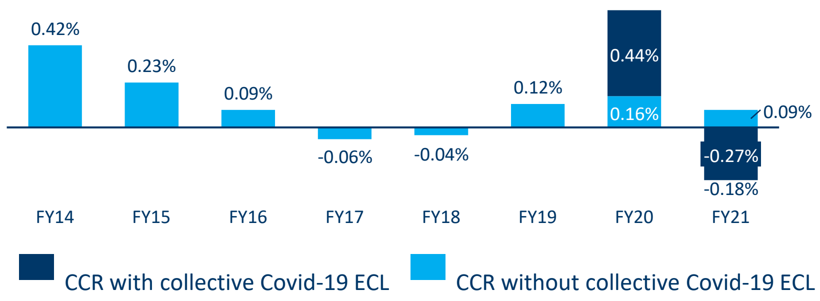
- **The C/I ratio excluding bank taxes amounted to 51% in FY21**

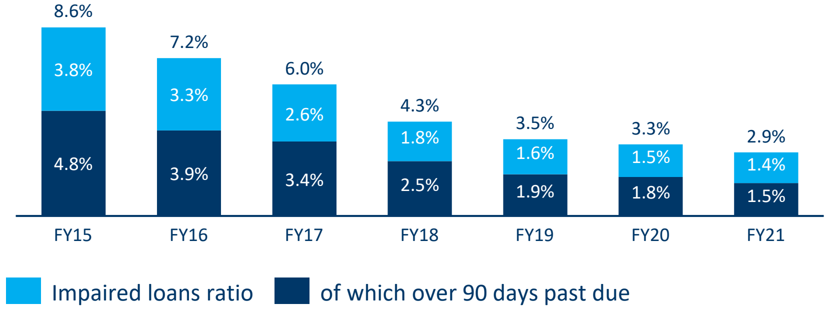
- Contrary to FY20 (+10m EUR one-off), FY21 operating expenses were negatively impacted by -106m EUR one-offs:
  - -18m EUR Covid-related bonus in 2Q21
  - +9m EUR release of cost provision due to the sale of the Antwerp tower in 3Q21
  - -81m EUR one-off staff-related costs in 3Q21 as a result of the signing of the two pending sales transactions in Ireland
  - -16m EUR one-off costs in 4Q21 as a result of the two pending sales transactions in Ireland, mainly related to accelerated depreciations

- Total bank taxes (including ESRF contribution) increased from 503m EUR in FY20 to 525m EUR in FY21

Net impairment releases and excellent credit cost ratio


ASSET IMPAIRMENT


CREDIT COST RATIO


IMPAIRED LOANS RATIO

- **Net impairment releases amounted to 261m EUR** (compared with net impairment charges of 1,182m EUR in FY20). This was attributable chiefly to:
  - a 494m EUR reversal of collective Covid-19 impairments in FY21
  - one-off loan loss impairments of 178m EUR as a result of the two pending sales transactions in Ireland
  - 18m EUR loan loss provision releases on some individual files
  - impairment of 73m EUR on ‘other’, of which:
    - a 32m EUR one-off as a result of the two pending sales transactions in Ireland due to impairment on (in)tangibles
    - a 20m EUR impairment on (in)tangibles in other countries (besides Ireland)
    - 8m EUR modification losses in Hungary
    - a 7m EUR goodwill impairment in the Czech Republic

- The **credit cost ratio in FY21** amounted to:
  - 9 bps (16 bps in FY20) without collective Covid-19 ECL
  - -18 bps (60 bps in FY20) with collective Covid-19 ECL

- The **impaired loans ratio** improved to 2.9%, 1.5% of which over 90 days past due

Annex 2

Company profile

KBC Group in a nutshell (1)

✓ We want to be among Europe’s best performing financial institutions! By achieving this, KBC wants to be the reference in bank-insurance in its core markets

- We are a leading European financial group with a focus on providing bank-insurance products and services to retail, SME and mid-cap clients, in our core countries: Belgium, Czech Republic, Slovakia, Hungary, Bulgaria and Ireland.
- As a result of the (potential) withdrawal from Ireland, arising M&A opportunities beyond our core markets may be assessed (for approval of the Board of Directors) taking into account very strict strategic, financial, operational & risk criteria

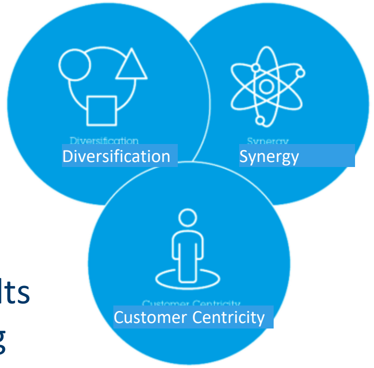
✓ Diversified and strong business performance

… geographically

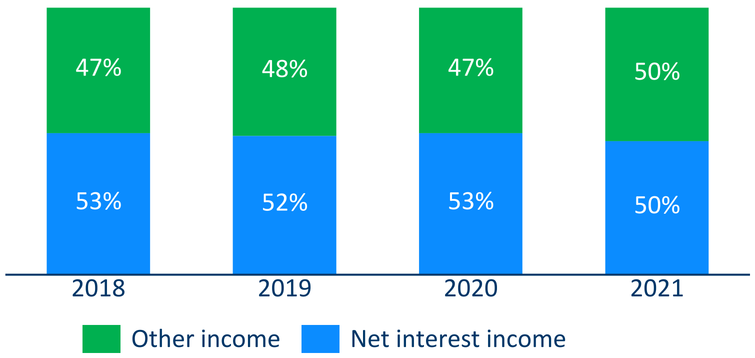
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Economies of BE & 4 CEE-countries highly oriented towards Germany, while IRL is more oriented to the UK & US
- Robust market position in all key markets & strong trends in loan and deposit growth

… and from a business point of view

- An integrated bank-insurer
- Strongly developed & tailored AM business
- Strong value creator with good operational results through the cycle
- Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients
- Integrated model creates cost synergies and results in a complementary & optimised product offering
- Broadening ‘one-stop shop’ offering to our clients

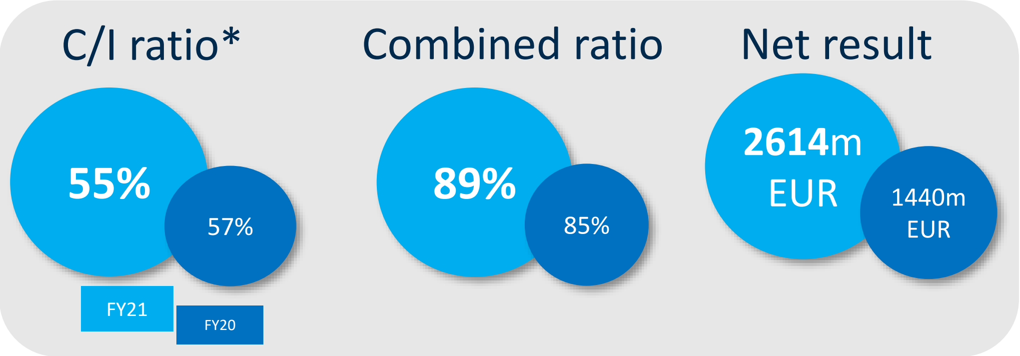


KBC Group: topline diversification 2018-2020 (in %)

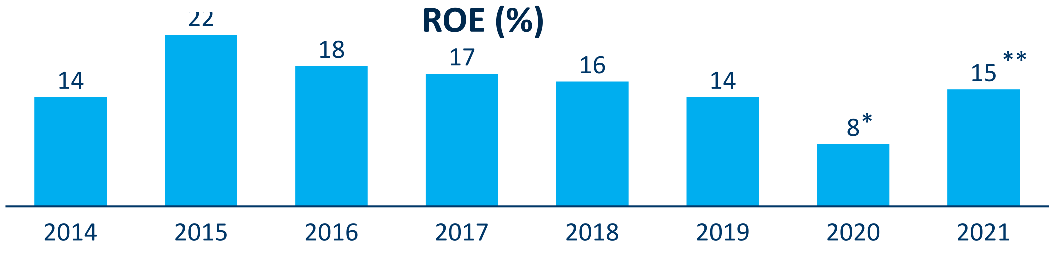


KBC Group in a nutshell (2)

✓ High profitability



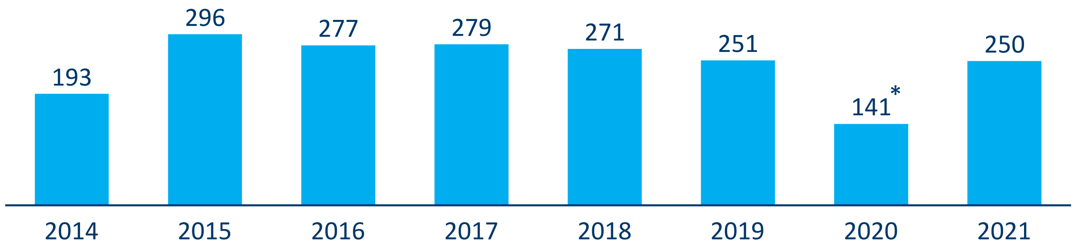
* Adjusted for specific items



* 11% when adjusted for the collective covid-19 impairments

** when excluding the one-off items due to the pending sales transactions in Ireland

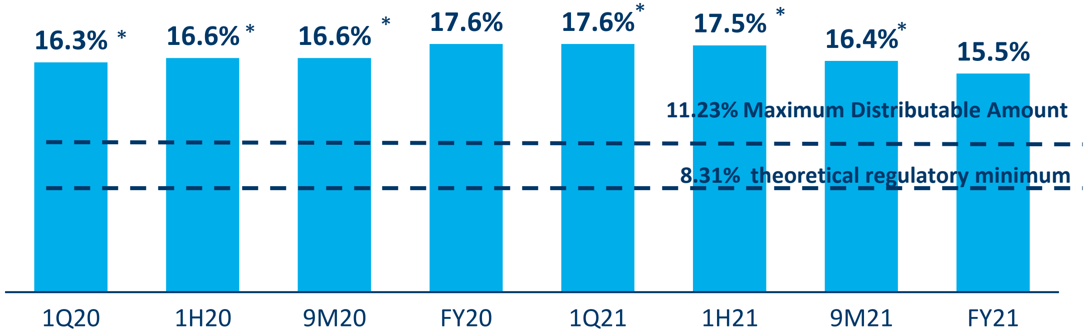
CET1 generation (in bps) before any deployment



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

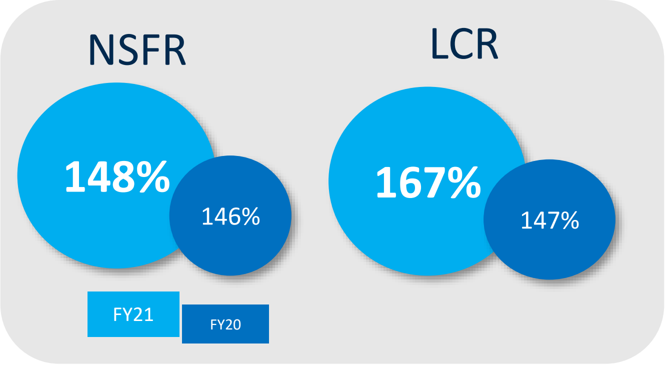
✓ Solid capital position...

Fully loaded Basel 3 CET1 ratio of KBC Group (Danish Compromise)

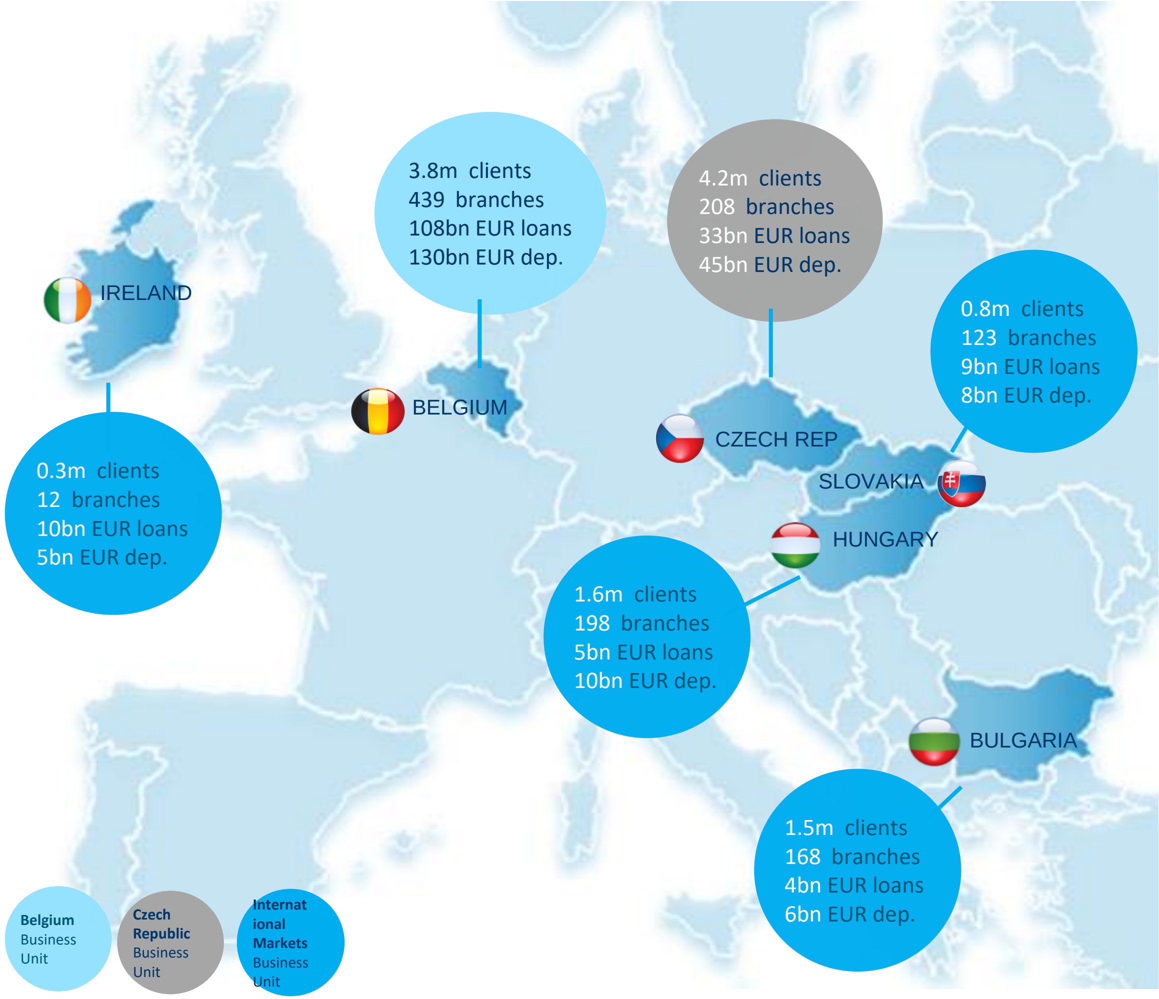


* No IFRS interim profit recognition given more stringent ECB approach

✓ … and robust liquidity positions



Well-defined core markets



0.3m clients
12 branches
10bn EUR loans
5bn EUR dep.

