KBC Group
Analysts' presentation
3Q 2022

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Teleconference replay will be available on
www.kbc.com until 25 November 2022

more information: www.kbc.com

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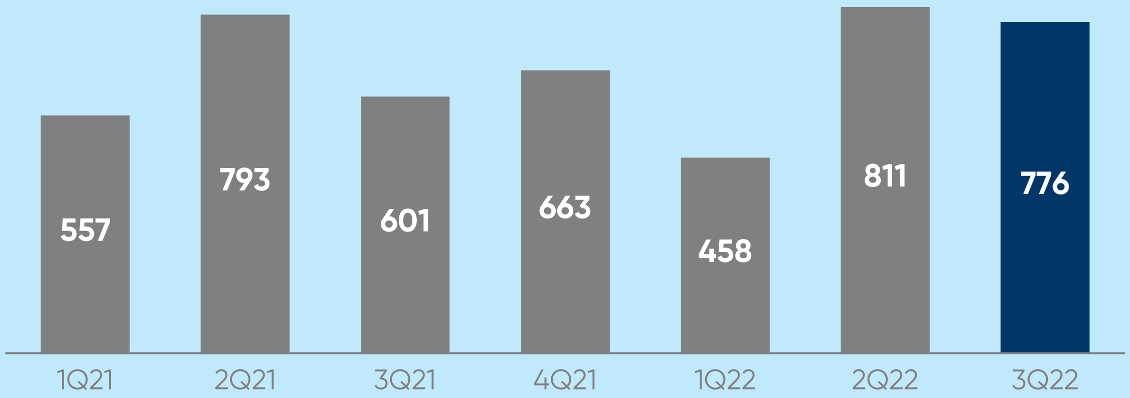
Excellent 3Q22 net result of 776m EUR

NET RESULT
in m EUR



YTD ratios

- **Return on Equity 14%**[1]
- **Cost-income ratio excluding bank taxes 48%**
- **Combined ratio 86%**
- **Credit cost ratio 0.05%**
- **CET1 ratio 15.0%** (B3, DC, fully loaded)[2]
- **Leverage ratio 5.2%** (fully loaded)
- **NSFR 140% & LCR 155%**

1. When bank taxes are evenly spread throughout the year
2. As of 1Q22, interim profit recognition (based on 50% profit accrual) and including the impact of acquired Raiffeisenbank Bulgaria

Highlights

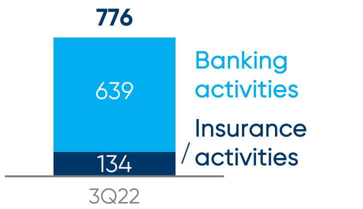
- **Commercial bank-insurance franchises** in core markets performed excellently
- The **acquired Raiffeisenbank Bulgaria** has been fully consolidated as of 3Q22
- **Customer loans** and **customer deposits** increased y-o-y in almost all our core countries (on a comparable basis)
- An **inaugural social bond** was issued in 3Q22 to support the health care sector. Furthermore, **new ambitious climate targets** were set end 3Q22 as part of our first ever Climate Report
- Higher **net interest income** q-o-q
- Higher **net fee and commission income** q-o-q
- Q-o-q decrease of **net result from financial instruments at fair value** and **net other income**
- Very strong **non-life insurance** performance and lower sales of **life insurance** y-o-y
- **Costs excl. bank taxes** increased q-o-q
- Net **impairment charges,** due entirely to a 103m EUR extra creation of geopolitical & emerging risks reserve
- Solid **solvency** and **liquidity**
- **Interim dividend of 1 EUR per share** (as advance payment on the total 2022 dividend) will be paid on 16 November 2022

Unique integrated bank-insurance+ model

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

NET RESULT 3Q22 | BANKING & INSURANCE*

in m EUR



17% of the Group Net result originates **from insurance activities**

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

Successful digital-first approach through KATE

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

KATE users **2.5m**
KATE active users **1.5m**

KATE autonomy 54% | 63% BE | CZ

Firmly embedded sustainability strategy

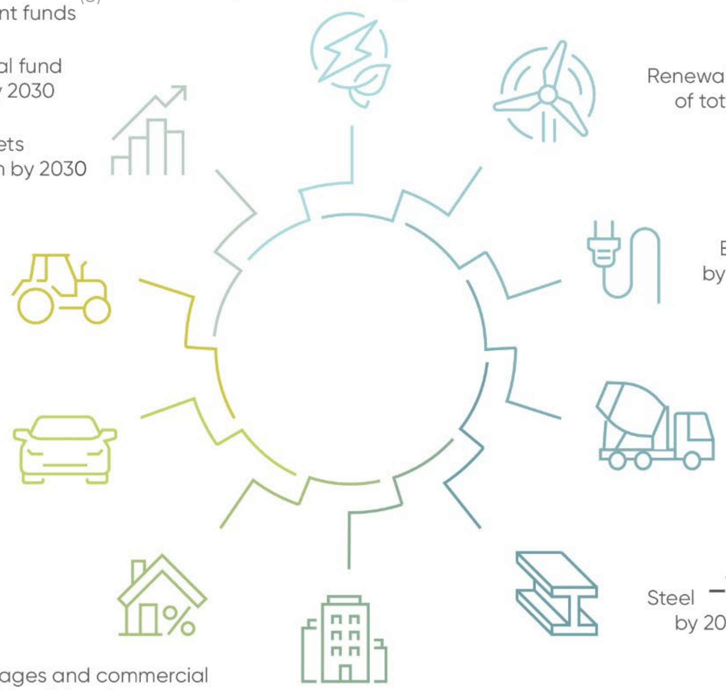
- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three cornerstones: **encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse impact we might have**. Note that the first ever Climate Report has been published, (Limited Assurance by external auditor)

see **new climate targets** on next slide

Our 2030 Climate targets

INDIRECT footprint

Specific targets[1] for reducing future GHG emissions[2] of our lending and asset management business



Energy -39% by 2030 (tonne CO_2e/m euro)

Renewable energy 75% of total energy loan portfolio by 2030

Electricity -31% by 2030 (kg CO_2e/MWh for electricity producers)

Cement -16% by 2030 (tonne CO_2/tonne cement)

Steel -14% by 2030 (tonne CO_2/tonne steel)

Real estate -38% by 2030 (tonne CO_2e/m euro)

Mortgages and commercial residential real estate -43% by 2030 (kg CO2e/m²/year)

Financing of passenger cars
- -42% by 2030 in loans and financial lease (g CO_2/km)
- -81% by 2030 in operational lease (g CO_2/km)

Agriculture -21% by 2030 (tonne CO_2e/m euro)

Responsible investment funds[3]
- 65% of total annual fund production by 2030
- 55% of total assets under distribution by 2030

- In September 2019, KBC strengthened its climate commitment by signing the **UN Collective Commitment to Climate Action** (CCCA)
- We aligned our business strategy with **the Paris Agreement** to keep global warming well below 2°C, while striving for a target of 1.5°C
- By signing the CCCA, KBC takes concrete actions **to reduce exposure to most material and climate sensitive sectors and product lines**
- The **first Climate Report** details our commitment, objectives and accomplishments in our role as a CCCA company (see KBC.COM website). The baseline data and underlying calculations **received limited assurance**

1. 2050 KBC targets available in our KBC Group Climate Report
2. Percentage reduction compared to 2021 levels
3. Additional target of 50% reduction of the carbon intensity of the Corporate investees by 2030 (versus the end of 2019)

At KBC it is our ambition to be the reference for bank-insurance in all our core markets

Profitability

With a **Return on Equity** of **14%*** in 9M22
KBC is one of the most profitable EU financial institutions

Solvency

With a **fully loaded CET1 ratio** of **15.0%**** at end 9M22
KBC is amongst the best capitalised EU banks

Sustainability

Sustainalytics ranks KBC
8th out of 411 diversified global banks

SUSTAINALYTICS

Digitalisation

Sia Partners ranks KBC Mobile as
Belgian N°1 banking app and N°3 worldwide

"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**."

SIAPARTNERS

* Evenly spreading the bank taxes throughout the year
** As of 1Q22, interim profit recognition (based on 50% profit accrual)

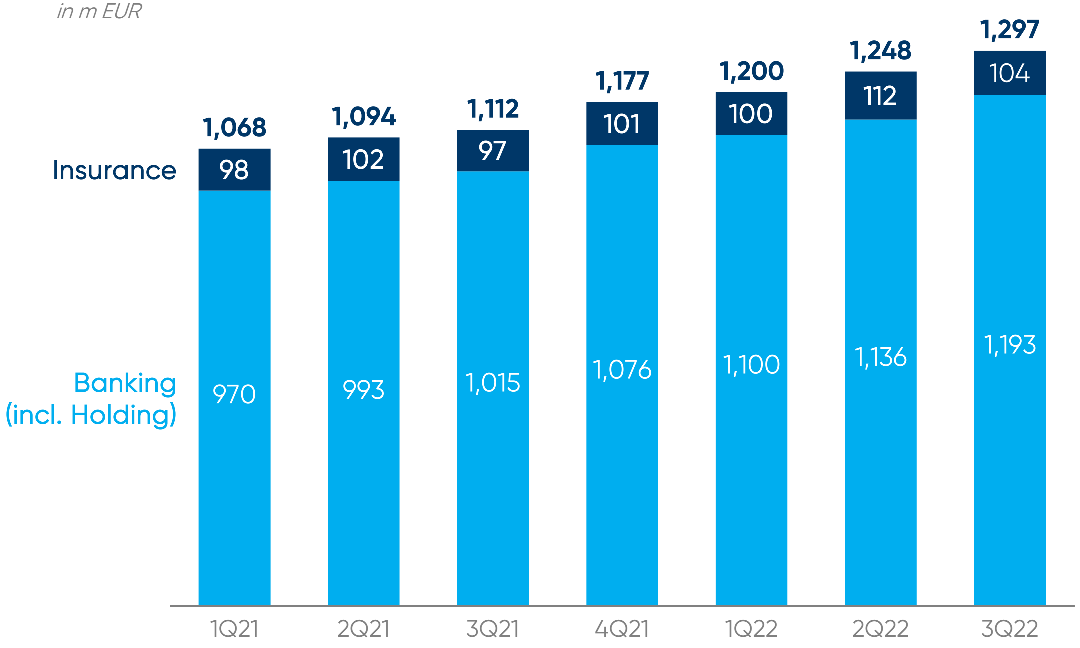
Main exceptional items

		3Q22	2Q22	3Q21
BE BU	Non-Life technical charges – flood impact above legal limit			-38m EUR
	Dividend inc – final liquidation dividend of real estate participation	+12m EUR		
	NOI – Gain on the sale of a real estate subsidiary		+68m EUR	
	NOI – Sale of the KBC Antwerp Tower			+13m EUR
	Opex – Sale of the KBC Antwerp Tower			+9m EUR
	Total Exceptional items BE BU	***+12m EUR***	***+68m EUR***	***-15m EUR***
IM BU	HU – Impairments – Modification losses	-24m EUR	-14m EUR	-5m EUR
	HU – BK TAX – Newly introduced extra bank & insurance tax		-78m EUR	
	BG – Opex – one-off integration costs Raiffeisenbank Bulgaria	-6m EUR		
	Total Exceptional items IM BU	***-30m EUR***	***-92m EUR***	***-5m EUR***
GC BU	IRL – Sales transaction(s) (FIFV +3m, Opex -15m, Imp. +2m, tax +20m in 3Q22)	+9m EUR	-17m EUR	-319m EUR
	IRL – NOI – Additional impact for the tracker mortgage review			-13m EUR
	Total Exceptional items GC BU	***+9m EUR***	***-17m EUR***	***-332m EUR***
	Total Exceptional items	***-9m EUR***	***-40m EUR***	***-352m EUR***
	Total Exceptional items (post-tax)	***-8m EUR***	***-32m EUR***	***-346m EUR***

