



# KBC Group in a nutshell

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# KBC Group in a nutshell

## ✓ We want to be among Europe’s best performing financial institutions! By achieving this, KBC wants to become 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.

## ✓ Diversified and strong business performance

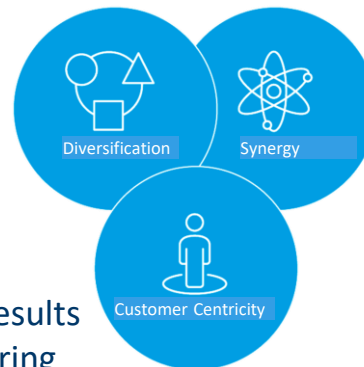


### ... geographically

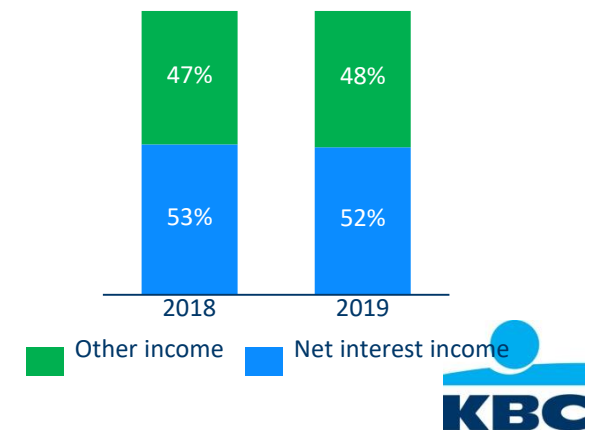
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Economies of BE & 4 CEE-countries highly oriented towards Germany, while IRL is more oriented to the UK & US
- Robust market position in all key markets & strong trends in loan and deposit growth

### ... 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



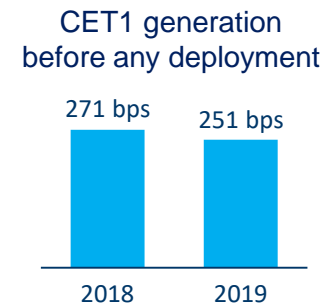
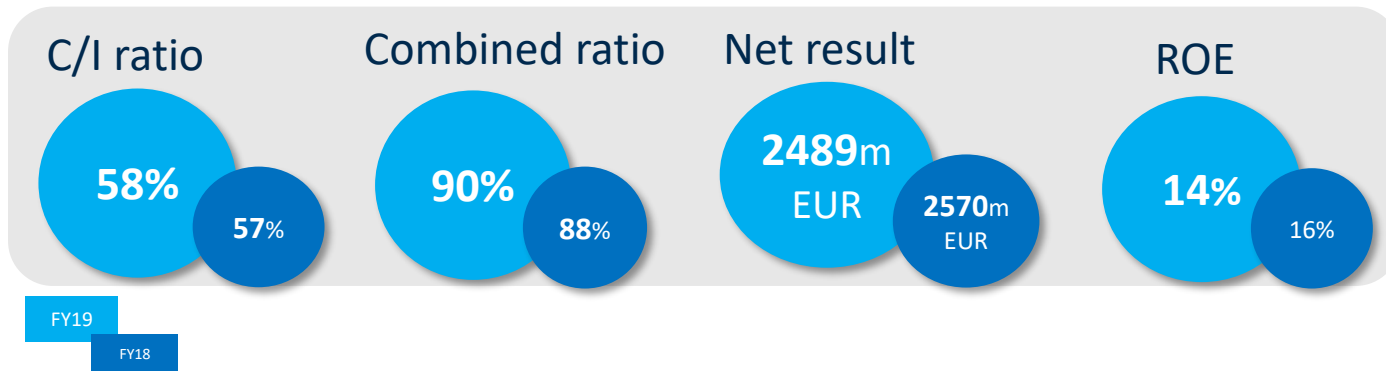
KBC Group: topline diversification 2018-2019 (in %)