3.8m clients
439 branches
108bn EUR loans
130bn EUR dep.

4.2m clients
208 branches
33bn EUR loans
45bn EUR dep.

0.8m clients
123 branches
9bn EUR loans
8bn EUR dep.

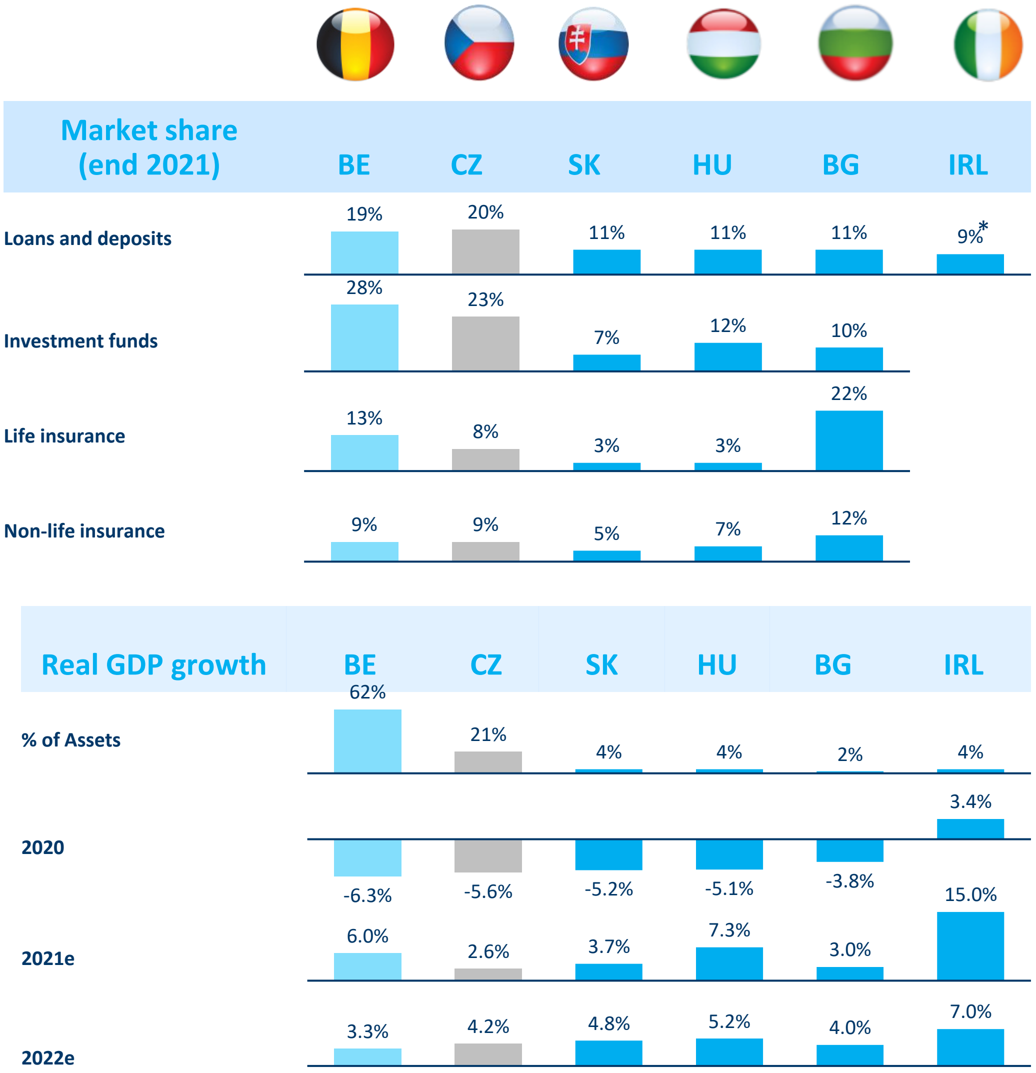
1.6m clients
198 branches
5bn EUR loans
10bn EUR dep.

1.5m clients
168 branches
4bn EUR loans
6bn EUR dep.

Belgium Business Unit

Czech Republic Business Unit

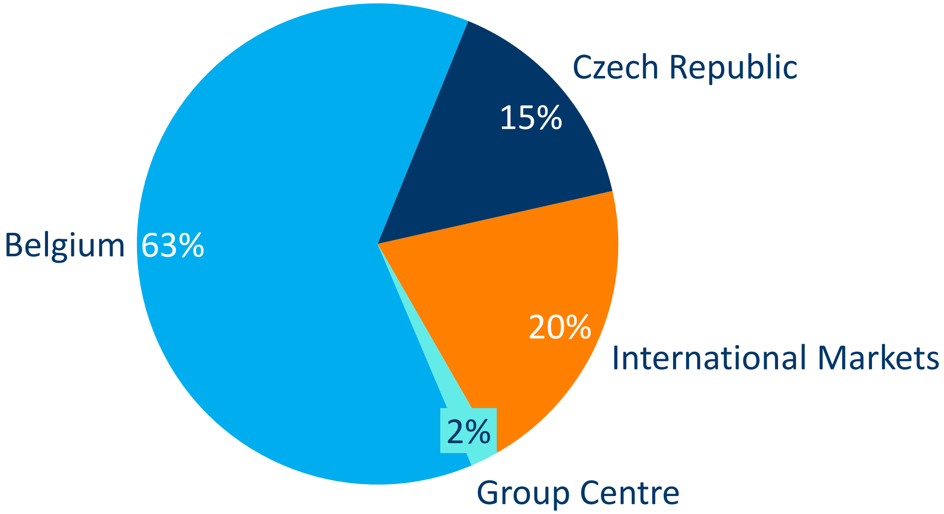
International Markets Business Unit



GDP growth: KBC data, December ‘21
* Retail segment

Business profile

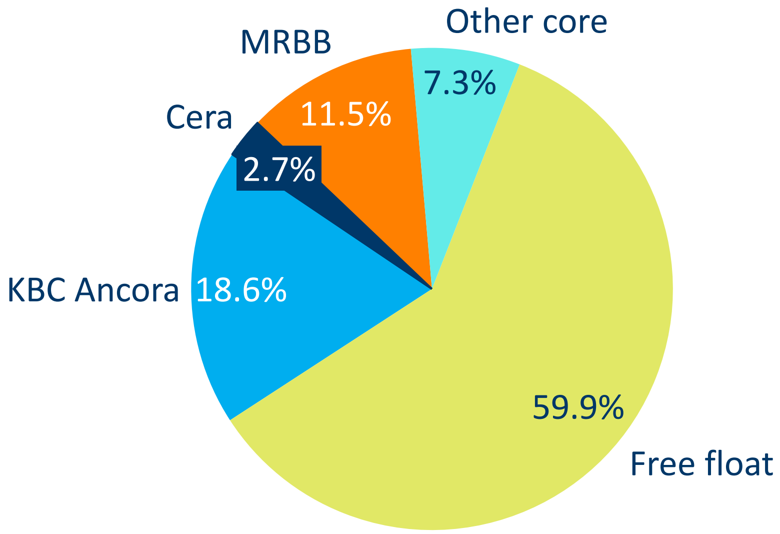
BREAKDOWN OF ALLOCATED CAPITAL (FULLY LOADED) BY BUSINESS UNIT AS AT 31 DECEMBER 2021



- KBC is a leading player (providing bank-insurance products and services to retail, SME and mid-cap clients) in Belgium, the Czech Republic and its 4 core countries in the International Markets Business Unit

Shareholder structure

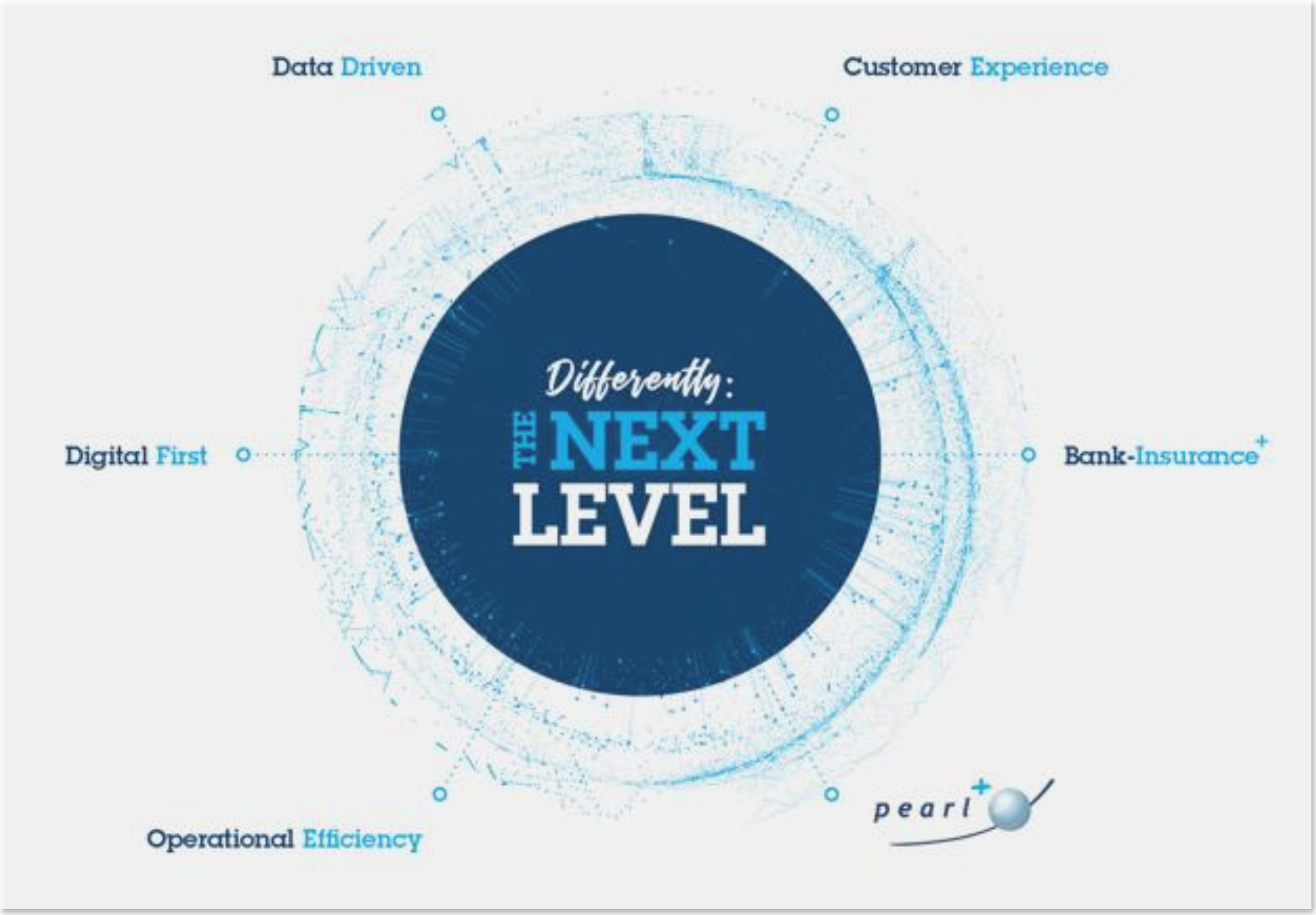
SHAREHOLDER STRUCTURE AT END 2021



- Roughly 40% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of Belgian industrialist families
- The free float is held mainly by a large variety of international institutional investors

KBC Group

Annex 3



Kate, your digital assistant

Hyper personalised and trusted financial digital assistant

RELEVANT & VALUABLE OFFER

Kate will only propose offers where sufficient added value is shown or when she can serve the client in an important moment in the client's live

PERSONALISED & DATA DRIVEN

The interaction between the customer and Kate will be triggered by data analysis (approval granted by customer). Kate will be trained on the basis of the customer's profile, preferences and activities

AT THE RIGHT TIME

Lead journeys driven by time or location are preferably taken care of by Kate, as notifications linked to a specific location or specifying moment in time are perceived as highly personal

DIGITAL FIRST & E2E

We will offer the client a frictionless End2End digital process and in doing so make bank/insurance simple and hassle free

VOLUME

We want all our clients to meet Kate as much as possible. Kate will allow us to reach out to a sufficient volume of clients, in terms of transactions and in terms of number of targetable audience

SERVING: SECURE & FRICTIONLESS

Kate will help the client saving time and/or money, focusing more on the convenience factor. Kate will also serve the client regarding security and fraud

> **'No hassle, no friction, zero delay'**
> Johan Thijs

KATE

Kate4MassRetail

Kate is a **personal virtual assistant** that engages with our retail customers to save them time and money.
Kate engages both in a reactive way (**You2Kate**) and a proactive way (**Kate2You**).

Already available in BE and CZ
To be launched in BG (1Q22), HU (2Q22), SK (3Q22)

Kate4Business

Kate will also engage with our **SME and corporate clients** with relevant and actionable insights that are personal and proactive.

Already available in BE and CZ

Four flavors, one Kate

Growing number of **USE CASES: >170 in BE & CZ**

Kate AUTONOMY 37%

1 750 000 clients already in contact with Kate (BE+CZ)

9 use cases live for small SME's in BE

'KATE IN A BOX' delivered to all core countries

62 000 Kate tips processed by employees in CZ

Kate Group Platform

We do not build Kate for every country individually. Kate is **built once at a group level and then deployed to all core countries** (Kate in a box).
Technically, we have set up a shared infrastructure on the cloud that allows us to share use cases, code and IT components maximally.
Furthermore, KBC strives to have a common user interface and persona, so Kate **looks and feels the same everywhere**.
Finally, everything that can be developed at group level is governed by a specific steering committee that develops and maintains the group Kate infrastructure.

Kate4Employees

Kate will also have an **impact on our employees**: Kate will provide **commercial steering** towards our work force, she will **augment our workforce** to better serve our clients, Kate will serve as a back-up for our network and will automate certain administrative tasks.
In doing so, employees can focus on providing even more added value to our client.
This will also give tools to management to better coach employees and plan ahead.

Already available in CZ
To be launched in BE (1Q22) and in HU, BG and SK (2023)

KBC is becoming a data-driven organisation with KATE at the core

Kate is more than an interface towards customers. It also refers to the AI-enhanced software at our center: the **Kate brain.**

The Kate brain will be the driving force behind data-driven **decision making**, **product design and development**, **marketing**, **commercial and sales steering** and much more.