Higher net interest income

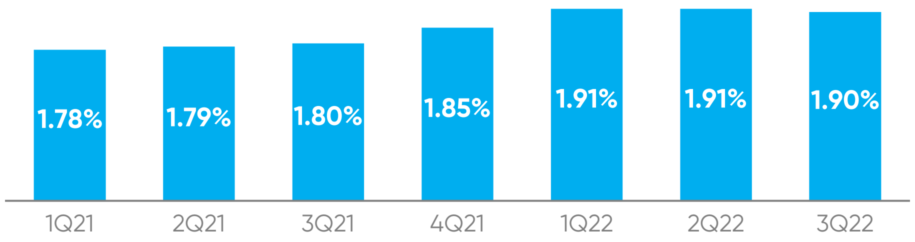
NET INTEREST INCOME

in m EUR



NET INTEREST MARGIN

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



- **Net interest income (1 297m EUR)**
  - NII increased by 4% q-o-q and by 17% y-o-y, due partly to the consolidation of Raiffeisenbank Bulgaria as of 3Q22 (+33m EUR NII in 3Q22)
  - On a comparable basis, NII increased by 1% q-o-q and by 14% y-o-y, driven primarily by:
    - Organic loan volume growth
    - Increasing reinvestment yield in all core countries
    - Increased income related to funding (increased term deposits at better margins)
    - Higher number of days (q-o-q)

    partly offset by:
    - The negative effect of lower loan margins in most markets
    - Almost no charging of negative interest rates on current accounts held by corporate entities and SMEs and almost no positive tiering effect anymore
    - Lower reinvestment income of retained earnings due to the large dividend payout in the Czech Republic at the end of 2Q22 (roughly -16m EUR q-o-q)
    - Lower q-o-q NII on insurance bond portfolio (due mainly to inflation-linked bonds, mostly linked to the strong positive evolution of inflation indices in 2Q22)
- **Net interest margin (1.90%)**
  - Fell by 1 bp q-o-q and rose by 10 bps y-o-y for the reasons mentioned above and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

- **Organic volume trend**

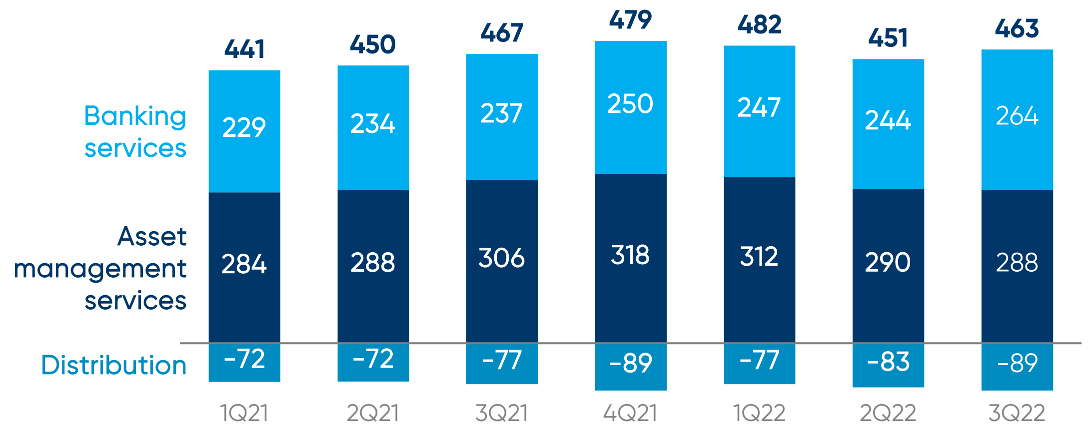
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	186bn	81bn	220bn
Growth q-o-q*	+2%	+1%	-2%
Growth y-o-y	+9%	+6%	+6%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds), including Ireland (under IFRS 5) and Raiffeisenbank Bulgaria. Growth figures are excluding FX, consolidation adjustments and reclassifications.
*** Customer deposits, excluding debt certificates and repos, including Ireland (under IFRS 5) and Raiffeisenbank BG. **Excluding the volatility in the foreign branches of KBC Bank (included in BU BE), customer deposits rose by 1% q-o-q and 6% y-o-y**

Higher fee and commission income

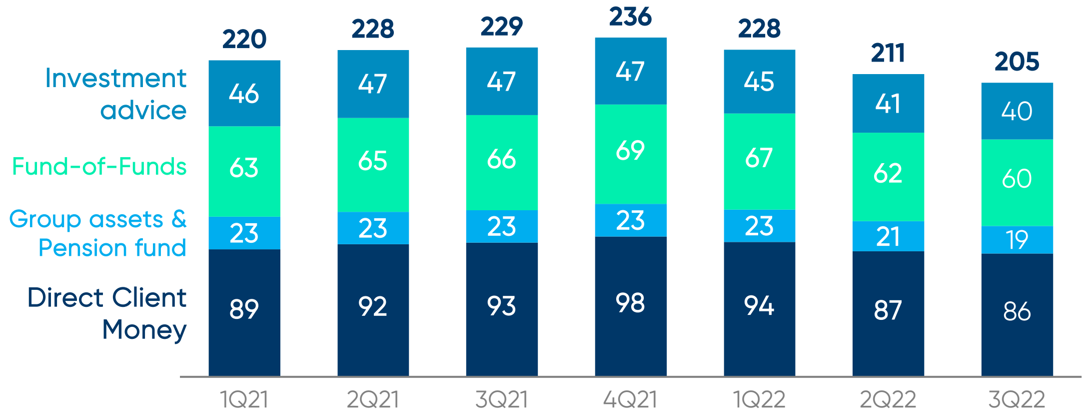
NET FEE & COMMISSION INCOME

in m EUR



ASSETS UNDER MANAGEMENT

in bn EUR



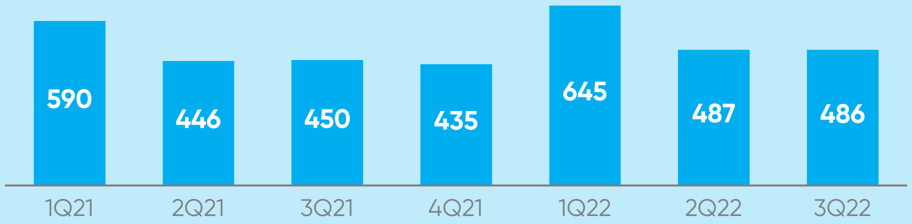
- **Net fee and commission income (463m EUR)**
  - Up by 3% q-o-q and down by 1% y-o-y
    (on a comparable basis, down by 2% q-o-q and by 5% y-o-y)
  - Q-o-q increase was mainly the result of the following:
    - Net F&C income from Asset Management Services decreased by 1% q-o-q (due entirely to lower entry fees, as management fees stabilised in 3Q22)
    - Net F&C income from banking services increased by 8% q-o-q, almost entirely due to the consolidation of Raiffeisenbank Bulgaria as of 3Q22 (+19m EUR net F&C income in 3Q22). Higher payment-related fees and network income were largely offset by lower securities-related fees and fees from credit files & bank guarantees
    - Paid distribution costs went up by 7% q-o-q (chiefly higher commissions paid linked to banking products and increased non-life insurance sales)
  - Y-o-y decrease was mainly the result of the following:
    - Net F&C income from Asset Management Services fell by 6% y-o-y (lower management and entry fees)
    - Net F&C income from banking services increased by 11% y-o-y (all types of banking services fees increased y-o-y, except securities-related fees)
    - Paid distribution costs rose by 16% y-o-y (mainly higher commissions paid linked to banking products and strong sales of insurance products)

- **Assets under management (205bn EUR)**
  - Decreased by 3% q-o-q and by 11% y-o-y due almost entirely to the negative market performance
  - The mutual fund business has seen good net inflows in higher-margin direct client money this quarter, more than offset by net outflows in lower-margin investment advice and group assets

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

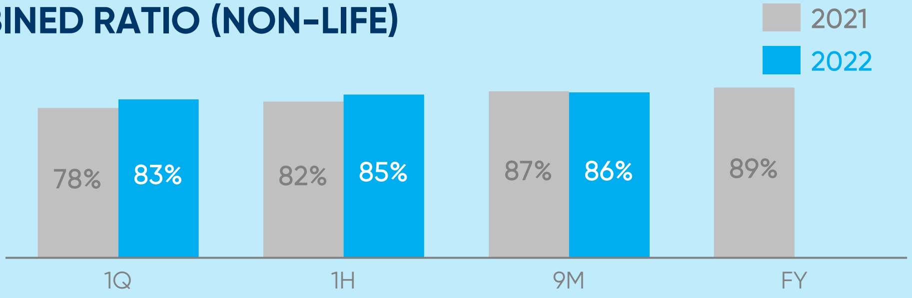
NON-LIFE SALES (GROSS WRITTEN PREMIUMS)

in m EUR



COMBINED RATIO (NON-LIFE)

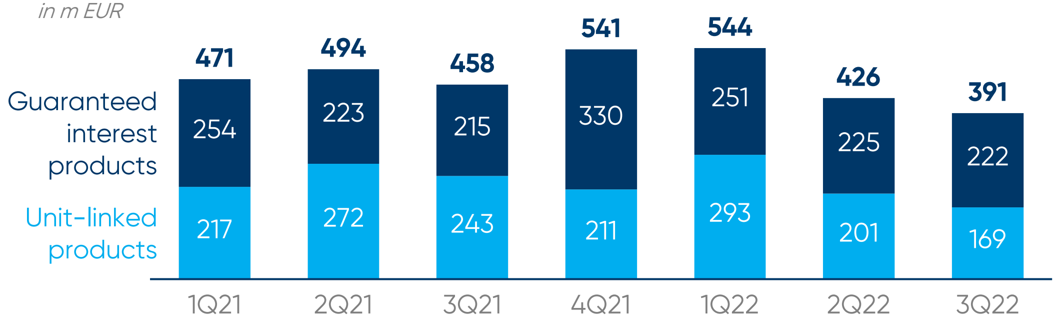
in %



- **Sales of non-life insurance products**
  - Up by 8% y-o-y
    (growth in almost all classes and countries, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property', as a combination of volume and tariff increases)
- **Non-life combined ratio for 9M22 amounted to an excellent 86%** (87% in 9M21). This is the result of:
  - 8% y-o-y higher earned premiums
  - 7% y-o-y higher technical charges
  - Higher ceded reinsurance result (up 8m EUR y-o-y, cf. storm recoveries)
- Note that the technical charges Life and Non-Life (after reinsurance) in 3Q 2022 included a release of technical provisions of respectively 31m EUR and 10m EUR, booked in the Czech Republic Business Unit, as a result of reassessing the confidence level of the technical provisions

