



KBC Group in a nutshell

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KBC Group in a nutshell (1)

✓ 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

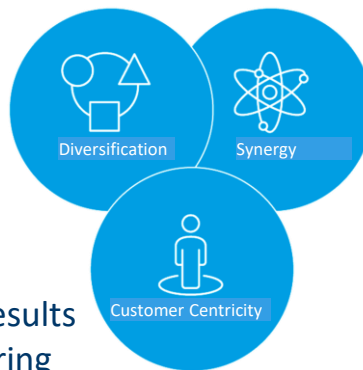


... geographically

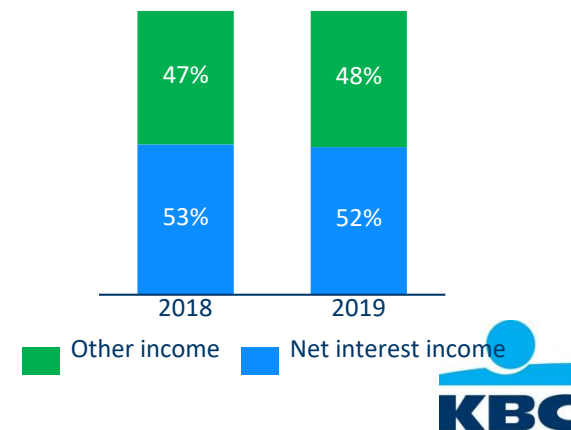
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Economies of BE & 4 CEE-countries highly oriented towards Germany, while IRL is more oriented to the UK & US
- Robust market position in all key markets & strong trends in loan and deposit growth

... 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



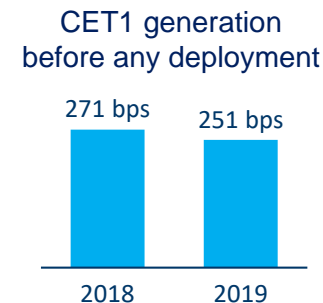
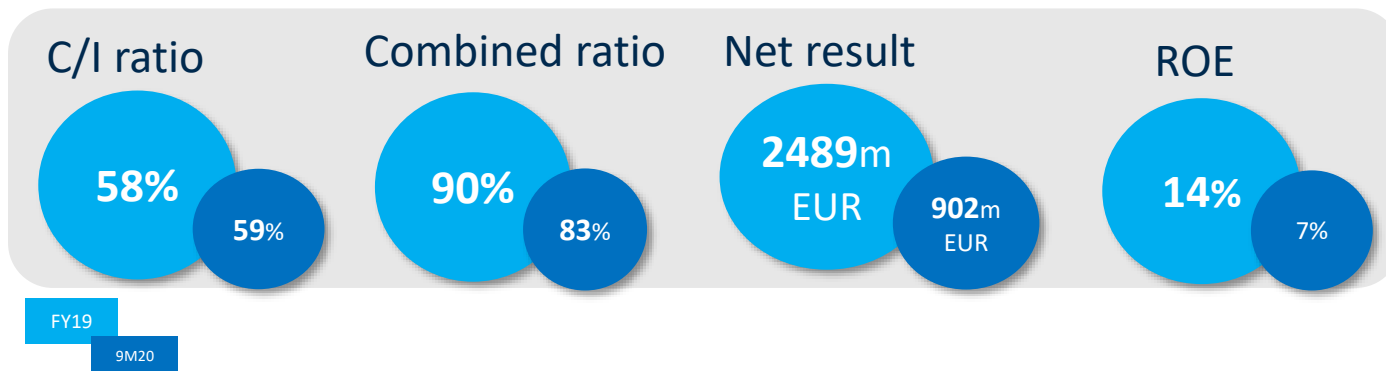
KBC Group: topline diversification 2018-2019 (in %)





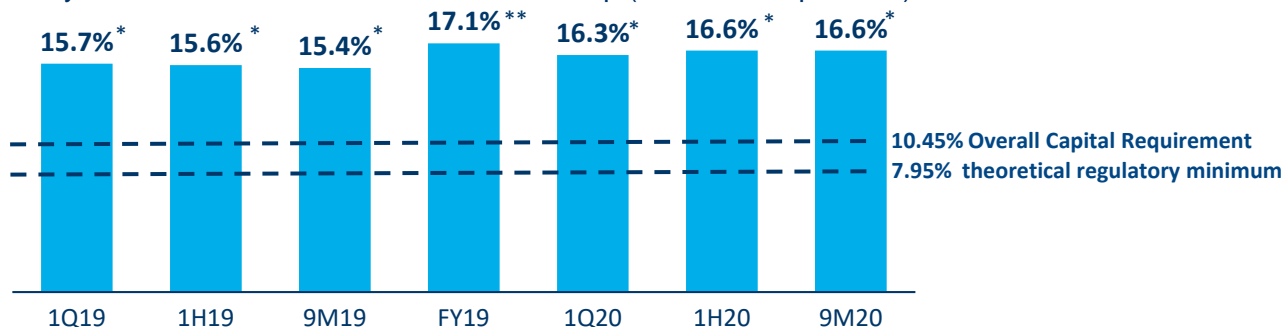
KBC Group in a nutshell (2)

✓ High profitability



✓ Solid capital position...

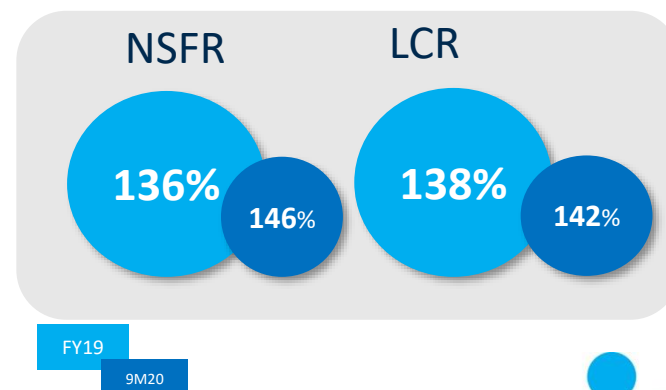
Fully loaded Basel 3 CET1 ratio of KBC Group (Danish Compromise)



* No IFRS interim profit recognition given more stringent ECB approach

** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share

✓ ... and robust liquidity positions





KBC Group in a nutshell (3)

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

- On 28 July 2020, the European Central Bank extended its recommendation not to pay dividends and not to buy back shares until January 2021. In line with the recent ECB recommendation, we cannot execute our usual dividend policy. As a consequence, no interim dividend will be paid out in Nov'20
- KBC's CET1 ratio of 16.6%* at end 9M20 represents a solid capital buffer:
 - 8.6% capital buffer compared with the current theoretical minimum capital requirement of 7.95% (as a result of the announced ECB and National Bank measures which provided significant temporary relief on the minimum capital requirements)
 - 6.1% capital buffer compared with the Overall Capital Requirement (OCR) of 10.45% (which still includes the 2.50% capital conservation buffer on top of the 7.95%)
 - 5.9% capital buffer compared with the Maximum Distributable Amount (MDA) of 10.69% (given small shortfall in AT1 and T2 bucket)
- Any M&A opportunity will be assessed subject to very strict financial and strategic criteria

* No IFRS interim profit recognition given more stringent ECB approach

✓ Capital distribution to shareholders (usual policy)

- 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.
- As we find ourselves in unprecedented circumstances and as the economic impact of the coronavirus pandemic on the economy is still very uncertain, it is too early days to make statements about the capital distribution to shareholders as it will also depend on different regulatory measures and the stance the ECB will take later on this year/beginning of next year.
- We will announce an update of our capital deployment plan together with the FY20 results