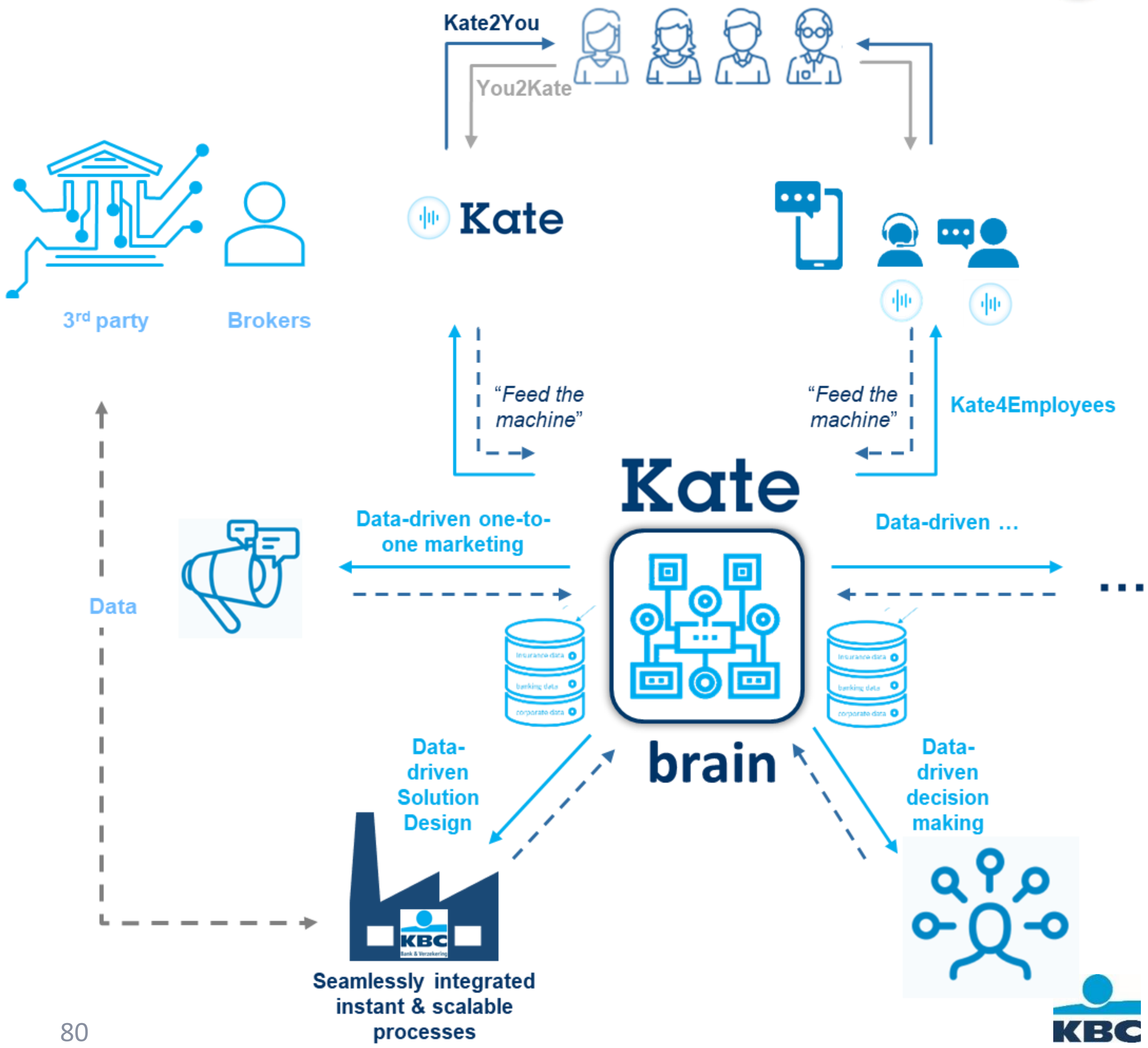
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by providing relevant insights.

The Kate brain is fed by our own banking and insurance **data-sources** but also by data sources from third party services, resulting in **seamlessly integrated, instant (STP) and scalable processes**.

Very important in this are the **feedbacks loops** from all interactions to make **sure Kate is learning** and getting smarter, resulting in better decision making.

The main purpose remains the same: happy customers. As a data-driven company we remain guided by our **client-centric vision.**

Another upside of being AI-powered and solution-driven, is that we not only **save time (cost reductions),** not only for the customer, and **we improve our sales efforts (better sales productivity).**



Kate2You

You2Kate

3rd party

Brokers

Kate

"Feed the machine"

"Feed the machine"

Kate4Employees

Kate brain

Data-driven one-to-one marketing

Data-driven ...

...

Data

Data-driven Solution Design

Data-driven decision making

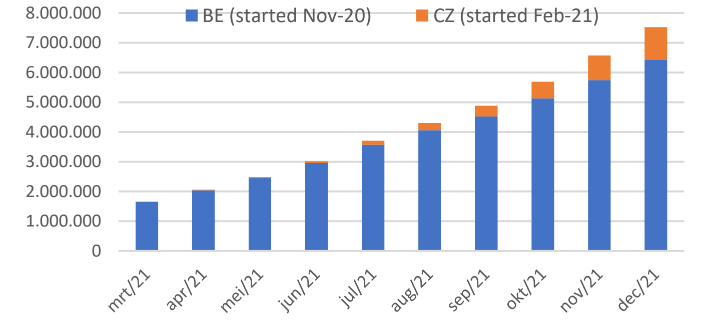
Seamlessly integrated instant & scalable processes

Kate4MassRetail : Implementation in Belgium and Czech Republic

KEY NUMBERS

- **1 318 000** (BE) + **438 000** (CZ) **unique clients** that have clicked the ‘Kate bubble’
- **528 000** (BE) + **112 000** (CZ) **customers that used Kate** (they went one step further than just clicking the ‘Kate bubble’)
- **>170 use cases implemented** for retail customers in Belgium and Czech Republic combined
- Number of started **conversations: You2Kate**
  - **1 125 000** in CZ
  - **6 826 000** in BE
- Number of **proactive messages: Kate2You**
  - **52 000** in CZ
  - **997 000** in BE
- Kate can send **proactive messages to >720 000** (BE+CZ) clients

Monthly You2Kate conversations (cumulative)



Hi,
I'm **Kate**!
I'm here to make your life easier.

That gives you more time to enjoy what's really important.

And that goes for **2022** as well.

Top used cases in BE & CZ

You2Kate cases

„Kate, please pay 200 CZK/EUR to Andrea“

„ Kate, show me my green card“ (car insurance MTPL)

„Can you help me with my credit/debit card“

„ Has a certain transaction been concluded?”

„Where can I find my bank account statements“

Top Kate approaches in BE & CZ

Kate2You cases

Kate offers to help you save on your energy bill

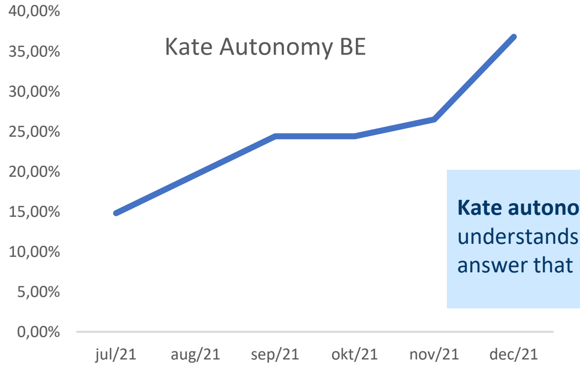
Kate offers to save your ‘proof of guarantee’ in the digital vault

Kate offers a Premium account

Kate offers savings product for newborns

Is Kate becoming smarter? Can she answer client questions autonomously?

% of all You2Kate conversations (average BE&CZ) – Results Dec 21



Kate autonomy : % of questions that Kate actually understands and where she is able to show an answer that unburdens the client **37%**

Kate4Employees : Results in Czech Republic and ambitions in Belgium

Kate4Employees focuses on 4 different aspects that try to support the commercial employees: commercial steering towards our work force, Kate will augment our workforce to better serve our clients, Kate will serve as a back-up for our network and Kate will automate certain administrative tasks

KEY RESULTS CZ

(Cumulative results since launch 10/09/21 - 3/12/21)

1 365 active users of K4E

61 919 tips by K4E processed

Leading to

24 426 products sold

of which primarily

20 055 Smart activation

266 Funds worth 59 mio CZK

7 cases for banking employees launched

Employees rated the **user-friendliness 4.8/5** and the **usefulness 4.2/5**

Examples cases from CZ

Kate helps with investments

- Kate provides **context** to better target the offering
- Kate prepares **relevant arguments** to cross sell clients with investments
- Kate uses **language of typical employee**
- The context is shown at **one place** and the employees don't have to look to other systems

Digitalization of clients

- Kate regularly analyzes my client **portfolio** and helps me find clients, which are not actively using CSOB digital channels and apps and are at the same time **likely to onboard digital**

KEY AMBITIONS BE

6 use cases planned for first release in **February 2022**

15 use cases planned so far to be implemented by **1H 2023**

Domains include **banking, insurance and investments**

Branch employees, relationship managers and tied agents will be supported

Examples cases from BE

Start the day with Kate

- Kate automatically **assigns new hot leads** to employees based on his/her skills.
- These leads are labeled as 'must do's' and 'might do's'
- Kate **takes into account potential unavailability** when assigning these leads

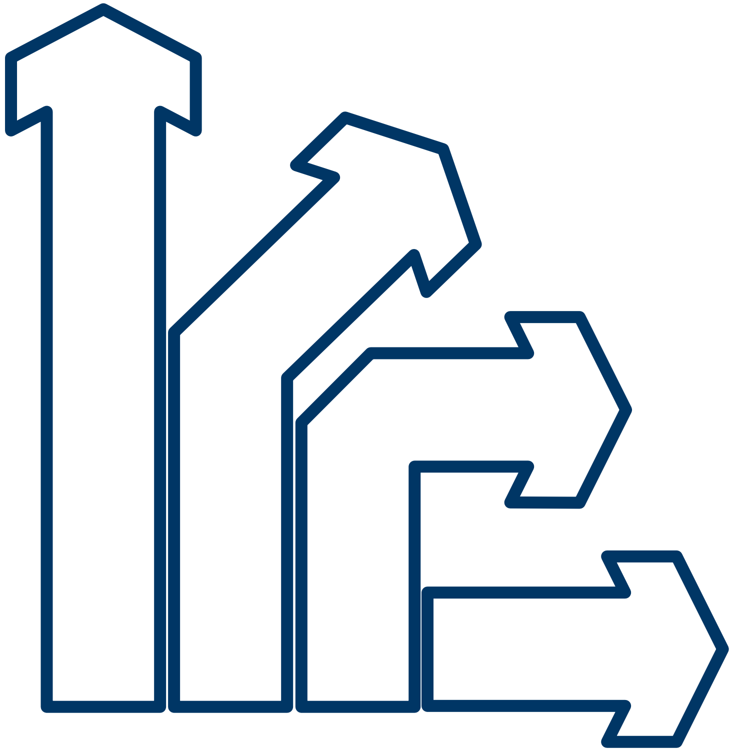
Kate prepares scheduled meetings

- Kate **prepares every appointment** an employee has with a client
- The preparation is a **mix of data** (leads, tasks, insights,..) available in the CRM and the employees' own notes.

First use cases for **International Markets** expected to be implemented in 2H 2023. Building upon the knowhow and best practices from CZ & BE.

Differently: THE NEXT level

Digital lead management: From data driven to solution driven



LEVEL 4: Fully automated lead life cycle management

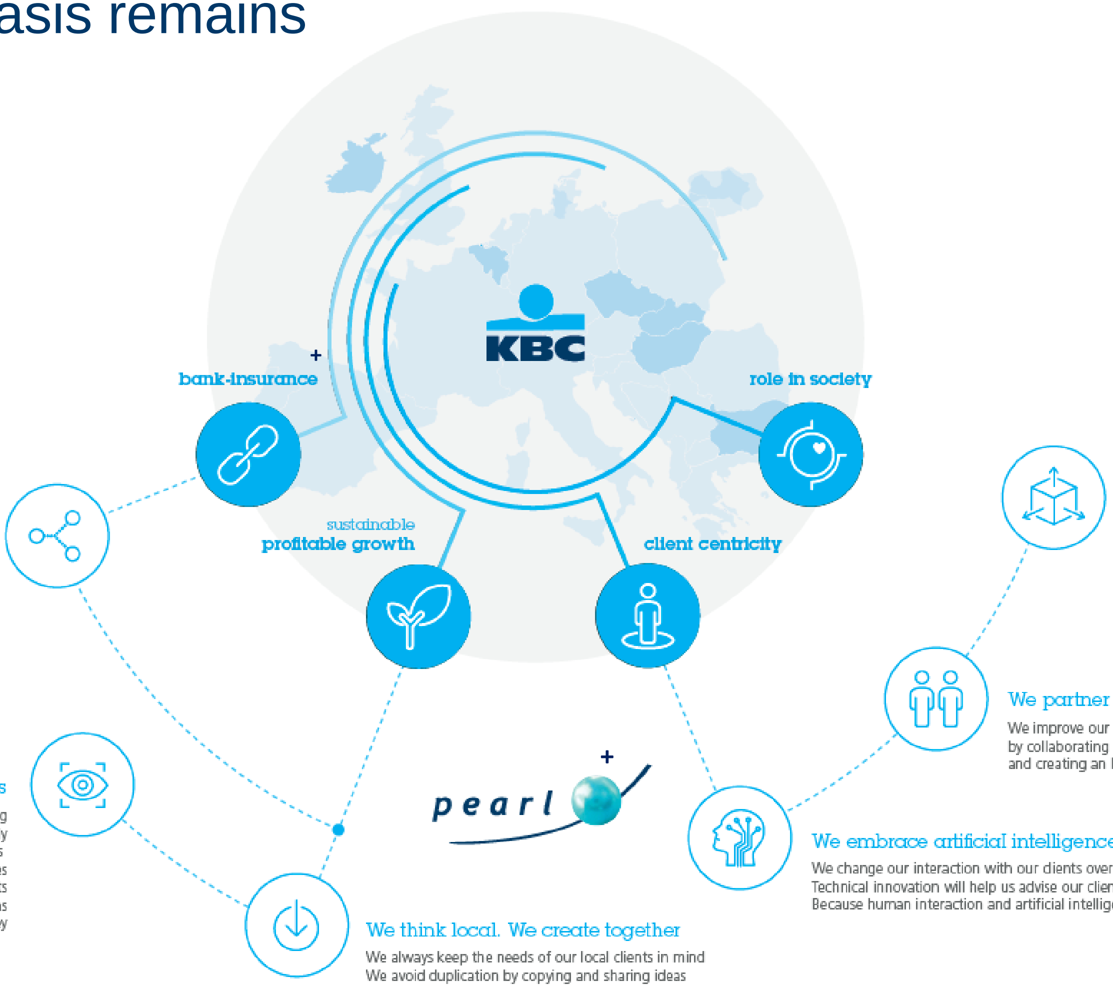
LEVEL 3: AI-powered lead life cycle management