LIFE SALES

in m EUR

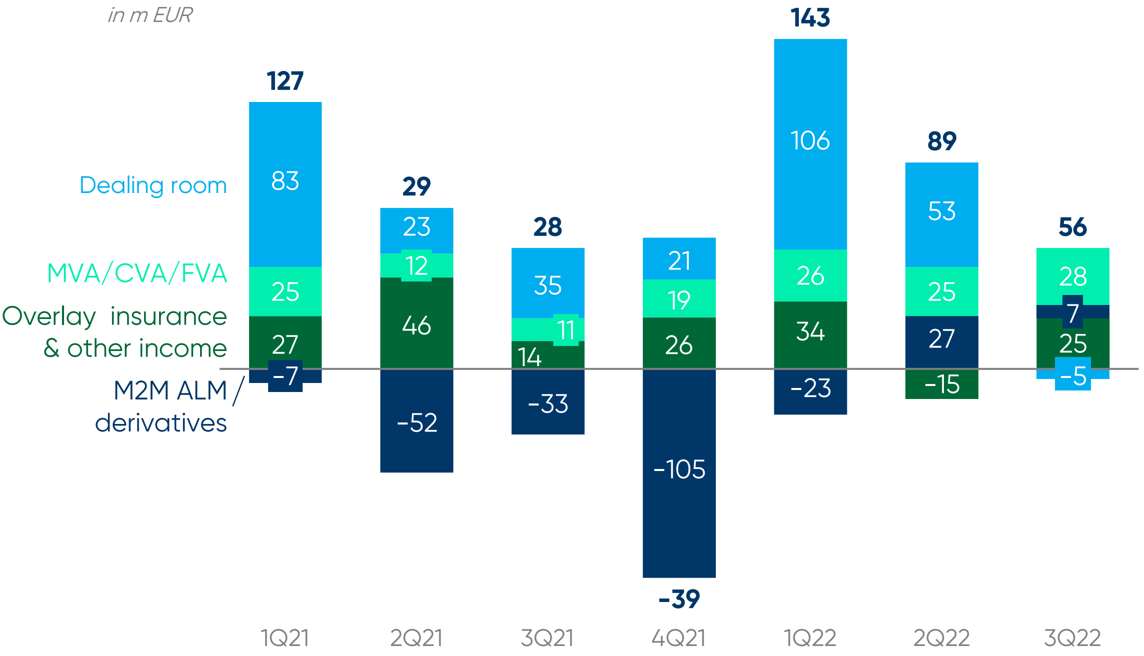


- **Sales of life insurance products**
  - Decreased by 8% q-o-q due mainly to seasonally lower sales of unit-linked products in Belgium
  - Decreased by 15% y-o-y due mainly to:
    - A decrease in sales of unit-linked products in Belgium and Bulgaria

    partly offset by:
    - A small increase in sales of guaranteed interest products in Belgium and Bulgaria
    - An increase in sales of unit-linked products in the Czech Republic
  - Sales of unit-linked products accounted for 43% of total life insurance sales in 3Q22

Decrease of FIFV result (following a strong 1H22)
Net other income sharply below normal run rate

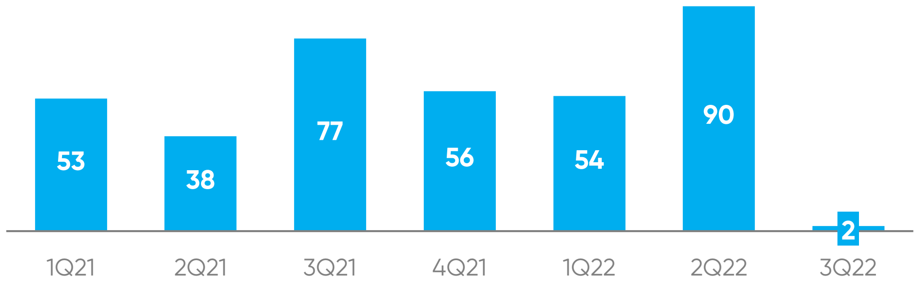
FIFV
in m EUR



- **The 33m EUR q-o-q decrease in FIFV was attributable mainly to:**
  - Significantly lower dealing room
  - Less positive change in ALM derivatives

  partly offset by:
  - Higher net result on equity instruments (insurance) & other income
  - More positive credit value adjustments have been only partly offset by less positive funding value adjustments. Like in the previous quarters, the benefits of increased yield curves and decreased funding exposures in 3Q22 have been only partly compensated by increased counterparty credit spreads due to geopolitical risk and decrease of equity markets

NET OTHER INCOME
in m EUR

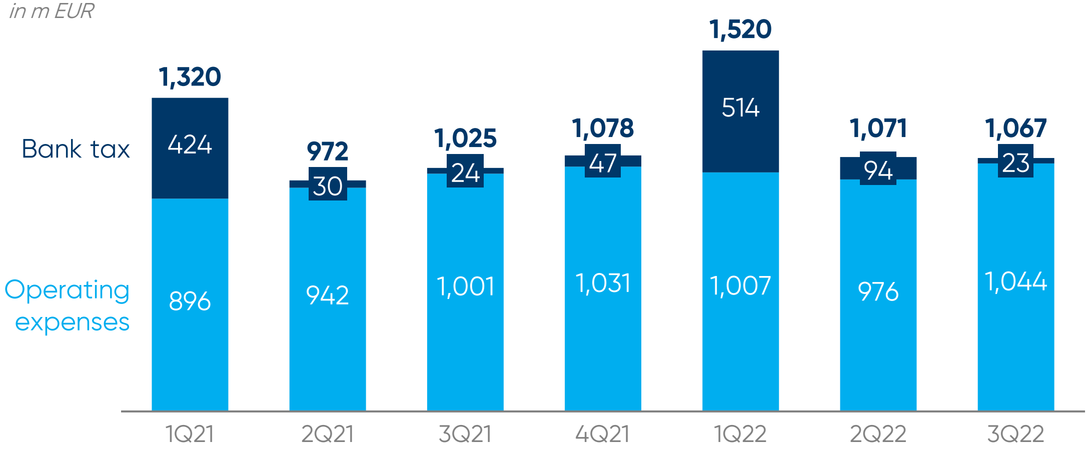


- **Net other income amounted to 2m EUR**
  - Sharply lower than the normal run rate of around 50m EUR per quarter
  - Due mainly to realised losses on the sale of bonds in 3Q22 (versus a one-off 68m EUR realised gain on the sale of real estate subsidiary at KBC Insurance in 2Q22)

Costs excluding bank taxes increased q-o-q

OPERATING EXPENSES

in m EUR



BANK TAX SPREAD 2022 (PRELIMINARY**)

in m EUR

	TOTAL	Upfront			Spread out over the year			
	3Q22	1Q22	2Q22	3Q22	1Q22	2Q22	3Q22	4Q22e
BE BU	-1	354	-4	-1	0	0	0	0
CZ BU	0	60	-1	0	0	0	0	1
Hungary	22	56	78	0	21	22	22	25
Slovakia	0	6	0	0	0	0	0	0
Bulgaria	0	12	-2	0	0	0	0	0
Ireland & Group Centre	1	3	1	0	1	1	1	0
TOTAL	23	492	72	-1	23	23	23	26

- **Operating expenses excluding bank taxes** went up by 7% q-o-q and by 4% y-o-y. When excluding the 26m EUR consolidation impact of Raiffeisenbank Bulgaria in 3Q22, opex excluding bank taxes increased by 4% q-o-q and by 2% y-o-y
  - The like-for-like q-o-q increase is due mainly to additional negative one-off costs related to the sales transaction in Ireland (-15m EUR in 3Q22 versus -2m EUR in 2Q22), the impact of inflation/wage indexation, higher facility expenses, higher depreciations as well as higher professional fee expenses, partly offset by (seasonally) lower ICT and marketing expenses
  - The like-for-like y-o-y increase is due to, among other things, higher ICT expenses, inflation/wage indexation, higher facility expenses and higher professional fee expenses, partly offset by less negative one-off costs related to the sales transactions in Ireland (-15m EUR in 3Q22 versus -81m EUR in 3Q21)
- **Like-for-like, operating expenses excluding FX, bank taxes and one-offs** rose by 6% y-o-y in 9M22
- **YTD cost/income ratio**
  - 54% when evenly spreading the bank taxes over the year and excluding certain non-operating items* (55% in FY21)
  - 48% excluding all bank taxes (51% in FY21)
- Total bank taxes (including ESRF contribution) are expected to increase by 25% y-o-y to 657m EUR in 2022

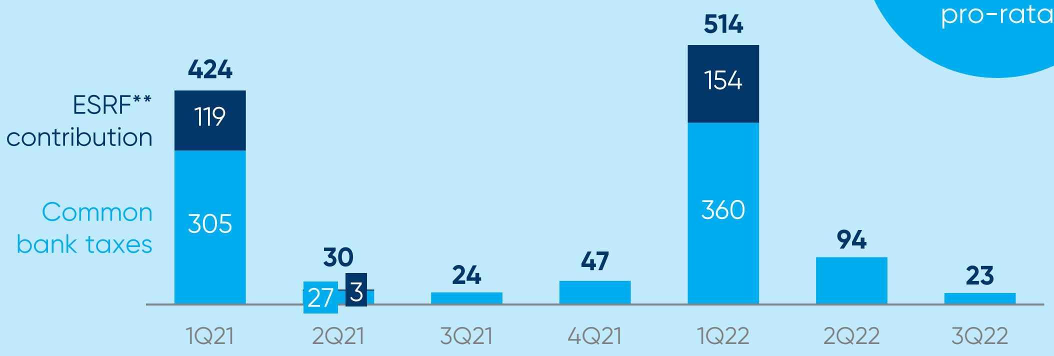
* See glossary for the exact definition ** Still subject to changes

Overview of bank taxes*

KBC GROUP

in m EUR

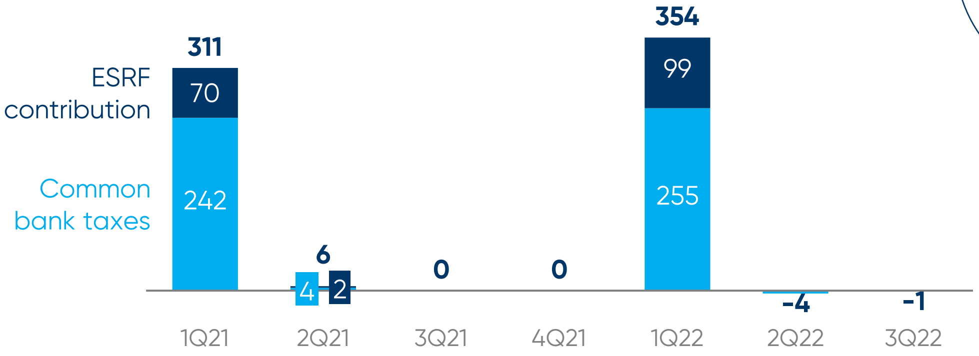
KBC Group
631m YTD
14.0% of YTD opex pro-rata



BELGIUM BU

in m EUR

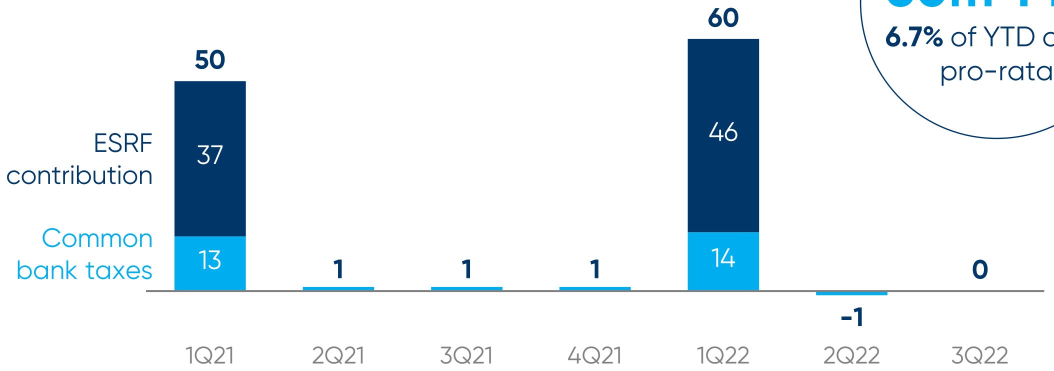
Belgium BU
349m YTD
13.5% of YTD opex pro-rata



CZECH REPUBLIC BU

in m EUR

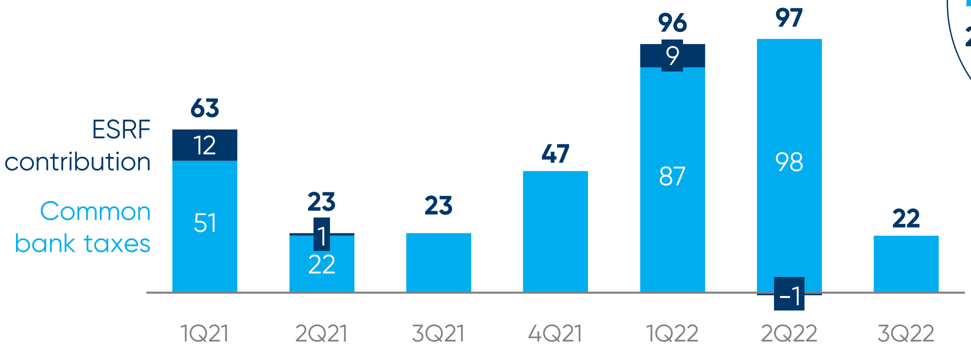
Czech Rep. BU
60m YTD
6.7% of YTD opex pro-rata



INTERNATIONAL MARKETS*** BU

in m EUR

Int. Markets BU
215m YTD
27.3% of YTD opex pro-rata



- 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.