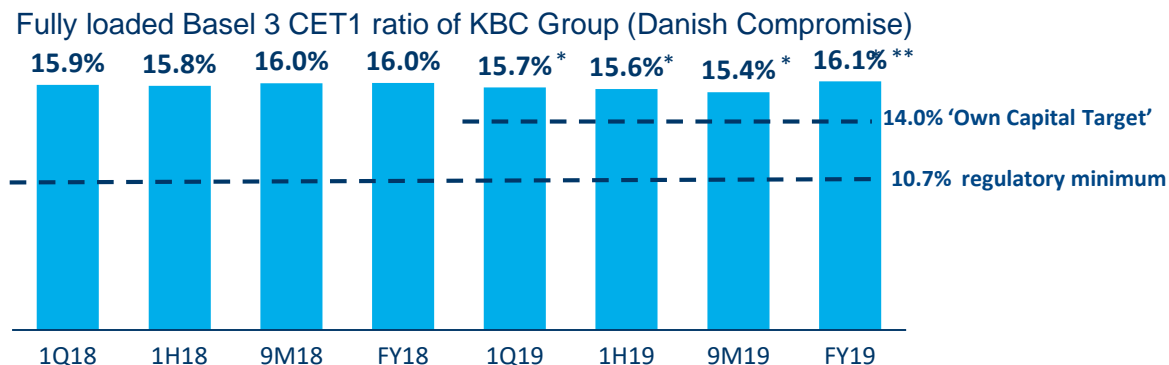


# KBC Group in a nutshell

## ✓ High profitability

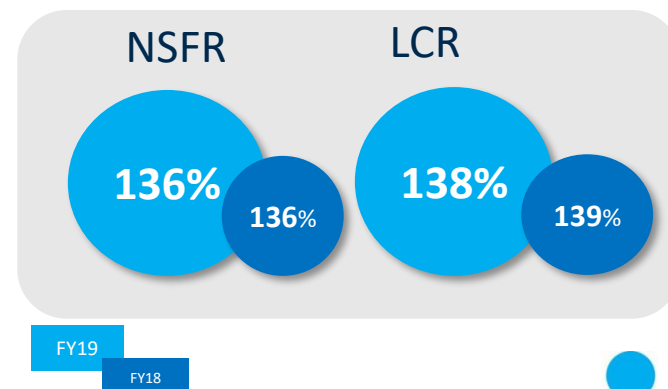


## ✓ Solid capital position...



\* No IFRS interim profit recognition given more stringent ECB approach  
 \*\* 15.7% when including the proposed share buy-back

## ✓ ... and robust liquidity positions

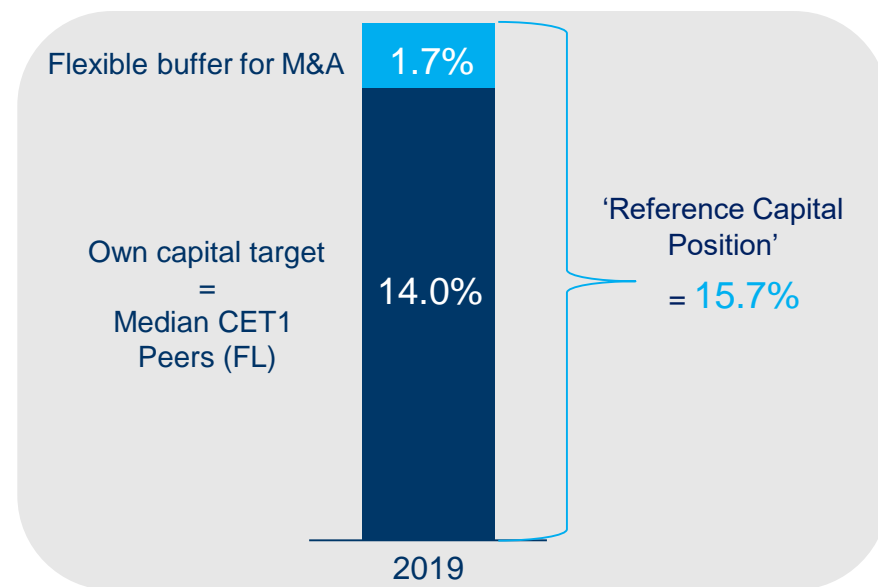




# KBC Group in a nutshell

## ✓ We aim to be one of the better capitalised financial institutions in Europe

- Every year, we assess the CET1 ratios of a peer group of European banks active in the retail, SME and corporate client segments. We position ourselves on the fully loaded median CET1 ratio of the peer group (remained 14% at end of 2018)
- KBC Group's 2% flexible buffer for potential add-on M&A in our core markets decreased to 1.7% as the acquisition of the 45% stake in ČMSS was closed at the end of May 2019
- This buffer comes on top of our 'Own Capital Target' and together they form the 'Reference Capital Position'
- Any M&A opportunity will be assessed subject to very strict financial and strategic criteria



## ✓ Capital distribution to shareholders

- Payout ratio policy (i.e. dividend + AT1 coupon) of at least 50% of consolidated profit
- 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 50% of consolidated profit, each year, the Board of Directors will take a decision, at its discretion, on the distribution of the capital above the 'Reference Capital Position'