LEVEL 2: Lead life cycle management

LEVEL 1: Basic lead management

Differently: THE NEXT level

The strong basis remains



We diversify our income

Bank-insurance remains key
However, we reduce our dependency on interest income
by increasing our insurance income and our fee income

We build our future capabilities

The future is continuously changing
So we have to adapt quickly
This means we prepare ourselves
by acting on trends in our daily bank-insurance activities
and through small investments and experiments
We make smart decisions
so we don't waste money

We think local. We create together

We always keep the needs of our local clients in mind
We avoid duplication by copying and sharing ideas
We develop shared solutions in communities
And we take advantage of our scale in non-client facing activities
Because collaboration allows us to deliver
a better, faster service to our clients

We embrace artificial intelligence

We change our interaction with our clients over time
Technical innovation will help us advise our clients even better
Because human interaction and artificial intelligence reinforce each other

We partner

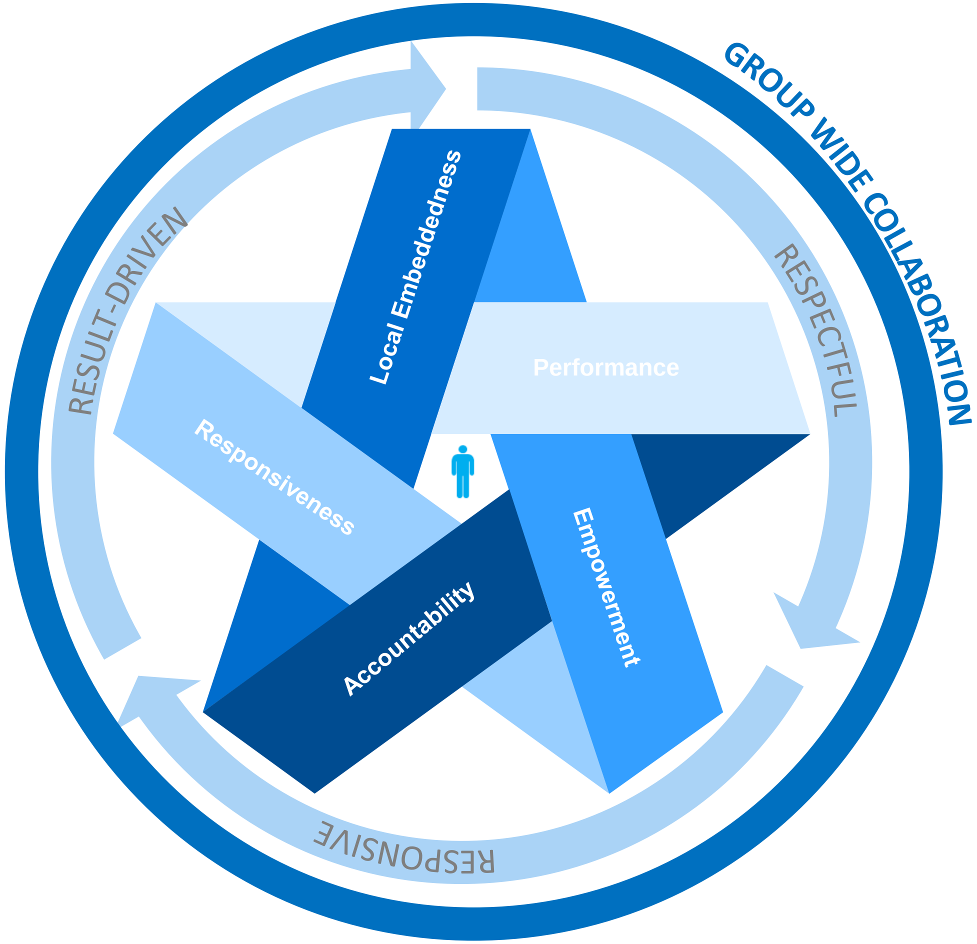
We improve our solutions to meet our clients' needs
by collaborating with partners, like fintechs and even competitors
and creating an IT environment partners can easily plug in and out of

We think client. We act digital

We design for a digital world
even when we are selling face to face
This digital way of working makes us even more
responsive and sets us apart from the competition
Our clients want simple, hassle-free solutions
So we simplify our processes and
procedures to facilitate that

Differently: THE NEXT level

Powered by PEARL+

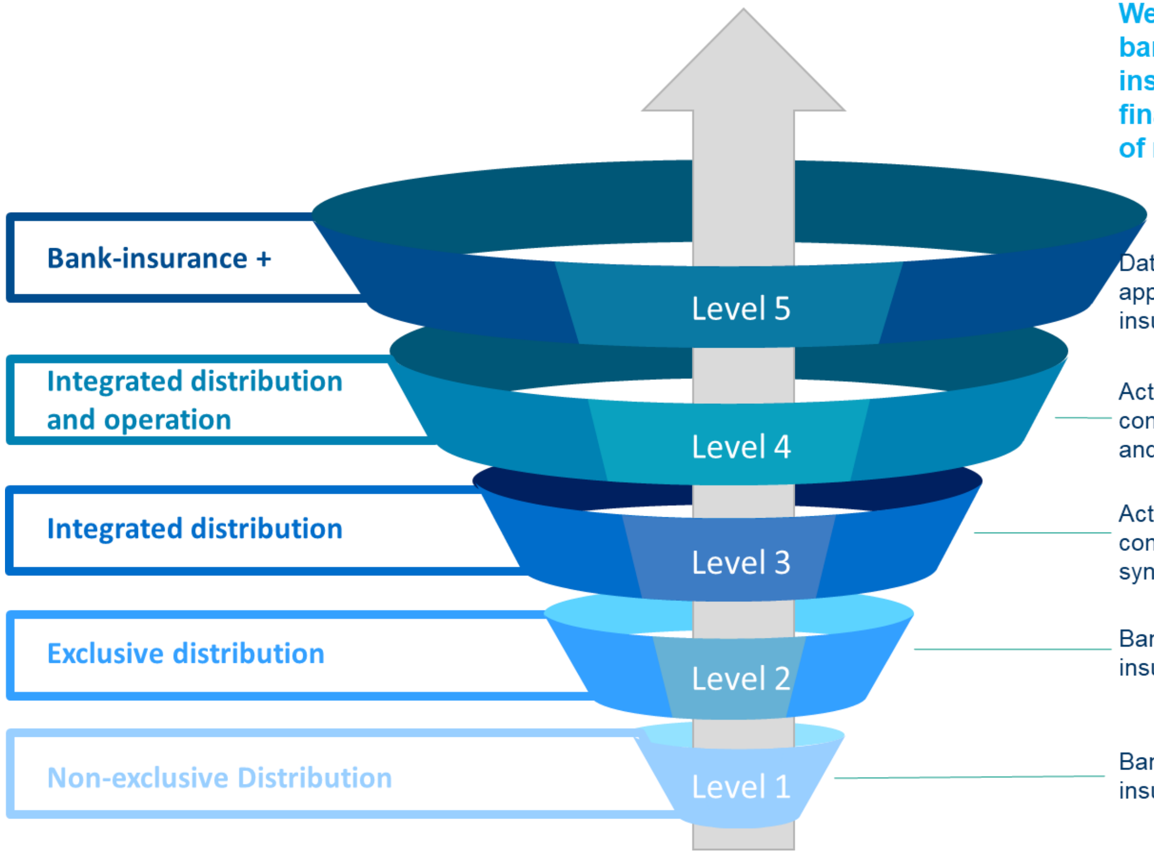


> **‘Why would you build exactly the same thing in your country, when you have the solution next door?’**
> Johan Thijs

Differently: THE NEXT level

Bank-insurance+

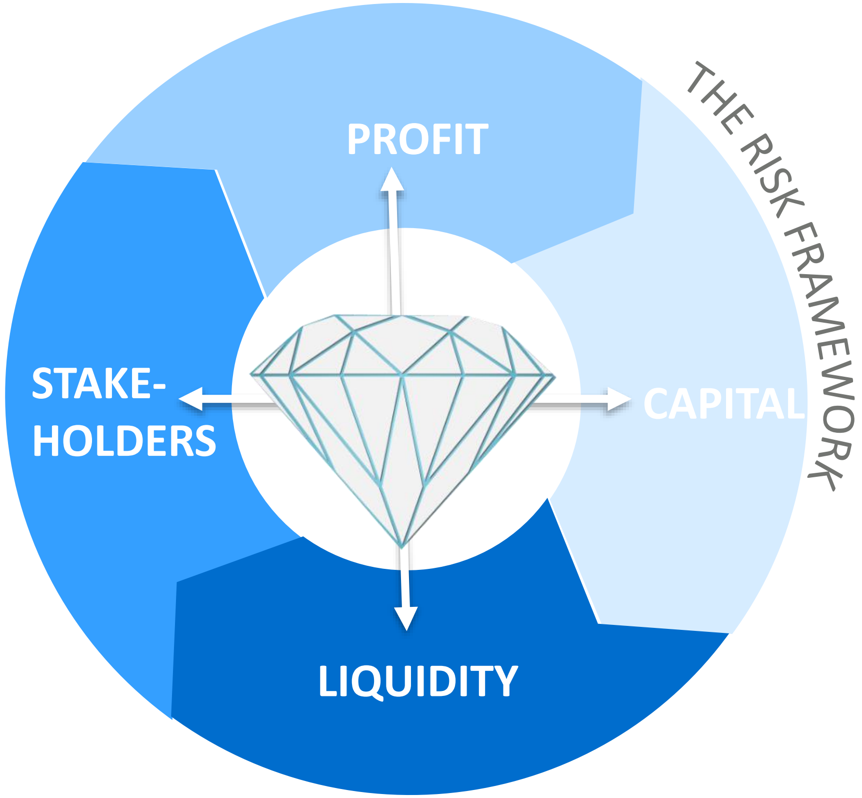
We move beyond traditional bank-insurance towards bank-insurance + providing not only traditional bank-insurance solutions but also less traditional non-financial solutions that impact the financial wellness of retail customers or the future of their business.



Bank-insurance +	Level 5	Data driven organisation: Fully integrated digital first distribution approach based on a solution driven and AI enabled bank-insurance.
Integrated distribution and operation	Level 4	Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial and non-commercial synergies.
Integrated distribution	Level 3	Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial synergies.
Exclusive distribution	Level 2	Bank branches sell insurance products from intra-group insurance companies as additional source of income.
Non-exclusive Distribution	Level 1	Bank branches selling insurance products of third party insurers as additional source of income.

Differently: THE NEXT level

Monitored through the KBC performance diamond



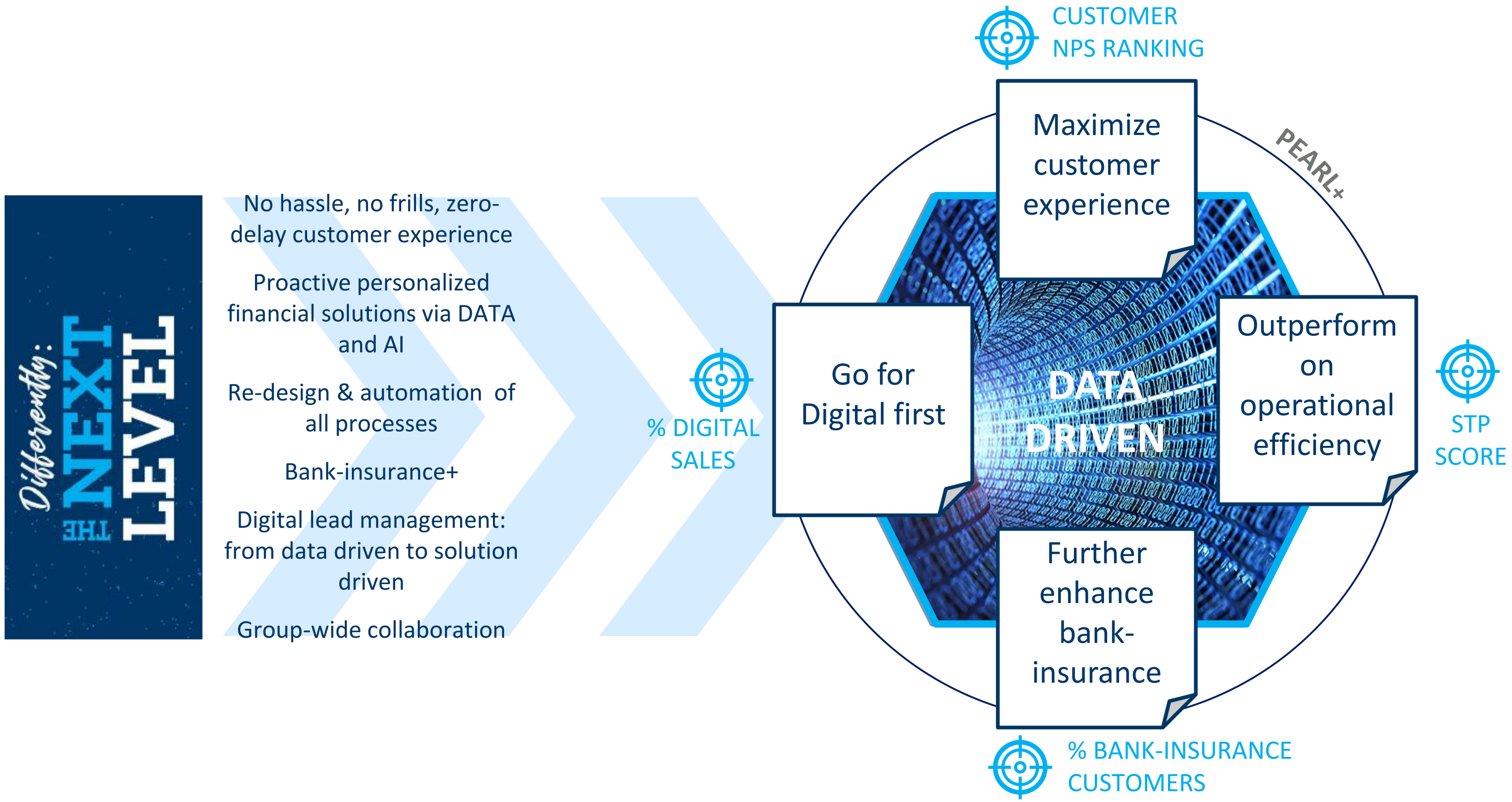
The performance diamond defines, within the limits of the risk management framework, the targets for KBC Group and for all the business units for 4 performance dimensions:

🟦	**NET PROFIT**
🟦	**CAPITAL**
🟦	**LIQUIDITY**
🟦	**STAKEHOLDERS** Clients, staff, society, shareholders

Differently: THE NEXT level

Translating strategy into non-financial targets

From key priorities to operational targets



- No hassle, no frills, zero-delay customer experience
- Proactive personalized financial solutions via DATA and AI
- Re-design & automation of all processes
- Bank-insurance+
- Digital lead management: from data driven to solution driven
- Group-wide collaboration

Differently: THE NEXT level

Translating strategy into non-financial targets

Update on our 4 operational targets (1)

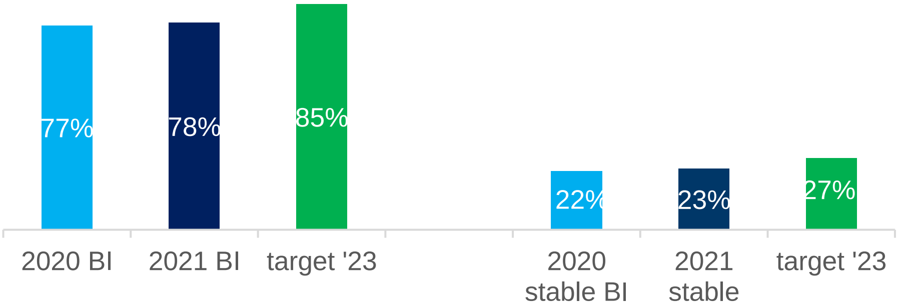
Customer NPS ranking

- ➢ KBC is 3rd in customer NPS ranking
- ➢ Target is to remain the reference (top-2 score on group level)

Based on weighted avg of ranking in six core countries

* Based on the latest available data.