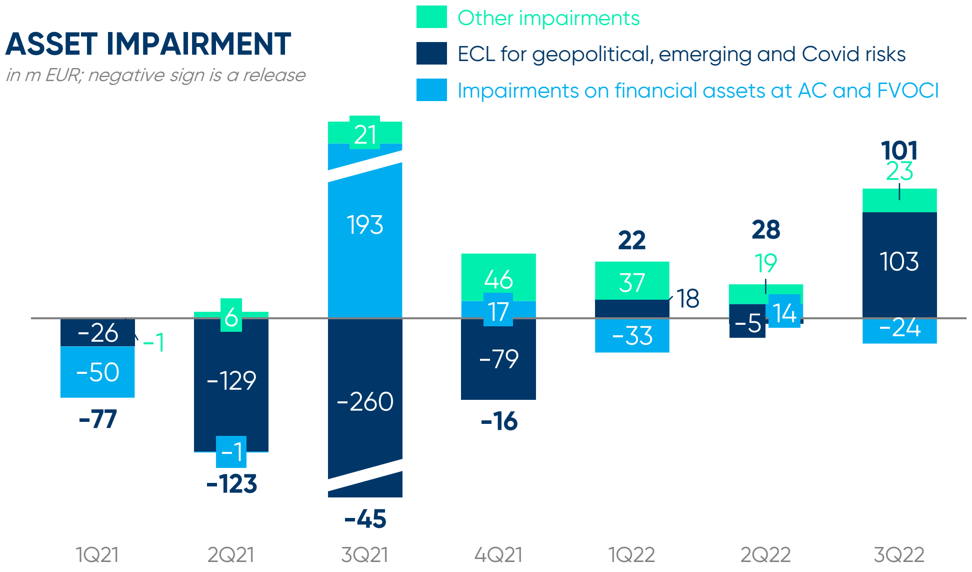
** European Single Resolution Fund

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

Net loan loss impairment charges & excellent credit cost ratio

ASSET IMPAIRMENT

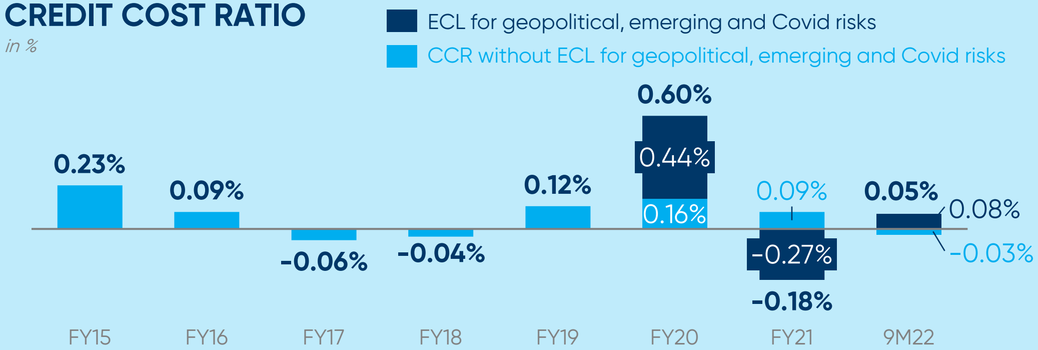
in m EUR; negative sign is a release



- **Net loan loss impairment releases on lending book, more than offset by an increased geopolitical & emerging risk buffer**
  - Net loan loss impairment charges of 79m EUR in 3Q22 (compared with 9m EUR charges in 2Q22) due to:
    - 24m EUR net loan impairment reversals on lending book
    - An increase of 103m EUR due to the uncertainties surrounding geopolitical and emerging risks (net of roughly 7m EUR recoveries of Russian exposures)
    - Total outstanding ECL for geopolitical and emerging risks now stands at 387m EUR (see details on next slide)
  - 23m EUR impairment on 'other', due mainly to:
    - 24m EUR modification losses, largely related to the extension of the interest cap regulation in Hungary until mid-2023

CREDIT COST RATIO

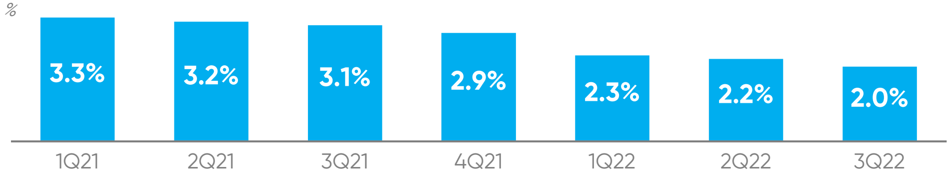
in %



- **The credit cost ratio in 9M22 amounted to:**
  - -3bps (9bps in FY21) without ECL for geopolitical, emerging and Covid risks
  - 5bps (-18bps in FY21) with ECL for geopolitical, emerging and Covid risks

IMPAIRED LOANS RATIO

in %



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

Update on the Russia/Ukraine conflict (including emerging risks)

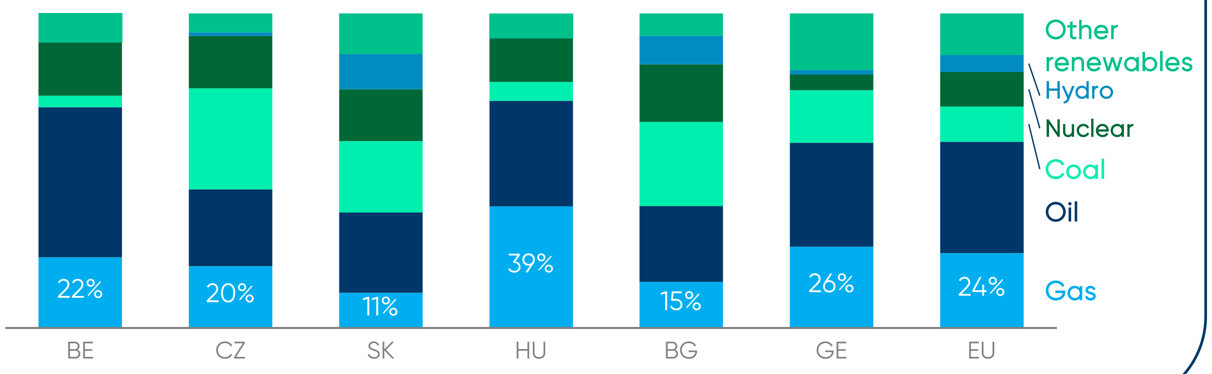
A	**No direct subsidiaries**	KBC has no direct subsidiaries in Russia (R), Belarus (B) or Ukraine (U)
B	**Very limited direct credit exposure**	Direct transfer risk exposure amounts to approx. **28m EUR ECL** (-7m EUR q-o-q) (mainly concentrated in commercial exposure on Russian banks) down from 35m EUR in 2Q22 due to recoveries from these counterparties. No exposure on Russian sovereign debt *negative sign is a release*
C	**Indirect credit impact: counterparties***	Counterparties-at-risk: (total client credit exposure on group level) • Corp & SME with >20% sales, cost or profit in R, B or U • Corp & SME directly impacted by possible disruption of Russian oil and gas supplies ➔ Outstanding exposure**: 3.1bn EUR (up from 2.0bn EUR) ➔ **ECL*: 49m EUR** (+16m EUR q-o-q) The increase is driven mainly by an extended list of energy sensitive sectors following a prolonged disruption in gas supplies
D	**Emerging risks (secondary indirect credit impact): portfolios/(sub)sectors***	Vulnerable clients in retail and non-retail portfolios/(sub)sectors impacted by newly emerging risks (energy prices/supply bottlenecks/higher cost of living and rising interest rates) ➔ Outstanding exposure**: 9.0bn EUR (up from 6.3bn EUR) ➔ **ECL*: 245m EUR** (+77m EUR q-o-q) The increase was driven mainly by recent inflation dynamics and energy prices, resulted in an extended list of sectors and retail clients
E	**Macroeconomic scenarios**	Downward revision of macroeconomic forecasts and probabilities to 55%/1%/44% (for base-case/optimistic/pessimistic scenario) ➔ **ECL: 49m EUR** (+17m EUR q-o-q)
F	**KBC Bank Bulgaria**	First-time consolidation of the Bulgarian activities of Raiffeisenbank International ➔ **ECL: 16m EUR** (no P&L impact)
	Estimated outstanding ECL	A + B + C + D + E + F = **387m EUR** (+103m q-o-q)

** Estimate of impairment (in C and D): it is expected that PDs of listed counterparties and portfolios/sectors at risk will change in the future even though this is not reflected in the current financial figures . To capture this impact (i.e. forward-looking IFRS 9), a collective transfer to stage 2 is accompanied by an ECL management overlay (by applying conservative Stage 2 and Stage 3 cover rates), taking expected PD downgrades into account.*
*** Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements .*

Macroeconomic impact of the Russia/Ukraine conflict

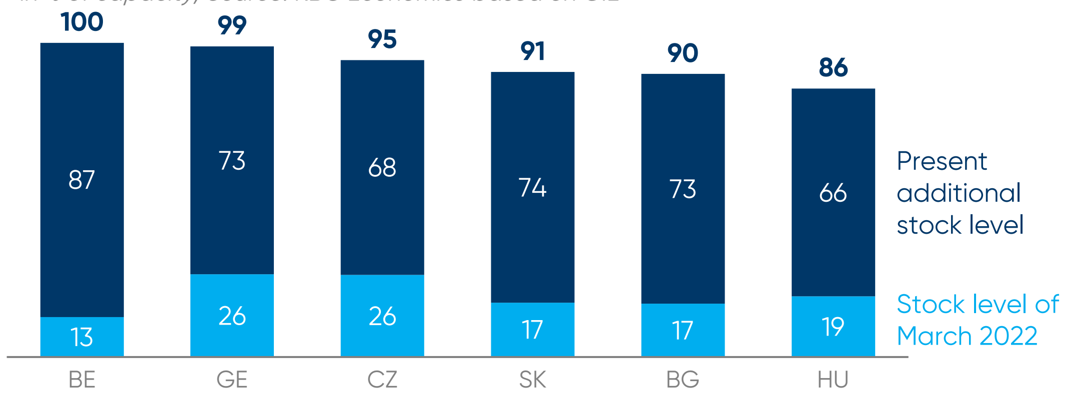
PRIMARY ENERGY CONSUMPTION | DECOMPOSITION

in fraction of Joules consumed; Source: BP



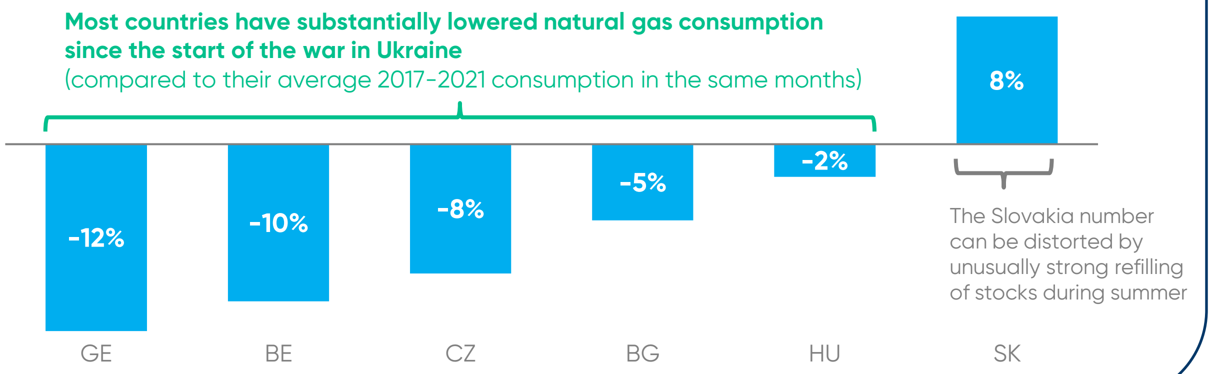
NATURAL GAS STOCK LEVEL | AS ON 31/OCT/22