% bank-insurance (BI) clients



- ➢ 78% of active customers are BI customers at end 2021 (vs 2023 target of 85%)
- ➢ 23% of active customers are stable BI customers at end 2021 (vs 2023 target of 27%)

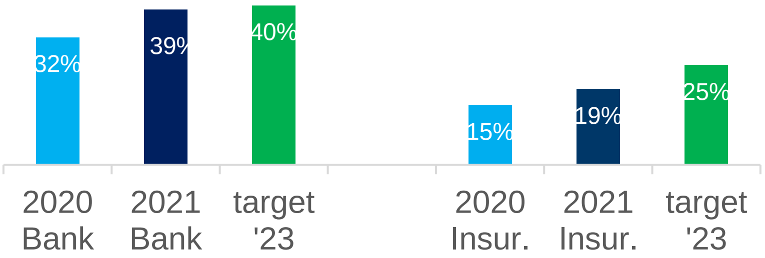
BI customers have at least 1 bank + 1 insurance product of our group.
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Differently: THE NEXT level

Translating strategy into non-financial targets

Update on our 4 operational targets (2)

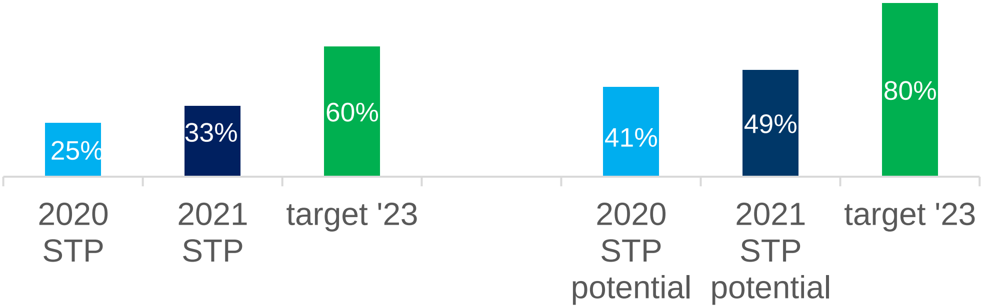
% digital sales
(bank / insurance)



- ➢ Digital sales 39% of bank sales (vs 2023 target of ≥40%)
- ➢ Digital sales 19% of insurance sales (vs 2023 target of ≥25%)

Based on weighed avg of selected core products

STP score*
(straight through processing)



- ➢ STP at 33% at end 2021 (vs 2023 target of ≥60%)
- ➢ STP potential at 49% at end 2021 (vs 2023 target of ≥80%)

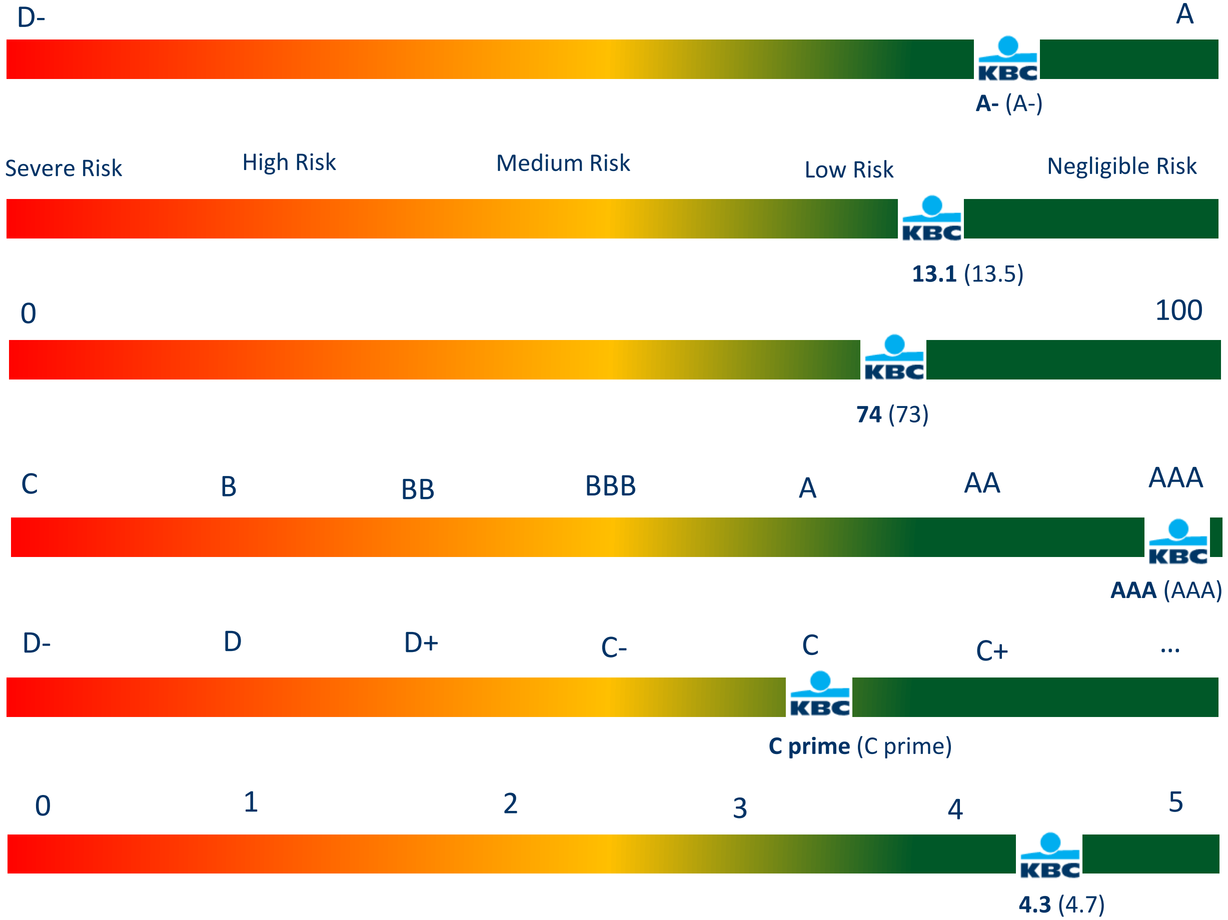
The STP-ratio measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

STP potential measures what the STP-ratio would be if KBC would only have the digital channel in its interaction with clients for a given process or product.

* Based on analysis of core commercial products.

ESG ratings and indices

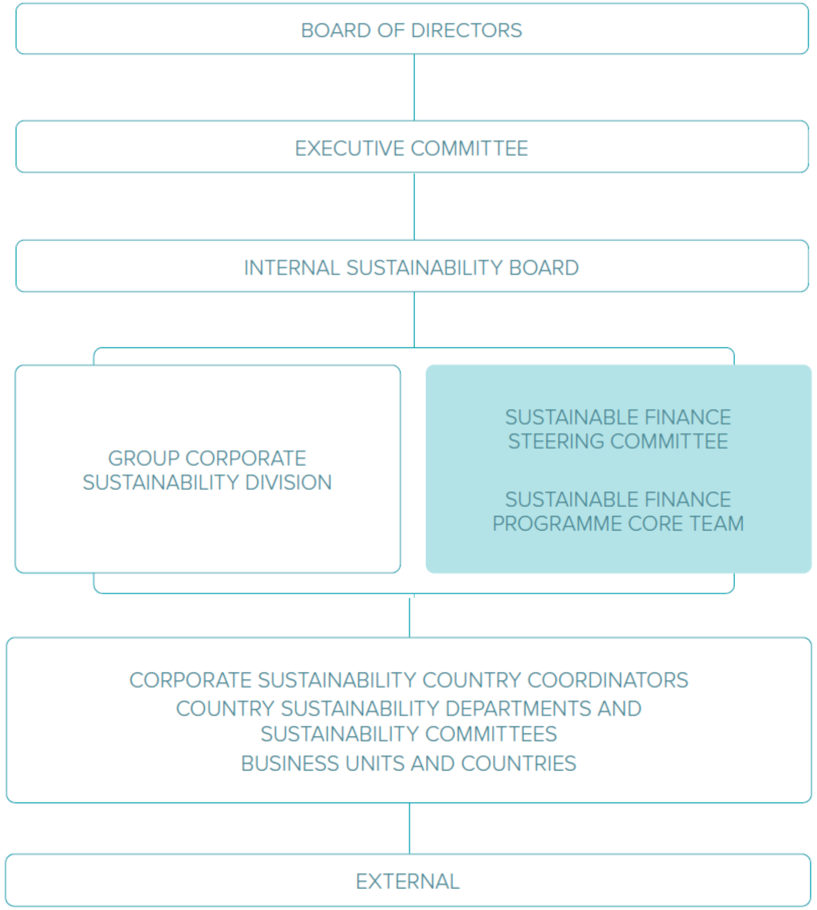
Ahead of the curve



Agencies	ESG rating of 1st of Feb 2022 (previous score)	Position versus industry average
CDP DRIVING SUSTAINABLE ECONOMIES	**A-** (A-)	Financial services average B
SUSTAINALYTICS	**13.1** (13.5)	2nd percentile of 415 diversified banks assessed 5th of 415 diversified banks
S&P Dow Jones Indices A Division of S&P Global	**74** (73)	88th percentile of 242 banks assessed
MSCI	**AAA** (AAA)	3rd percentile of 191 banks assessed
Corporate ESG Performance Prime RATED BY ISS ESG	**C prime** (C prime)	1st decile rank of 300 Commercial Banks & Capital Markets assessed
FTSE4Good	**4.3** (4.7)	96th percentile of banks assessed

Our sustainability governance

Sustainability embedded in our organization



BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

INTERNAL SUSTAINABILITY BOARD

GROUP CORPORATE SUSTAINABILITY DIVISION

SUSTAINABLE FINANCE STEERING COMMITTEE

SUSTAINABLE FINANCE PROGRAMME CORE TEAM

CORPORATE SUSTAINABILITY COUNTRY COORDINATORS
COUNTRY SUSTAINABILITY DEPARTMENTS AND SUSTAINABILITY COMMITTEES
BUSINESS UNITS AND COUNTRIES

EXTERNAL

- **Top level responsibility** for sustainability and climate strategy
  - The **Executive committee** has the highest level of direct responsibility for sustainability and climate change and reports on it to the **Board of Directors.** The **Risk and Compliance Committee** monitors sustainability-related risks.
  - **Direct responsibility of the Group CEO and Group CFO** for sustainability and climate as chairman in the different governance bodies
- Nomination of **sustainability country coordinators in all our core markets** to effectively implement centrally-decided strategies, senior representation of all core countries in **Internal Sustainability Board.**
- Specific **Sustainable Finance Programme** to integrate our policy on climate change and climate action plan within the group
- **External advisory boards** to advise and challenge us on our sustainability strategy

- **Sustainability integrated into our remuneration policy:**
  - The variable remuneration of **Executive Committee members** is linked to - amongst others - progress made in the area of sustainability. The Board of Directors, through its Remuneration Committee, assesses the criteria for evaluating the members of the Executive Committee in this respect
  - At least 10% of the variable remuneration received by **senior management** depends on the achievement of individual targets agreed in advance as part of the group's sustainability strategy, including our climate policy
  - The non-recurrent results-based bonus KBC pays its **employees** in Belgium has been partially linked to our direct footprint target – reducing paper consumption – but also to employee development (training days, digitality and progress management) and to cybersecurity (phishing tests). Targets are decided upfront for a period of each time 2 years (long term sustainability-linked incentive)

Our sustainability roadmap

KBC milestones and initiatives

Equator Principles

We have been a signatory to the Equator Principles (Eps) since 2004 and have integrated them in our lending policy of project finance

Joined the UN Global compact and **published first sustainability report over FY 2005**

First report to society published

Signed the UNEP FI Principles for Responsible Investment (2016) **and for Sustainable Insurance** (2018)

First Green Bond

The first Belgian financial institution that issued a green bond

Signed the UNEP FI Principles for Responsible Banking & Collective Commitment to Climate Action

By signing the Collective Commitment to Climate Action, we have committed ourselves to stimulate the greening of the economy as much as possible and so limit global warming to well below 2°C, striving for 1.5°C, in line with the Paris climate agreement

KBC Asset Management signed Climate Action 100+

This is an investor-led initiative to engage systemically important GHG emitters and other companies across the global economy, which have significant opportunities to drive the clean energy transition and help achieve the goals of the Paris Agreement

Continuous ESG actions…

Translate the 1.5°C target into concrete objectives per sector, based on scientific scenarios, by the end of 2022

> *'We will no longer provide direct credit, advice or insurance to new oil and gas fields'*
>
> Johan Thijs

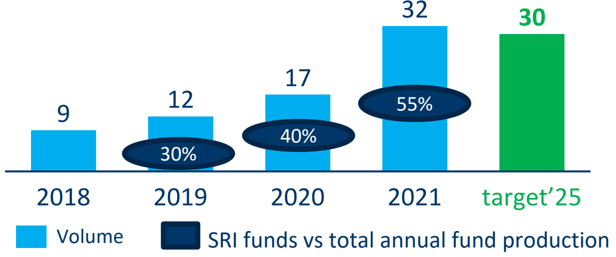
Our sustainability ambitions

We substantially raise the bar for our climate-related ambitions

Achieved ✓

Volume of SRI Funds(*)

(In billions of EUR)

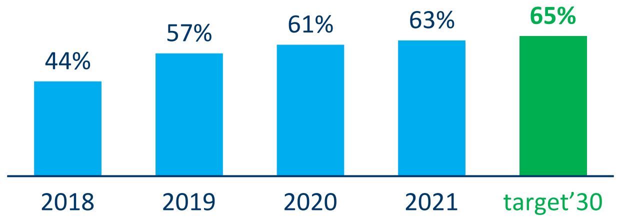


- End of 2021: volume of SRI includes all Belgian KBC pension savings funds (adding 6bn EUR)
- SRI funds ≥ 50% of annual fund production from 2021 onwards

Above track ●

Renewable energy loans

(In % of total energy-sector loan portfolio)

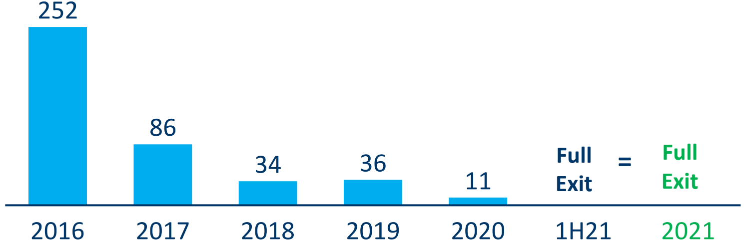


- Target set to 65% by '30
- During 2021, Project Finance Belgium concluded 7 new renewable energy transactions for a total amount of 195m EUR

Achieved ✓

Direct coal-related finance

(In millions of EUR)

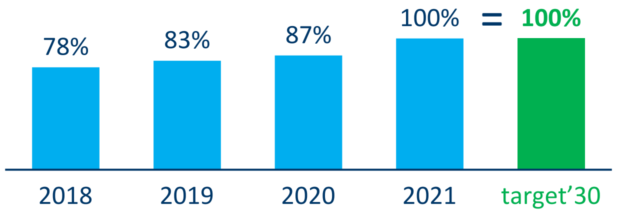


- All remaining direct coal exposure has been phased out in line with our commitment
- Firm commitment to exit indirect coal exposure, supporting existing clients in their transition. In order to remain eligible for any kind of financing, the related client must commit not to engage into any new coal project and must submit a coal-phase-out plan (to be achieved by 2030 at the latest)

Achieved ✓

Renewable electricity

(In % of own electricity consumption)

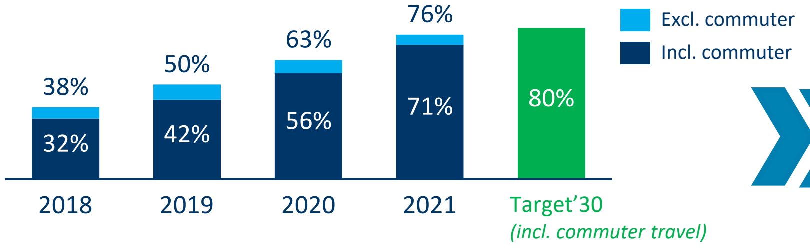


- Continued installation of photovoltaic panels on buildings we own and operate ourselves

Above track ●

Reduction own GHG emissions (incl. commuter travel)

(In % compared to 2015)



- Target reduction of own emissions set to 80% by '30
- A business travel ban and the switch to teleworking in 2020 and 2021 drove the strong result in terms of reduction in GHG emissions

Achieved ✓

- **KBC achieved climate neutrality as of the end of 2021 by offsetting our residual direct emissions**
- Three selected climate projects all complying with the highest standards and with clear link to the SDGs and our sustainability strategy

(*) SRI framework is a KBC in-house but well proven and externally challenged framework. KBC Asset Management is further aligning this framework to new EU regulations such as SFDR and MIFID and currently works under the assumption that all SRI funds are either article 8 or article 9 funds under the SFDR.

Strong progress on in Environmental, Social and Governance issues

Some highlights

ESG

Environmental

- We successfully issued our third 750-million euros KBC Green Bond in November 2021
- As of November 2021, KBC group no longer provides direct financing, insurances or advisory services to the exploration and extraction of all new oil and gas fields
- In 2021, all remaining direct coal exposure has been phased out in line with our commitment and 6 months ahead of schedule

ESG

Social

- Continued to look for a good balance between work and private life of our employees and invested in digital and collaboration tools
- Promoting female entrepreneurship among our start-up community
- Awarded an exceptional Covid-related bonus for all our employees

ESG

Governance

- Completion of a leadership development programme dedicated to climate change by our senior management
- Focus on diversity with a clear policy commitment on diversity and inclusion and a clear ambition to increase gender diversity in senior management
- Completion of responsible behaviour awareness by the vast majority of staff in all countries.

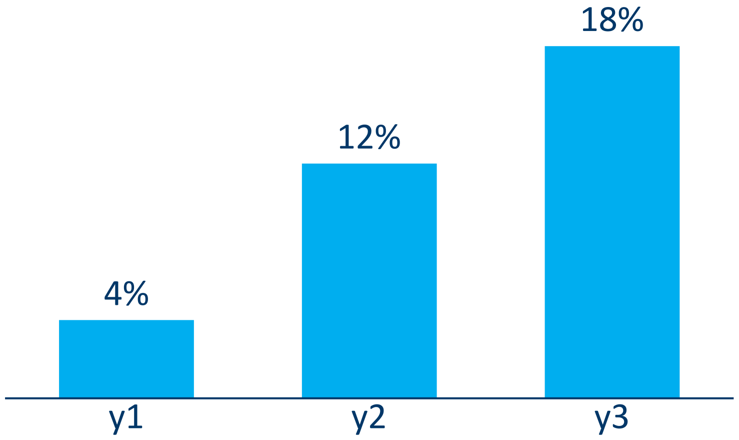
KBC Group

Annex 4

Other items

Interest rate sensitivity

Impact of an immediate +100bps parallel rate shock across all currencies on NII at KBC Group level



%: change on NII at KBC Group level as % of total FY21 reported NII

This impact is based on:

- a static balance sheet
- a conservative pass-through rate

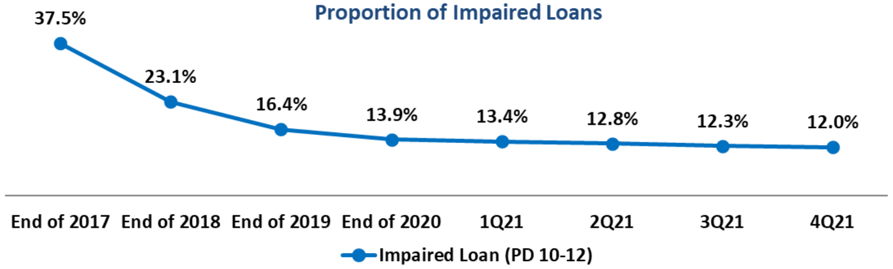
Loan loss experience at KBC

	FY21 **CREDIT COST RATIO**	**FY20** **CREDIT COST RATIO**	**FY19** **CREDIT COST RATIO**	**FY18** **CREDIT COST RATIO**	**FY17** **CREDIT COST RATIO**	**AVERAGE** **‘99 –’21**
Belgium	**-0.26%**	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic	**-0.42%**	0.67%	0.04%	0.03%	0.02%	n/a
International Markets	**0.36%**	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre	**0.28%**	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.40%**

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

Ireland: impaired loans continue to improve

LOAN PORTFOLIO €m	OUTSTANDING	IMPAIRED LOANS	IMPAIRED LOANS PD 10-12	PROVISIONS PD 10-12	IMPAIRED LOANS PD 10-12 COVERAGE
Owner occupied mortgages	9,830	1,120	11%	472	42%
Buy to let mortgages	512	125	24%	62	50%
Non Mortgage Retail & SME	137	7	5%	7	100%
Corporate	4	4	100%	2	58%
Total	**10,482**	**1,256**	**12%**	**544**	**43%**



4Q21 Total Portfolio

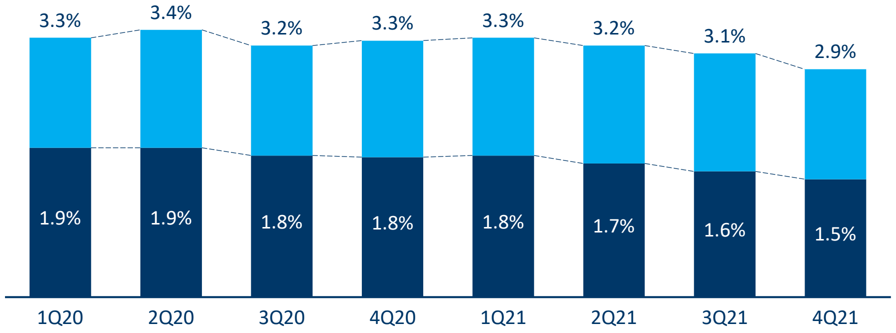
	PD	Exposure	Impairment Provisions	Cover %
Performing	PD 1-8	8,742	10	0.1%
	Of which non Forborne	8,742		
	Of which Forborne	0		
	PD 9	485	27	5.5%
	Of which non Forborne	177		
	Of which Forborne	308		
Impair.	PD 10	530	153	28.8%
	PD 11	649	332	51.2%
	PD 12	77	58	76.0%
	TOTAL PD1-12	**10,482**	**580**	
	PD 10-12 Impairment Provisions /(PD 10-12)			*43.3%*
	Impaired loans (PD 10-12)/ Total Exposure			*12.0%*

- Forborne loans (in line with EBA Technical Standards) comprise loans on a live restructure or continuing to serve a probation period post-restructure/cure to Performing.

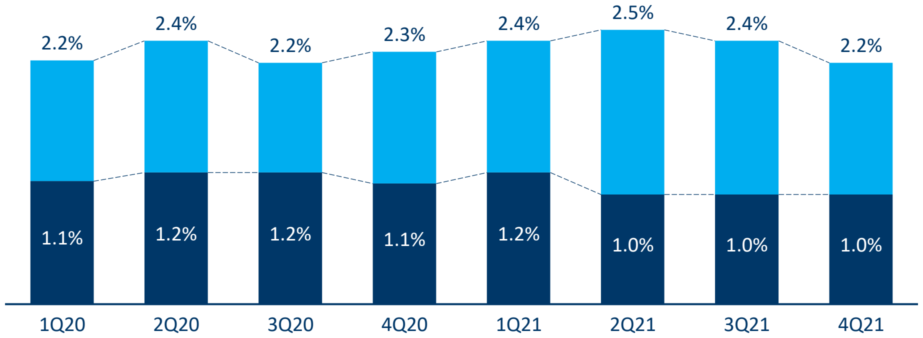
- The Irish economy saw strong and increasingly broader-based growth through 2021 as the multinational sector posted sustained and robust gains in output and domestic-focused activity recovered from pandemic-related disruptions. These developments translated into a double digit increase in GDP for the year
- The recovery in domestic spending and the ongoing buoyancy of the multinational sector meant the Irish jobs market recovered impressively during 2021. Employment rebounded strongly with numbers at work increasing significantly above their pre-pandemic peak and unemployment reversing most of the increase seen in the wake of Covid-19
- Irish residential property price inflation continued to accelerate through the course of 2021 reflecting both a long-standing shortfall in supply and strengthening demand
- Impaired loan portfolio decreased by roughly 37m EUR q-o-q, resulting in impaired loan ratio reducing to 12.0%
- Net impairment charges: 18m EUR in 4Q21 due to a 25m EUR one-off (of which 17m EUR impairment on (in)tangible assets) as a result of the two pending sales transactions in Ireland, partly offset by a 4m reversal of collective Covid-19 ECL