in % of capacity; Source: KBC Economics based on GIE



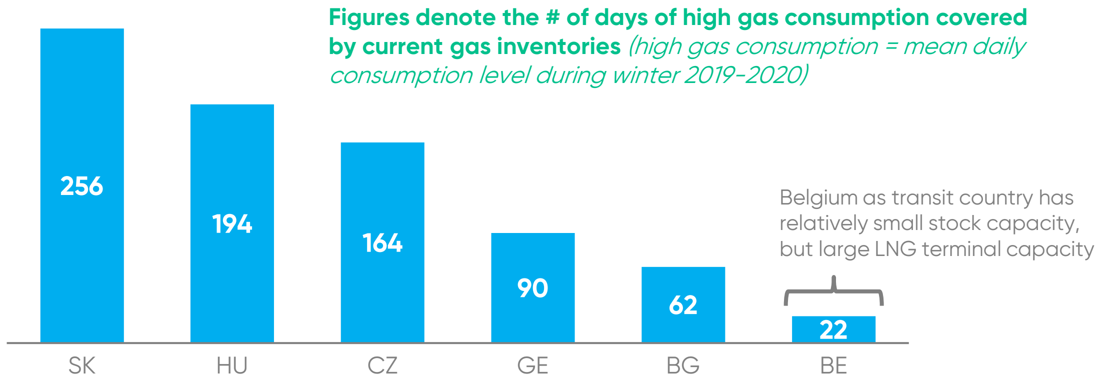
NATURAL GAS CONSUMPTION MAR-SEP | 2022 VS AVG 2017-2021

in %; Source: KBC Economics based on Eurostat



NATURAL GAS COVERAGE | AS ON 31/OCT/22

in %; Source: KBC Economics based on GIE, Eurostat



Business profile

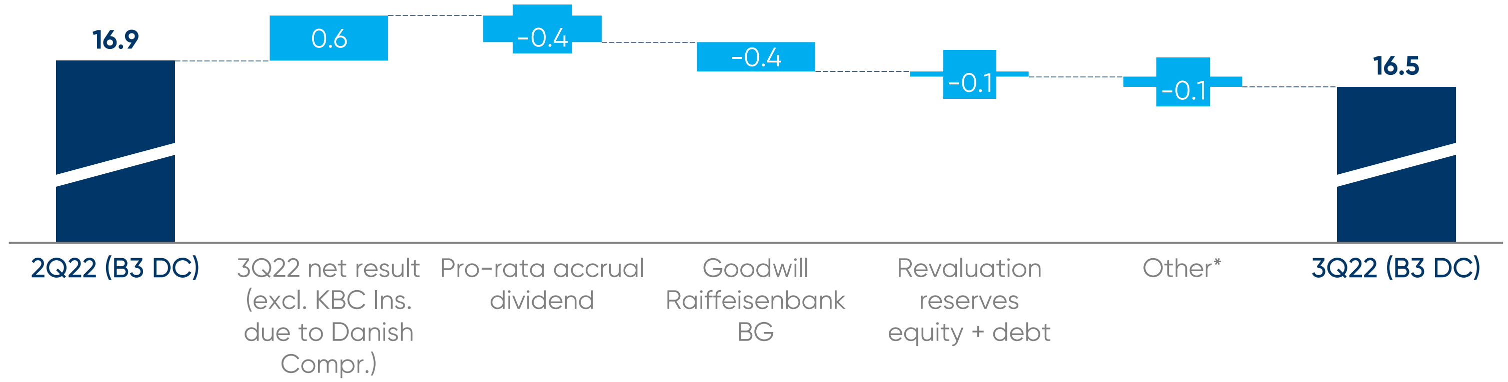
	KBC GROUP	BELGIUM BU	CZECH REPUBLIC BU	SLOVAKIA	HUNGARY	BULGARIA	GROUP CENTRE	Of which IRELAND
				INTERNATIONAL MARKETS BU			GROUP CENTRE BU	
3Q22 NET RESULT (in million euros)	776m	444m	197m	24m	62m	61m	-11m	21m
9M22 ROAC (in %)	20%	21%	41%	16%				
ALLOCATED CAPITAL (in %)		60%	16%	5%	7%	7%	6%	4%
LOANS* (in billion euros) (q-o-q organic** growth loans)	186bn (+2%)	118bn (+2%)	35bn (+2%)	11bn (+3%)	6bn (+11%)	8bn (+5%)		9bn (-5%)
DEPOSITS*** (in billion euros) (q-o-q organic** growth deposits)	220bn (-2%)	141bn (-4%)	48bn (+1%)	8bn (+3%)	9bn (+1%)	11bn (-1%)		3bn (-25%)
BRANCHES (end 3Q22)		428	202	115	197	157		
CLIENTS (end 3Q22)	12.3m	3.8m	4.3m	0.8m	1.6m	1.7m		

* Loans to customers, excluding reverse repos (and bonds)
** Volume growth excluding FX effects, divestments/acquisitions and reclassifications
*** Customer deposits, excluding debt certificates and repos. Excluding the volatility in the foreign branches of KBC Bank (included in Belgium BU), customer deposits rose by 6% y-o-y both at KBC Group level as well as in Belgium BU

Fully loaded B3 CET1 from 2Q22 to 3Q22 (based on Danish Compromise)

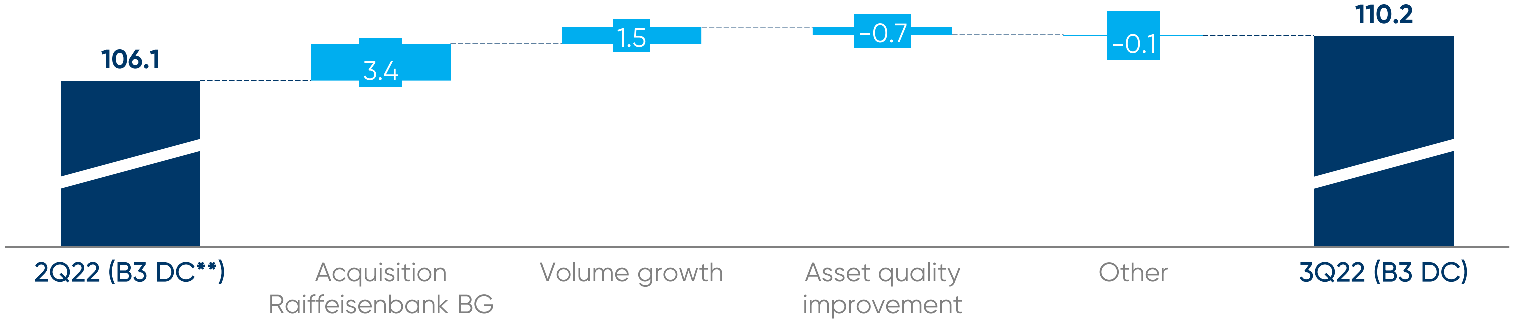
Q-O-Q VARIANCE OF CET1 CAPITAL

in bn EUR



Q-O-Q VARIANCE OF RWA

in bn EUR



- **Fully loaded B3 common equity ratio amounted to 15.0% at the end of 9M22** based on the Danish Compromise
- As of 1Q22, interim profit recognition (based on 50% profit accrual)

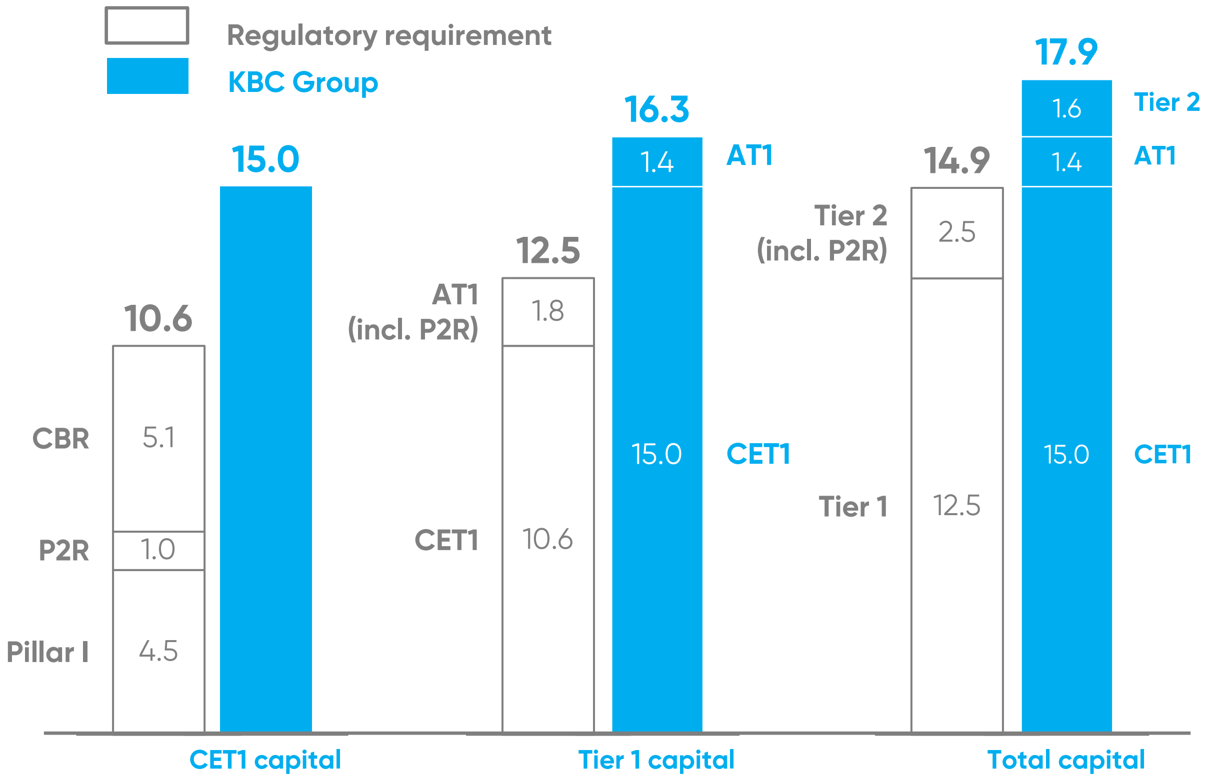
* Includes the q-o-q delta in deferred tax assets on losses carried forward, intangible fixed assets, AT1 coupon, remeasurement of defined benefit obligations, deduction pension plan assets, NPL shortfall etc.