Impaired loans ratios, of which over 90 days past due

KBC GROUP

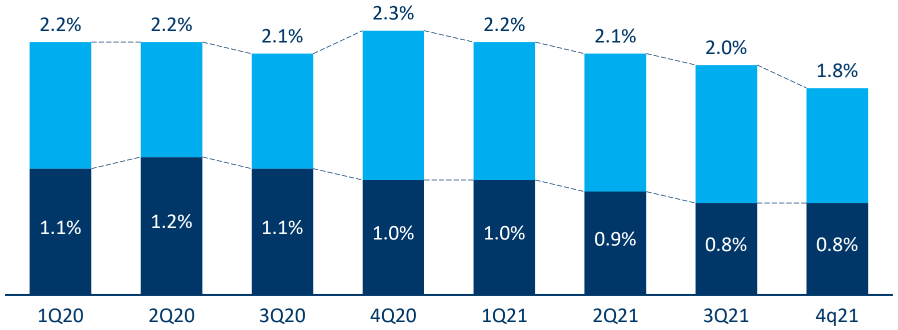


BELGIUM BU

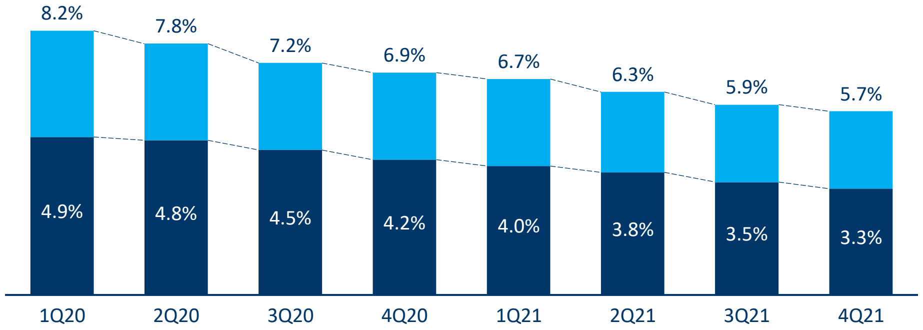


■ Impaired loans ratio
■ Of which over 90 days past due

CZECH REPUBLIC BU

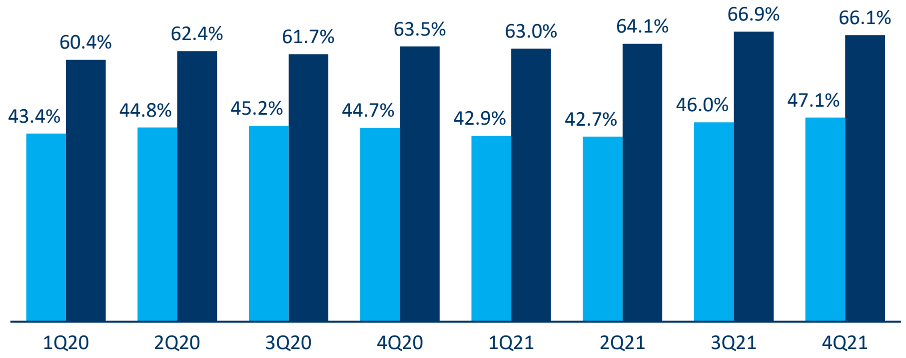


INTERNATIONAL MARKETS BU

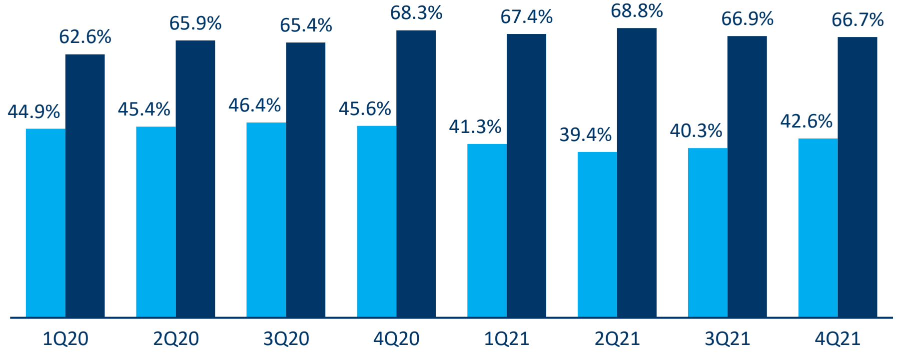


Cover ratios

KBC GROUP



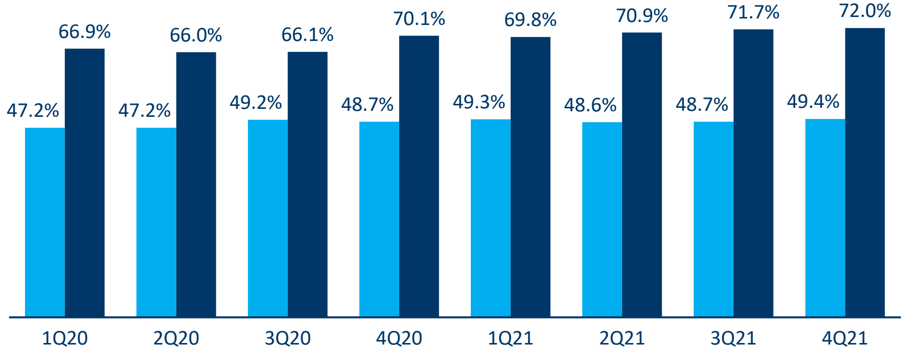
BELGIUM BU



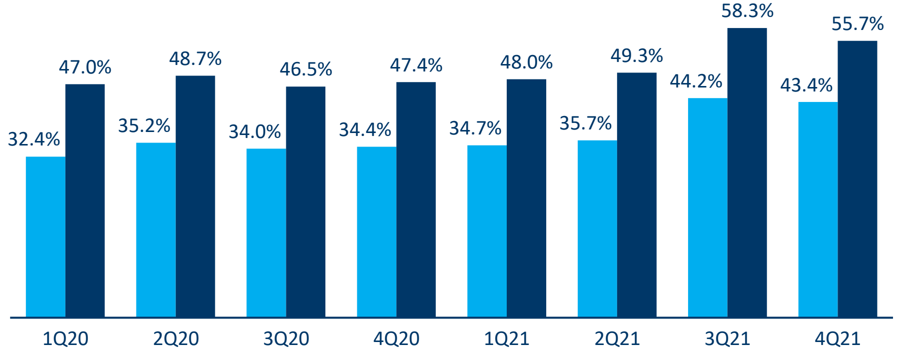
🟦 Impaired loans cover ratio

■ Cover ratio for loans with over 90 days past due

CZECH REPUBLIC BU

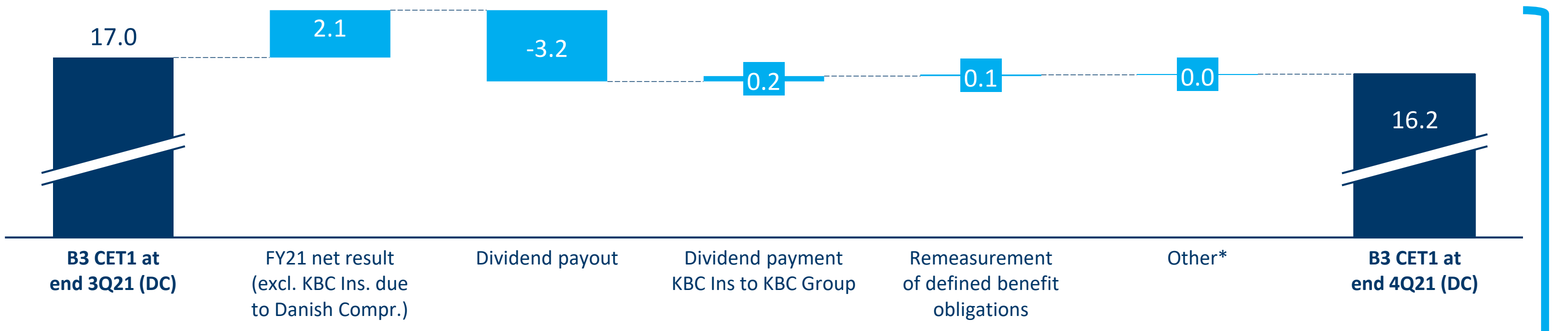


INTERNATIONAL MARKETS BU



Fully loaded B3 CET1 based on the Danish Compromise (DC) from 3Q21 to 4Q21

DELTA AT NUMERATOR LEVEL (BN EUR)



DELTA ON RWA (BN EUR)

- Fully loaded B3 common equity ratio amounted to 15.5% at the end of FY21 based on the Danish Compromise
- This clearly exceeds the Overall Capital Requirement (OCR) of 10.81% and the Maximum Distributable Amount (MDA) of 11.23%

* Includes the q-o-q delta in deferred tax assets on losses carried forward, intangible fixed assets, AT1 coupon, translation differences, revaluation reserves equity & debt instruments, etc.

** Includes the RWA equivalent for KBC Insurance based on DC, calculated as the historical book value of KBC Insurance multiplied by 370%

Overview of B3 CET1 ratios at KBC Group

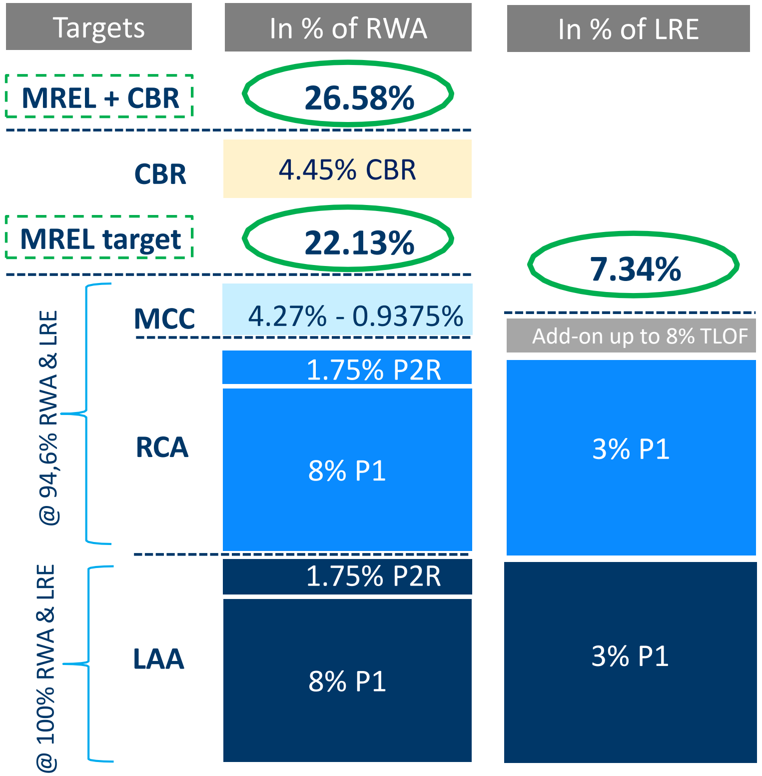
Method	Numerator	Denominator	B3 CET1 ratio
FICOD*, fully loaded	17,861	120,873	14.8%
DC**, fully loaded	16,224	104,646	15.5%
DM***, fully loaded	15,392	99,603	15.5%

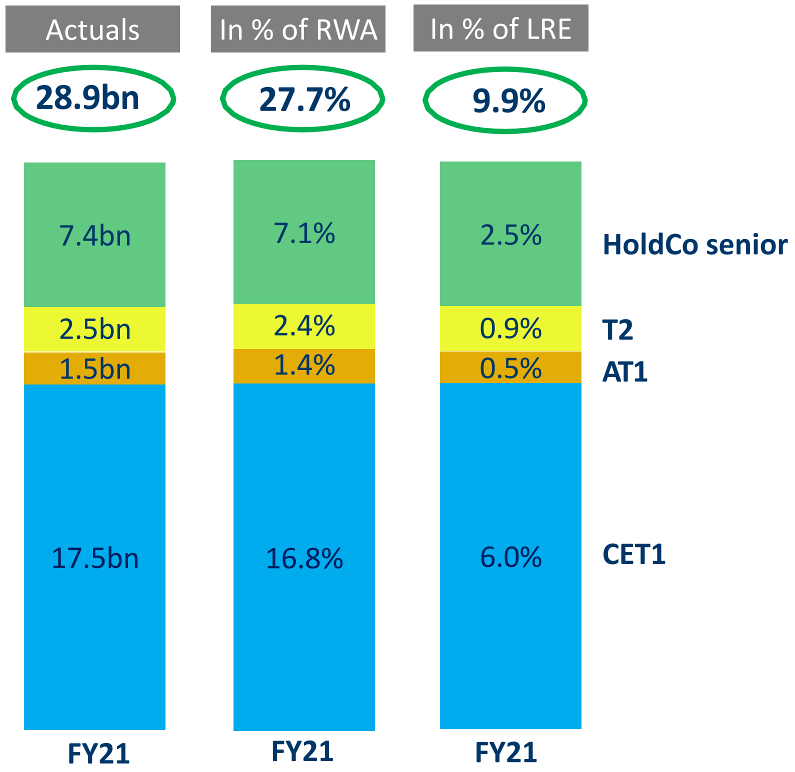
* FICOD: Financial Conglomerate Directive
** DC: Danish Compromise
*** DM: Deduction Method

KBC complies with resolution requirements

New MREL targets applicable as from 01-01-2024, with intermediate targets as from 01-01-2022

- 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
- The SRB communicated to KBC the final MREL targets (under BRRD2), 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:
  - **26.58% of RWA** as from 01-01-2024 (including CBR of 4.45% as from 2023), with an intermediate target of **25.98%** as from 01-01-2022 (including CBR of 4.35% for 2022)
  - **7.34% of LRE** as from 01-01-2022





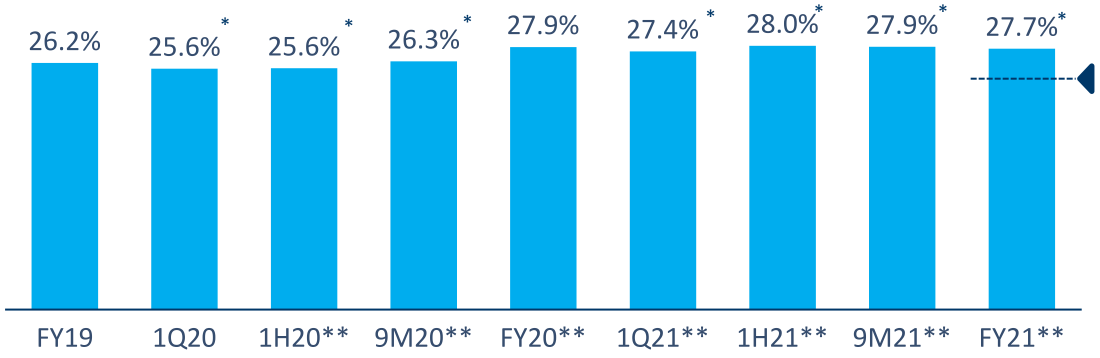
TLOF Total Liabilities and Own Funds LAA **L**oss **A**bsorbing **A**mount RCA **R**e**C**apitalisation **A**mount

MCC **M**arket **C**onfidence **C**harge = CBR (4.27% as at 2Q 2020) minus 93.75 bps; the discount will decrease in the next years to reach the BRRD2 reference level of CBR minus the Countercyclical Buffer

CBR **C**ombined **B**uffer **R**equirement = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.35% for 2022 and 0.45% as from 2023), comes on top of the MREL target

Available MREL as a % of RWA and LRE (BRRD2)

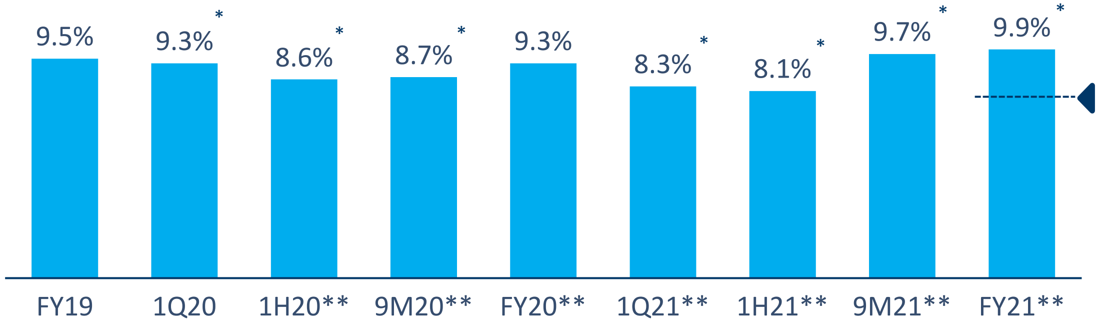
Available MREL as a % of RWA



MREL requirement
25.98% by 2022

- The **MREL ratio in % of RWA** slightly decreased q-o-q, due entirely to the RWA increase. The available MREL roughly stabilized as a 750m EUR HoldCo instrument which lost its MREL eligibility in 4Q21 (< 1 year maturity) was offset by the issuance of a new 750m EUR HoldCo instrument

Available MREL as a % of LRE



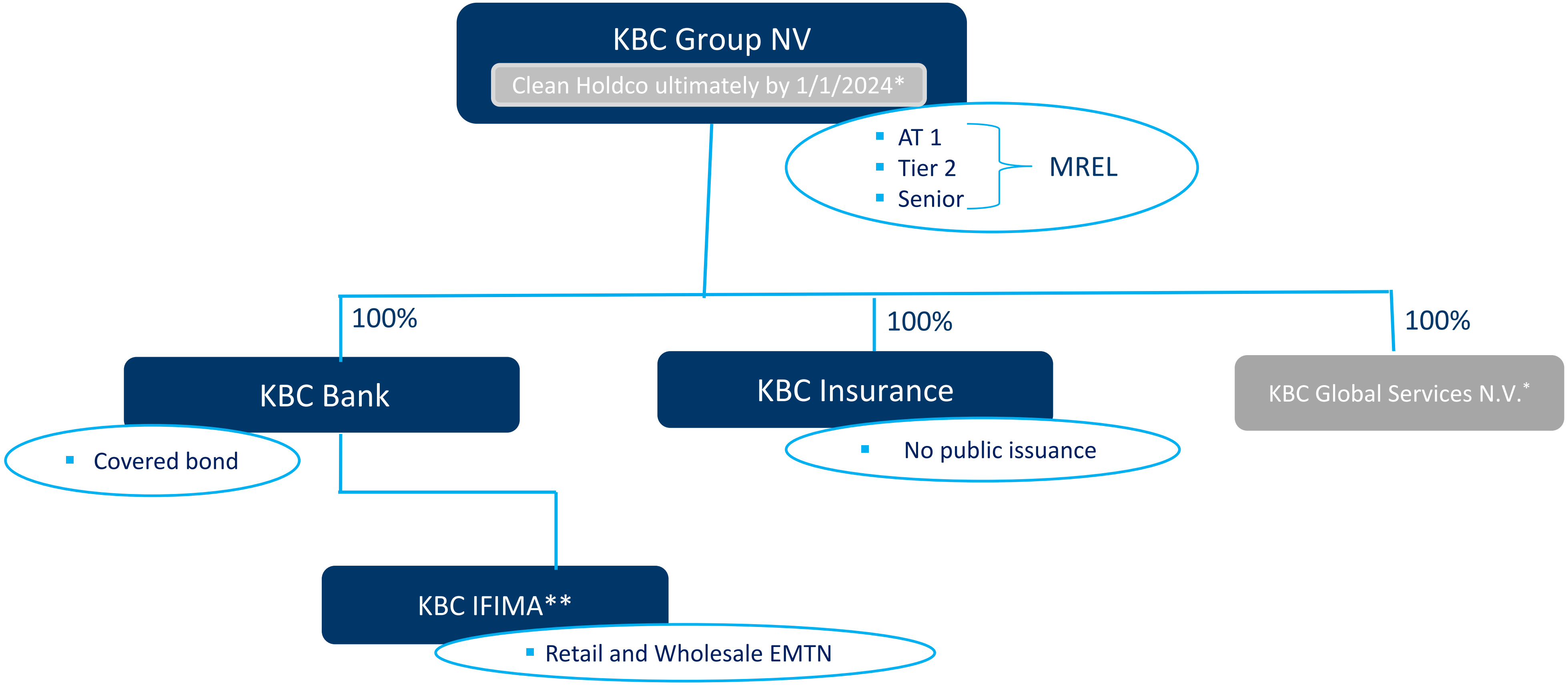
MREL requirement
7.34% by 2022

- The **MREL ratio in % of LRE** slightly increased q-o-q due mainly to a decrease of the Leverage Ratio Exposure (mainly driven by decrease of volatile assets)
- Note: the considerable increase of the ratio in 3Q21 vs. 2Q21 - from 8.1% to 9.7% - was due to decrease of the Leverage Ratio Exposure (mainly driven by implementation in the 3Q reporting of the ECB relief measure allowing temporary exclusion of the exposure to central banks from the Leverage Ratio Exposure

** No IFRS interim profit recognition given more stringent ECB approach*
*** As of 1H20, MREL ratio includes the impact of IFRS9 transitional measures*

KBC Passport

Group’s legal structure and issuer of debt instruments



KBC Group NV

Clean Holdco ultimately by 1/1/2024*

- AT 1
- Tier 2
- Senior

MREL

100%

KBC Bank

- Covered bond

100%

KBC Insurance

- No public issuance

100%

KBC Global Services N.V.*

KBC IFIMA**

- Retail and Wholesale EMTN

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* To ensure that KBC’s HoldCo senior debt is eligible for the subordinated MREL target (i.e., to make sure that no excluded liabilities ranking pari passu or junior with HoldCo senior debt are present in KBC Group NV), the KBC Group ExCo decided on to make KBC Group NV a Clean HoldCo for the purpose of resolution. Ultimately from 1/1/2024, all the activities of KBC Group NV will be transferred to a new subsidiary of KBC Group NV (with exception of the group controlling functions), the financial holding activities and issuing own funds and MREL instruments that remain at KBC Group NV

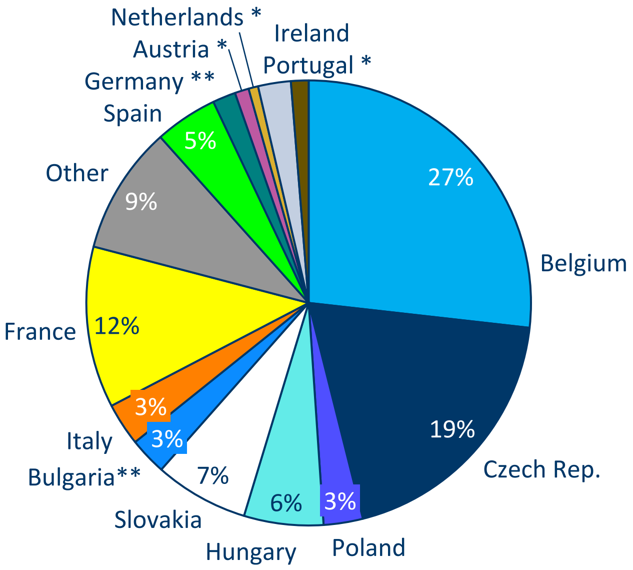
** All debt obligations of KBC IFIMA are unconditionally and irrevocably guaranteed by KBC Bank

Government bond portfolio – Notional value

- Notional investment of 50.3 EUR in government bonds (excl. trading book) at end of FY21, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Notional value of GIIPS exposure amounted to 5.6bn EUR at the end of FY21

END OF FY20

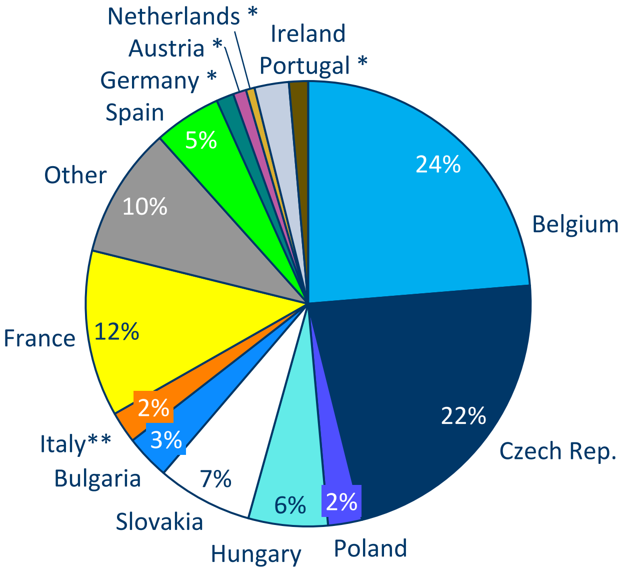
(Notional value of 51.4bn EUR)



(*) 1%, (**) 2%

END OF FY21

(Notional value of 50.3bn EUR)



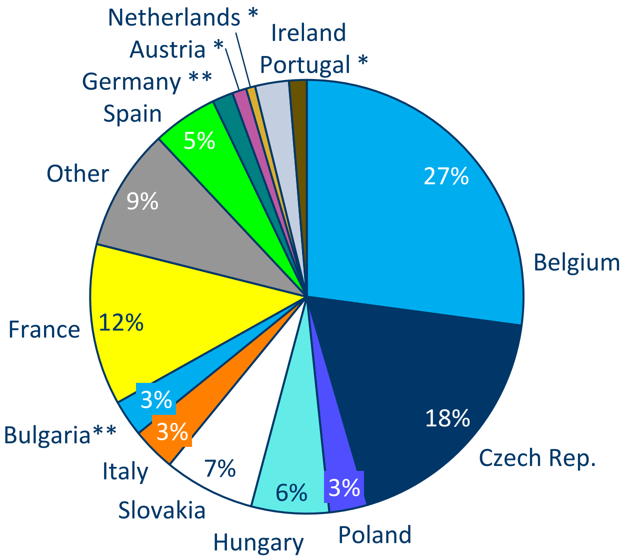
(*) 1%, (**) 2%

Government bond portfolio – Carrying value

- Carrying value of 52.0bn EUR in government bonds (excl. trading book) at end of FY21, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Carrying value of GIIPS exposure amounted to 6.1bn EUR at the end of FY21

END OF FY20

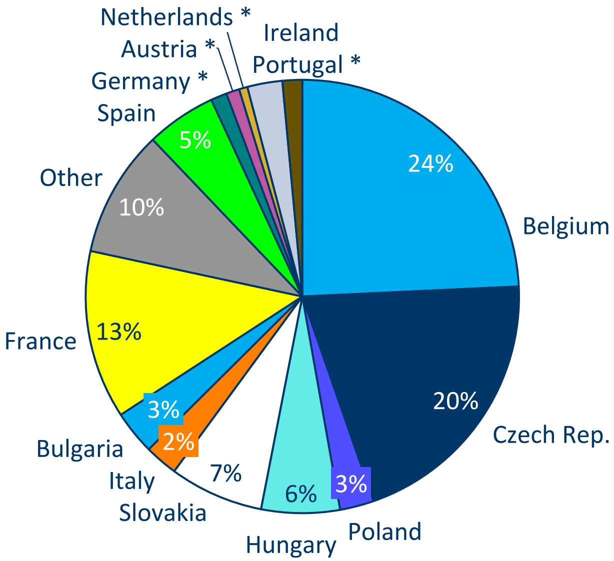
(Carrying value of 54.7bn EUR)



(*) 1%, (**) 2%

END OF FY21

(Carrying value of 52.0bn EUR)



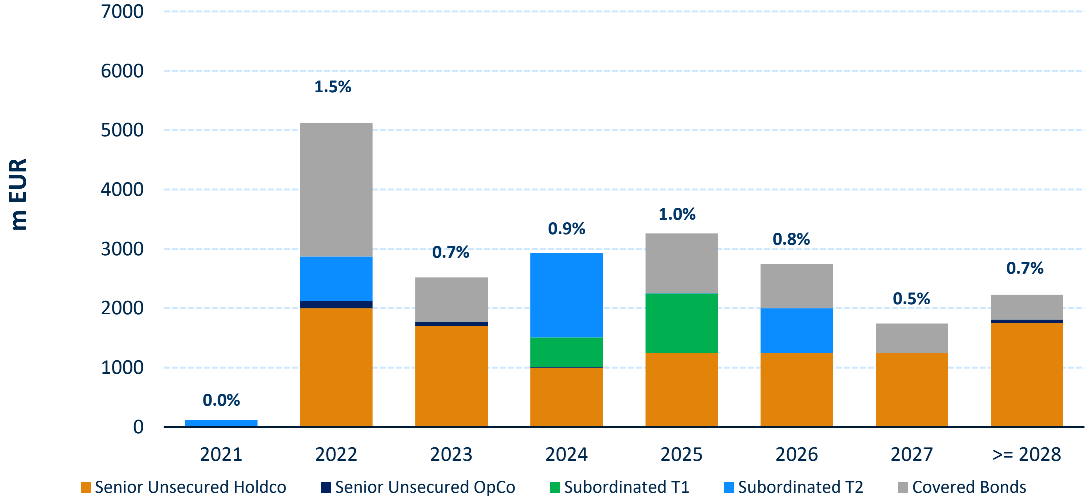
(*) 1%, (**) 2%

* Carrying value is the amount at which an asset (or liability) is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

Upcoming mid-term funding maturities

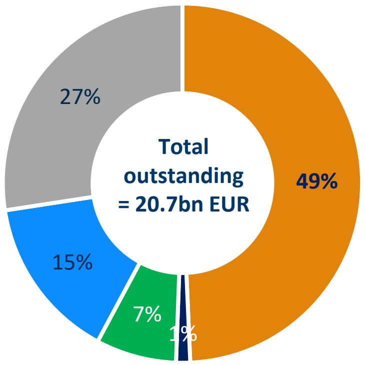
Breakdown Funding Maturity Buckets

(Including % of KBC Group's balance sheet)



KBC Bank has 6 solid sources of long-term funding:

- Retail term deposits
- Retail EMTN
- Public benchmark transactions
- Covered bonds
- Structured notes and covered bonds using the private placement format
- Senior unsecured, T1 and T2 capital instruments issued at KBC Group level and down-streamed to KBC Bank



Expected funding program

We aim to issue 1 green/social bond per year

Range
2.0bn-2.75bn EUR

Plan 2022*

- In **January 2021**, KBC Group issued a senior benchmark for an amount of 750m EUR with an 8-year maturity with call date after 7 years
- In **May 2021**, KBC Group issued a senior benchmark for an amount of 500m EUR with a 10-year maturity
- In **June 2021**, a 450m EUR private placement 3NC2 senior transaction was issued
- In **September 2021** KBC Group NV issued 750m EUR Tier 2 with a 10.25-year maturity (call option between 5 and 5.25 years).
- Also in **September 2021**, 400 mln GBP senior holdco 6NC5 was issued.
- In **November 2021**, KBC Group issued a green senior benchmark for an amount of 750m EUR with a 5.25-year maturity callable after 4.25Y.
- In **January 2022**, KBC Group issued a senior benchmark for an amount of 750m EUR with a 6-year maturity callable after 5Y.

* Any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can modify the current disclosed range

Glossary (1)

AQR	Asset Quality Review
B3 / B4	Basel III / Basel IV
CBI	Central Bank of Ireland
Combined ratio (non-life insurance)	[technical insurance charges, including the internal cost of settling claims / earned premiums] + [operating expenses / written premiums] (after reinsurance in each case)
Common equity ratio	[common equity tier-1 capital] / [total weighted risks]
Cost/income ratio (group)	[operating expenses of the group] / [total income of the group]
Cost/income ratio adjusted for specific 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: • MtM ALM derivatives (fully excluded) • 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) • 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. As the full collective Covid-19 expected credit losses (ECL) have been booked in 1H20, they were not annualised to calculate the ratio in 1H20
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
ESFR	European Single Resolution Fund
FICOD	Financial Conglomerates Directive
Impaired loans cover ratio	[total specific impairments on the impaired loan portfolio (stage 3)] / [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]
Management overlay	Our Expected Credit Loss (ECL) models were not able to adequately reflect all the specifics of the Covid-19 crisis or the various government measures implemented in the different countries to support households, SMEs and Corporates through this crisis. Therefore, an expert-based calculation at portfolio level is required via a management overlay

Glossary (2)

MARS	Mortgage Arrears Resolution Strategy
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, excluding the revaluation reserve for fair value through Other Comprehensive Income (OCI) assets]
TLAC	Total loss-absorbing capacity

Contacts / Questions

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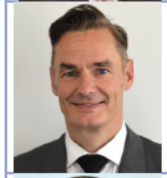	Ilya Vercammen Investor Relations Manager	Direct + 32 2 429 21 26 Mobile +32 472 727 777 Ilya.vercammen@kbc.be
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More information

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

Upcoming events

11 February 2022	Equity roadshow London
17 February 2022	Equity roadshow US W Coast
17 February 2022	Credit update Nordics
18 February 2022	Equity roadshow Paris
23 February 2022	Credit update Germany
3 March 2022	Equity roadshow Milan
10 March 2022	Credit update Netherlands
10 March 2022	Equity roadshow Frankfurt
11 March 2022	Equity roadshow Edinburgh & Dublin
14 March 2022	Equity roadshow Montreal
15 March 2022	Morgan Stanley Conference London
…	Upcoming events see www.kbc.com
12 May 2022	1Q2022 Publication of results