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

Strong capital position with substantial buffer to MDA

CAPITAL REQUIREMENTS AND DISTANCE TO MAXIMUM DISTRIBUTABLE AMOUNT (MDA) RESTRICTIONS AS AT 30 SEP'22 (FULLY LOADED, B3)

in %



- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 46bps for Tier 2
- **CBR 5.07% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  0.75% Countercyclical buffer
  0.32% Systemic risk buffer
- **OCR (11.4%) buffer 3.5%**
- **MDA buffer 3.0%**
  lowest of the buffers between available and required (i) CET1 capital, (ii) Tier 1 capital and (iii) Total capital
- **MDA 12.0%**
  i.e. the net of the CET1 ratio (15.0%) and the MDA buffer (3.0%)

4.4%	3.9%	3.0%	Distance to MDA restrictions
4,800m EUR	4,262m EUR	3,269m EUR	

Leverage ratio, Solvency II ratio and liquidity ratios

LEVERAGE RATIO | KBC GROUP

fully loaded, Basel 3

leverage ratio
5.2%
9M22
5.1% in 1H22

Roughly stable q-o-q leverage ratio

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

SOLVENCY II RATIO | KBC INSURANCE

SII ratio
227%
9M22
242% in 1H22

The q-o-q delta (-15pp) in the Solvency II ratio was driven mainly by higher interest rates combined with flattening yield curves and lower equity markets

LIQUIDITY RATIOS | KBC GROUP

LCR
155%
9M22
158% in 1H22

NSFR
140%
9M22
142% in 1H22

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

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

Economic outlook

- Leading confidence indicators suggest that the euro area economy has entered a technical recession in the fourth quarter, with the economy expected to shrink during the fourth quarter of 2022 and the first quarter of 2023 due to the impact of the energy crisis and the tightening financial conditions
- The economies of both Belgium and the Czech Republic are likely to have entered a technical recession, with real GDP expected to shrink in the fourth quarter 2022 as well
- The most important risk to our short-term European growth outlook relates to critical energy deficits, caused by the possible inability of Europe to compensate a severe distortion of Russian gas supplies. Other risks continue to include the general post-pandemic supply chain disruptions, reappearing pandemic waves and the vulnerability caused by high levels of debt in the context of globally tightening financing conditions

Group guidance for 2022*

Based upon our latest set of macroeconomic and business assumptions (impacted by the invasion of Russia in Ukraine, causing major macroeconomic and financial shocks, and very volatile markets):

- We confirm our **FY22 total income guidance of 8.4bn EUR ballpark figure**, **of which 5.05bn EUR ballpark for NII**
- We confirm our **FY22 opex excluding bank taxes guidance of 4.15bn**
- This implies **jaws over 21-22** (between y-o-y topline growth and opex growth) of **roughly 4.0%**
- We confirm our **guided credit cost ratio for 2022 of between 10 and 25 bps** (25-30 bps = through-the-cycle CCR guidance)

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

- The consolidation of Raiffeisen Bulgaria as of mid-2022 and the consolidation of KBC Bank Ireland for the entire year 2022 (due to a delay of transaction approval)
- An additional P&L benefit from TLTRO3 of 73m EUR in 2H22 (neutralization of TLTRO3 benefit as of 23rd November 2022 taken into account)
- We took into account the CNB policy rate at 7.00% by end 2022 and further ECB rate hikes during 2022 (2.25% by end 2022)
- Volume growth estimated at roughly 8% y-o-y

Long-term financial guidance

3-year financial guidance*		
CAGR total income ('21-'24)	± 7.0%	by 2024
CAGR OPEX excl. bank taxes ('21-'24)	± 3.0%	by 2024
Combined ratio	≤ 92%	as of now
Surplus capital **	> 15%	as of now

* IFRS17 impact is not yet taken into account given early days
** Fully loaded CET1 ratio, Danish Compromise

⇒ **Jaws of ± 4%**

⇒ **C/I ratio excl BT ±46%**

Long-term financial guidance		
Credit cost ratio	25-30 bps	through-the-cycle

Regulatory requirements		
Overall capital requirement (OCR)*	≥ 11.43%	by 2022
MREL as a % of RWA**	≥ 27.46%	by 2024
MREL as a % of LRE**	≥ 7.41%	by 2024
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, an intermediate MREL target of 26.35% as from 01-01-2022. Regarding MREL as a % of LRE, an intermediate MREL target of 7.34% as from 01-01-2022

Wrap-up | KBC's engine firing on all cylinders

Excellent financial performance

net result
776m
3Q22

ROE
14%
9M22 YTD*

Outstanding solvency and liquidity

CET1 ratio
15.0%
3.0% buffer vs MDA**

SII ratio
227%

NSFR
140%
LCR
155%

KATE convinces customers

KATE users
2.5m***
9M22

KATE autonomy
54% | 63%
BE | CZ

Franchise is growing

loan volumes
+9%
y-o-y

customer deposits
+6%
y-o-y

non-life sales
+8%
y-o-y

life sales
-15%
y-o-y

AM net inflows of direct client money
+3.4bn
y-o-y

* Evenly spreading the bank taxes throughout the year
** As of 1Q22, interim profit recognition (based on 50% profit accrual)
*** Of which 1.5m active users

Supplemental information & disclosures

BU view
(slide 24-36)

- Belgium BU
- Czech Republic BU
- International Markets BU
  - Slovakia
  - Hungary
  - Bulgaria
- Group Centre BU
  - Ireland

Annexes
(slide 37-64)

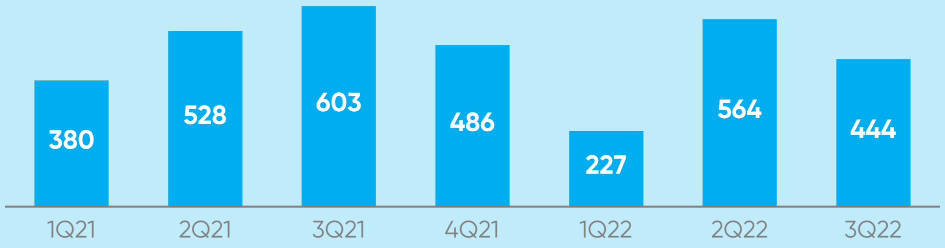
- Company profile
- KBC strategy
- Sustainability
- Asset quality
- MREL & funding

Navigate quickly to this content by using the below tabs in the digital version of this memo

Belgium BU (1) | Net result & NII

NET RESULT

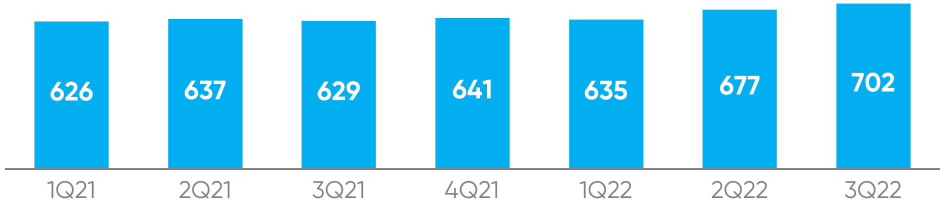
in m EUR



- **Net result of 444m EUR in 3Q22**
  - The quarter was characterised by higher net interest income, lower net fee and commission income, lower trading and fair value income, lower net other income, an excellent combined ratio, lower sales of non-life and life insurance products, higher operating expenses and small net impairment charges
  - Customer deposits excluding debt certificates and repos rose by 8% y-o-y, while customer loans rose by 10% y-o-y

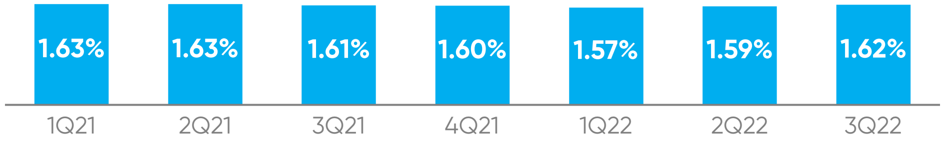
NET INTEREST INCOME

in m EUR



NET INTEREST MARGIN

in %



- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	118bn EUR	44bn EUR	141bn EUR
Growth q-o-q*	+2%	+1%	-4%
Growth y-o-y	+10%	+7%	+8%

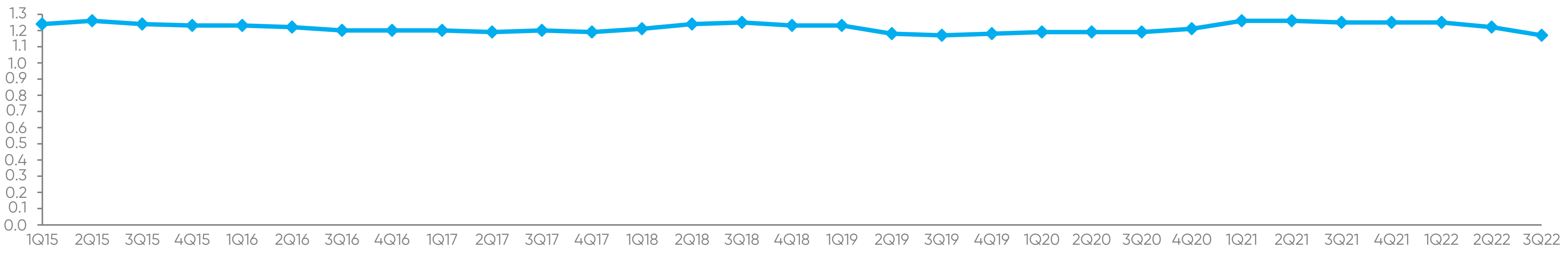
- **Net interest income**
  - +4% q-o-q, driven mainly by higher reinvestment yields thanks to increasing interest rates, further loan volume growth, lower funding costs and higher number of days partly offset by margin pressure on the outstanding loan portfolio in all segments, almost no charging of negative interest rates on current accounts held by corporate entities and SMEs and almost no positive tiering effect anymore, and lower NII on insurance bond portfolio (due mainly to inflation-linked bonds, mostly linked to the exceptionally positive evolution of inflation indices in 2Q22)
  - +12% y-o-y as higher reinvestment yields thanks to increasing interest rates, good loan and deposit volume growth in almost all segments, higher netted positive impact of ALM FX swaps and higher NII on insurance bond portfolio (due mainly to inflation-linked bonds) were partly offset by margin pressure on the outstanding loan portfolio in all segments, higher funding costs, almost no charging of negative interest rates on current accounts held by corporate entities and SMEs and almost no positive tiering effect anymore
- **Net interest margin**
  - Increased by 3 bps q-o-q and by 1 bp y-o-y for the reasons mentioned above and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments and reclassifications.
*** Customer deposits, excluding debt certificates and repos. **Excluding the volatility in the foreign branches of KBC Bank (included in BU BE), customer deposits rose by 2% q-o-q and 8% y-o-y**

Belgium BU (2) | Credit margins in Belgium

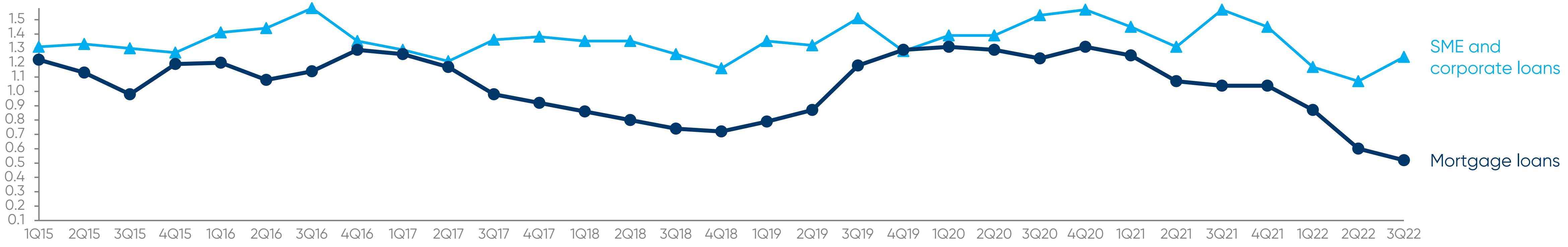
PRODUCT SPREAD ON CUSTOMER LOAN BOOK – OUTSTANDING

in %

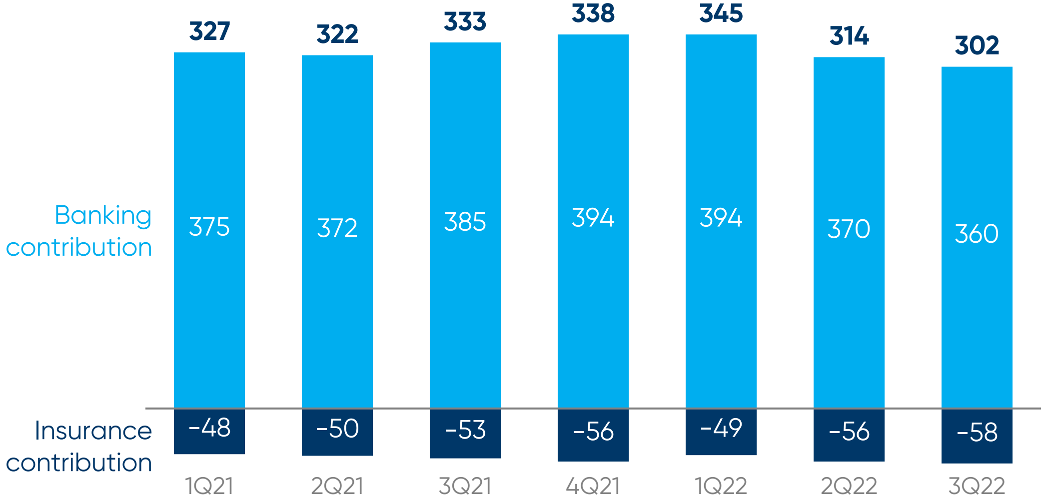


PRODUCT SPREAD – NEW PRODUCTION

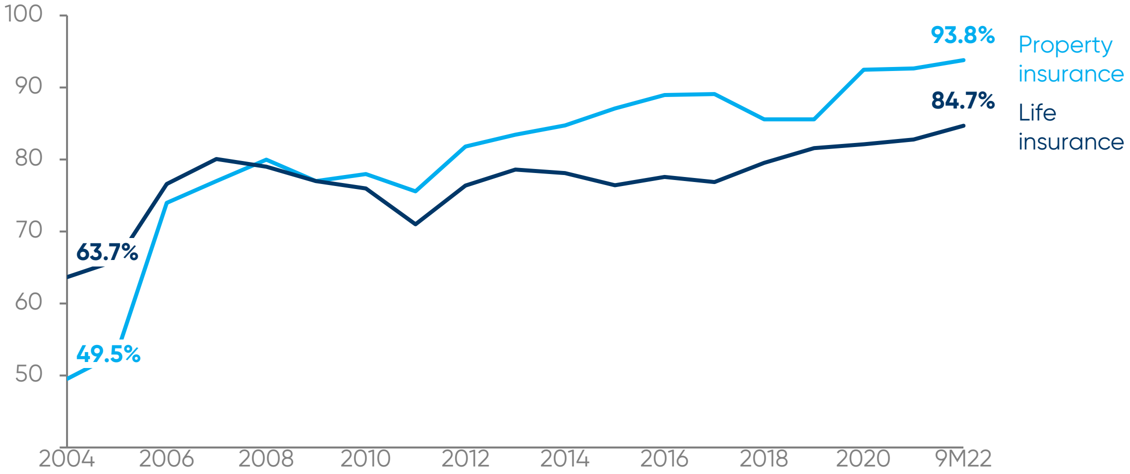
in %



NET FEE & COMMISSION INCOME
in m EUR



MORTGAGE-RELATED CROSS-SELLING RATIOS
In %



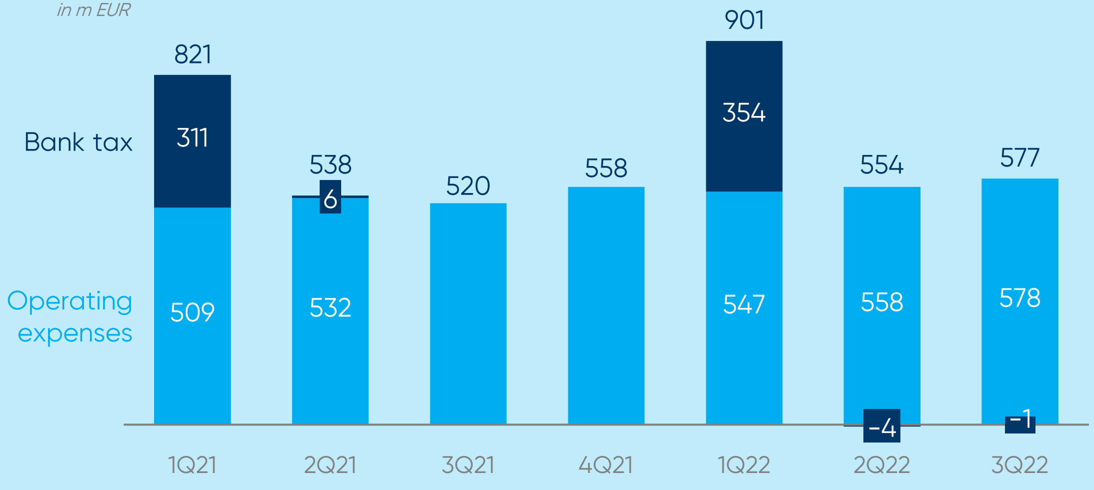
- **Net fee & commission income**
  - -4% q-o-q and -9% y-o-y
  - The 4% lower q-o-q net F&C income was mainly the result of slightly lower management and entry fees, lower securities-related fees, lower fees from credit files & bank guarantees and higher distribution commissions paid
  - The 9% lower y-o-y net F&C income was driven chiefly by lower management and entry fees, lower securities-related fees and higher distribution commissions paid partly offset by higher fees from credit files & bank guarantees and higher fees from payment services

- **Assets under management**
  - 184bn EUR
  - Decreased by 3% q-o-q and by 12% y-o-y due almost entirely to the negative market performance.

- **Insurance**
  - Insurance sales (gross written premium): 612m EUR
    - Non-life sales (299m EUR) +6% y-o-y, due to premium growth in all classes, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property', as a combination of volume and tariff increases
    - Life sales (313m EUR) decreased by 10% q-o-q and by 18% y-o-y.
      - ✓ The q-o-q decrease was driven almost entirely by lower sales of unit-linked products (due to turbulent stock markets)
      - ✓ The y-o-y decrease was driven fully by lower sales of unit-linked products, partly offset by higher sales of guaranteed interest
  - Combined ratio amounted to an excellent 87% in 9M22 (87% in 9M21)

OPERATING EXPENSES

in m EUR

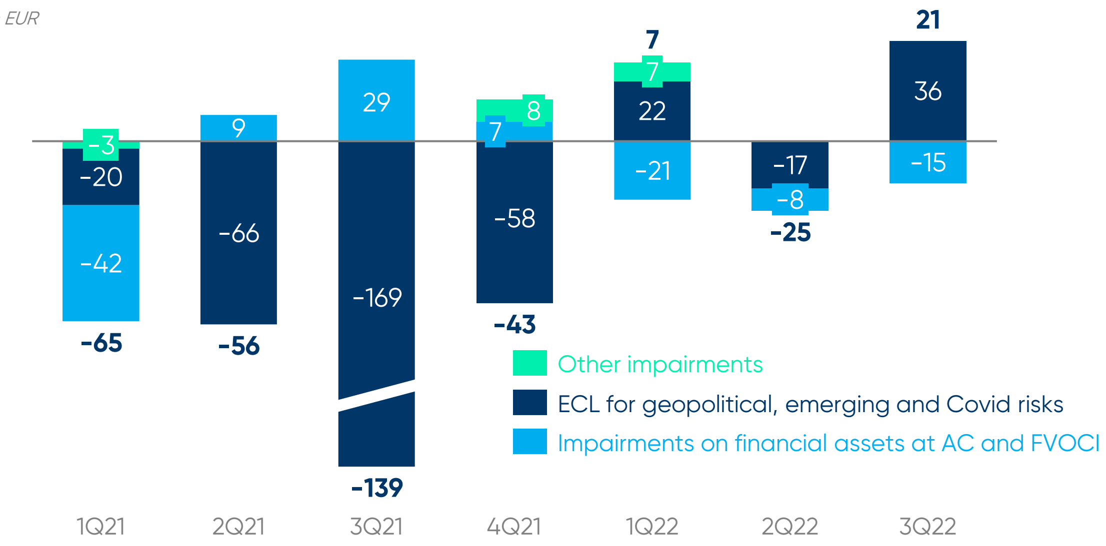


- **Opex excl. bank tax: +3% q-o-q and +11% y-o-y**
  - Operating expenses without bank taxes increased by 3% q-o-q due mainly to:
    - Higher ICT & facilities costs

    partly offset by:
    - Lower marketing expenses
  - Operating expenses without bank taxes rose by 11% y-o-y due chiefly to higher staff expenses (due largely to wage indexation, partly offset by less FTEs), higher ICT cost and higher professional fees, partly offset by lower marketing and facilities costs
  - **Cost/income ratio** adjusted for specific items and evenly spreading the bank tax throughout the year: 54% in 9M22 (51% in FY21)

ASSET IMPAIRMENT

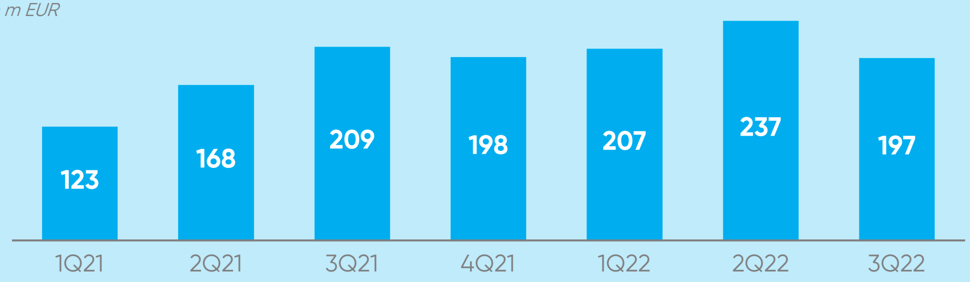
in m EUR



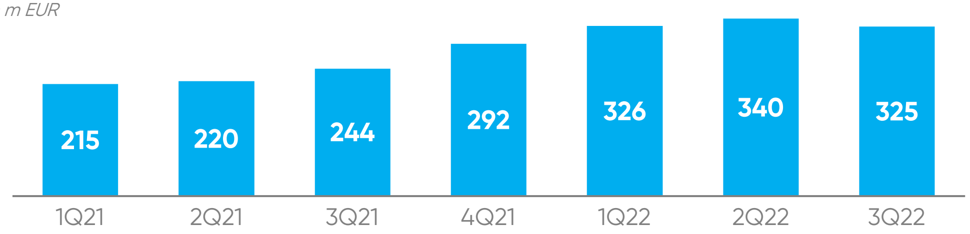
- **Loan loss impairment charges** of 21m EUR in 3Q22 (compared with releases of **25m EUR in 2Q22).** Besides a 36m EUR impairment charge for geopolitical and emerging risks, there were loan loss impairment releases mainly in the retail and SME portfolios. Credit cost ratio amounted to -1 bp in 9M22 (-26 bps in FY21)
- **Impaired loans ratio** improved to 1.8%, 0.9% of which over 90 days past due

Czech Republic BU (1) | Net result & NII

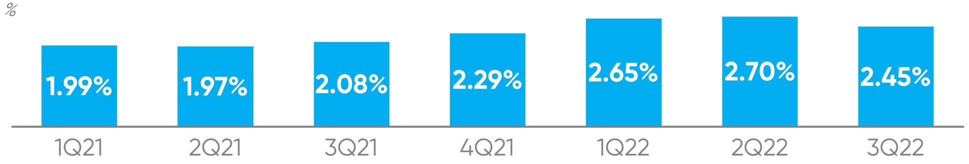
NET RESULT
in m EUR



NET INTEREST INCOME
in m EUR



NET INTEREST MARGIN
in %



- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	35bn EUR	19bn EUR	48bn EUR
Growth q-o-q*	+2%	+1%	+1%
Growth y-o-y	+8%	+6%	+5%

- **Net result of 197m EUR in 3Q22**
  - -17% q-o-q excluding FX effect due mainly to lower net interest income, lower net result from financial instruments at fair value, lower net other income, higher costs and higher net impairment charges, partly offset by higher non-life and life insurance result (both higher earned premiums and lower technical charges thanks to a release of technical provisions), higher net fee & commission income and a less negative net realised result from debt instruments fair value through OCI
  - Customer deposits (excluding debt certificates and repos) rose by 5% y-o-y, while customer loans rose by 8% y-o-y

- **Net interest income**
  - -5% q-o-q and +28% y-o-y (both excl. FX effect)
  - Q-o-q decrease was mainly the result of lower reinvestment income of retained earnings due to the large dividend payout at the end of 2Q22 (roughly -16m EUR q-o-q) and pressure on commercial loan margins, partly offset by increasing interest rates and loan volume growth
  - Y-o-y increase was primarily due to increasing interest rates and growth in loan volumes, despite pressure on commercial loan margins and higher pass-through on the deposit side

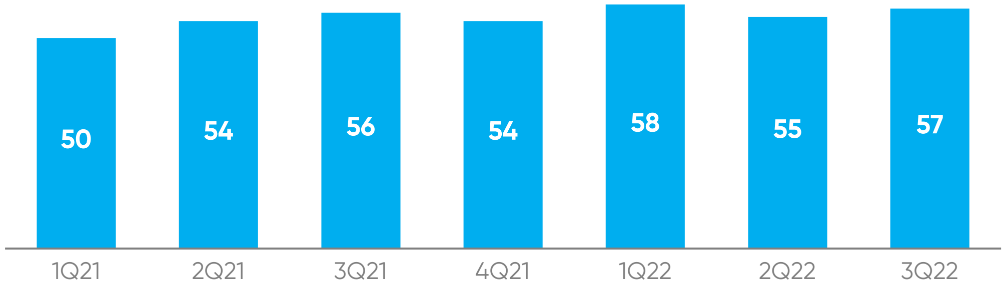
- **Net interest margin**
  - Fell by 25 bps q-o-q and rose by 37 bps y-o-y for the reasons mentioned above and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

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

Czech Republic BU (2) | Other income lines & cross-selling

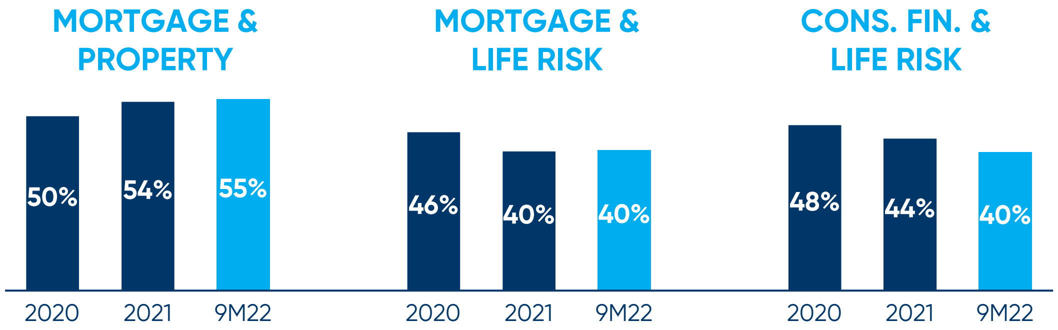
NET FEE & COMMISSION INCOME

in m EUR



CROSS-SELLING RATIOS

in %

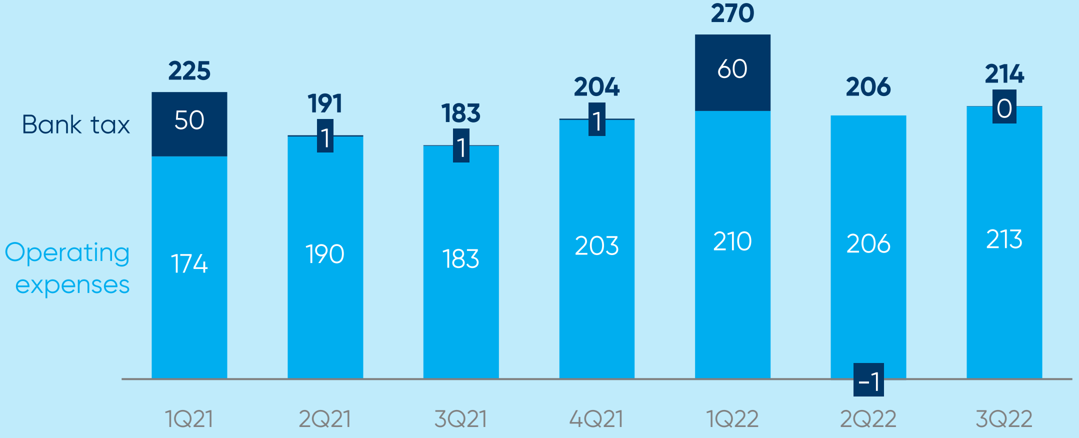


- **Net fee & commission income**
  - +4% q-o-q and -2% y-o-y (both excl. FX effect)
  - The higher q-o-q net F&C income was mainly the result of higher fees from payment services, higher securities-related fees and higher network income, partly offset by higher distribution costs
  - The lower y-o-y net F&C income was driven chiefly by lower entry fees, higher fee expenses in Retail and higher distribution costs, largely offset by higher management fees, higher fees from payment services, higher securities-related fees and higher network income
- **Assets under management**
  - 14.3bn EUR
  - +4% q-o-q due almost entirely to net inflows
  - +8% y-o-y due to net inflows (+13%) and the negative market performance (-5%)
- **Insurance**
  - Insurance premium income (gross earned premium): 149m EUR
    - Non-life premium income (105m EUR) +16% y-o-y excluding FX effect, due to growth in all products
    - Life premium income (44m EUR) +9% q-o-q and +3% y-o-y, excluding FX effect. The q-o-q increase was entirely the result of higher sales of unit-linked products
  - An excellent combined ratio of 82% in 9M22 (87% in FY21)
  - Note that the technical charges Life and Non-Life (after reinsurance) in 3Q 2022 included a release of technical provisions of respectively 31m EUR and 10m EUR, booked in the Czech Republic Business Unit, as a result of reassessing the confidence level of the technical provisions

Czech Republic BU (3) | Opex & impairments

OPERATING EXPENSES

in m EUR

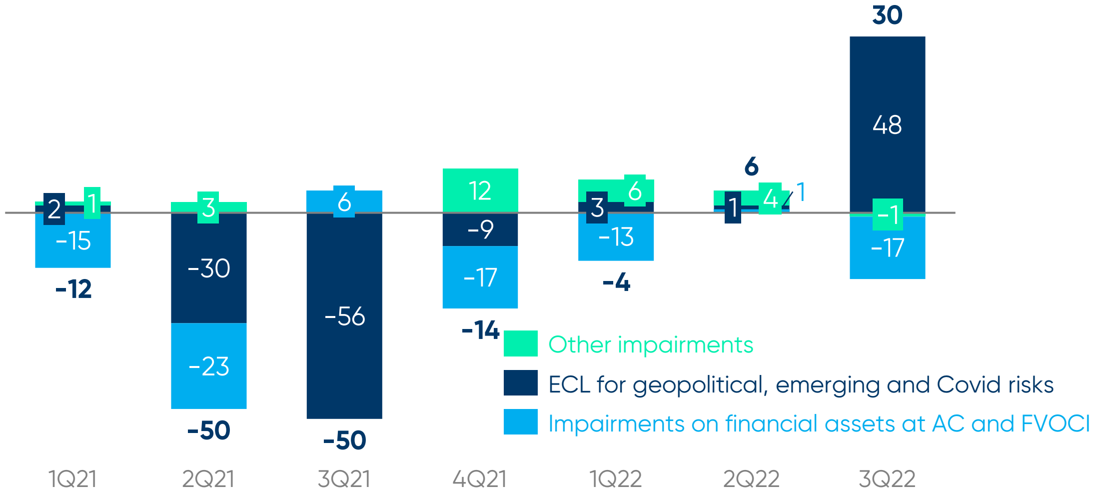


- **Opex excl. bank tax:** +3% q-o-q and +13% y-o-y, excl. FX effect
  - Q-o-q increase was due mainly to:
    - Higher staff expenses (wage drift)
    - Higher ICT cost
    - Higher depreciations

    offset by:
    - Lower marketing costs
    - Lower professional fees
  - Y-o-y increase was chiefly the result of higher staff expenses (wage drift), higher ICT costs, higher travel & training expenses and higher depreciations
  - Adjusted for specific items and spreading the bank tax throughout the year, **C/I ratio** amounted to roughly 45% in 9M22 (53% in FY21)

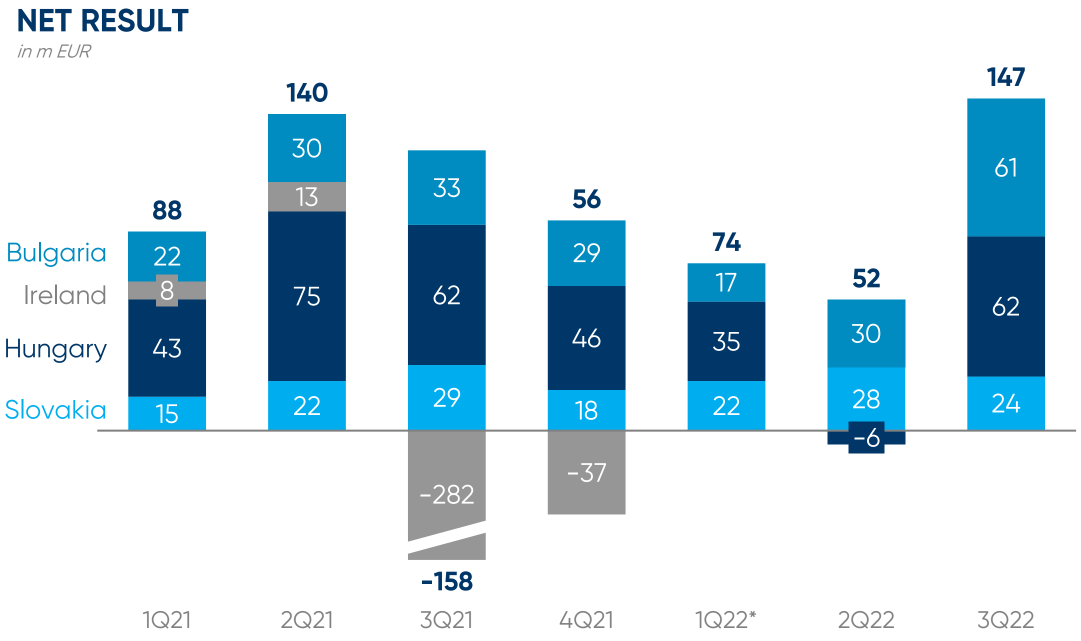
ASSET IMPAIRMENT

in m EUR



- **Loan loss and other impairment**
  - **Loan loss impairment charges** of 31m EUR in 3Q22 compared with 2m EUR in 2Q22. Besides an additional 48m EUR net impairment charge for geopolitical and emerging risks, there were loan loss impairment releases in 3Q22 mainly in the retail and SME portfolios
  - **Credit cost ratio** amounted to 0.08% in 9M22 (-0.42% in FY21)
  - 1m EUR impairment release on other assets
  - **Impaired loans ratio** improved to 1.6%, 0.7% of which over 90 days past due

International markets BU (1) | Highlights



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

- **Net result of 147m EUR (Slovakia 24m EUR, Hungary 62m EUR, Bulgaria 61m EUR)**
- **Highlights (q-o-q)**
  - Higher net interest income. NIM 3.11% in 3Q22 (+27 bps q-o-q and +51 bps y-o-y)
  - Higher net fee and commission income
  - Higher result from financial instruments at fair value
  - Higher net other income
  - An excellent combined ratio of 86% in 9M22 (86% in FY21)
  - Lower non-life and life insurance sales
  - Lower operating expenses due entirely to lower bank taxes. When excluding the 26m EUR consolidation impact of Raiffeisenbank Bulgaria in 3Q22, operating expenses excluding bank taxes roughly stabilised
  - Higher net impairment charges

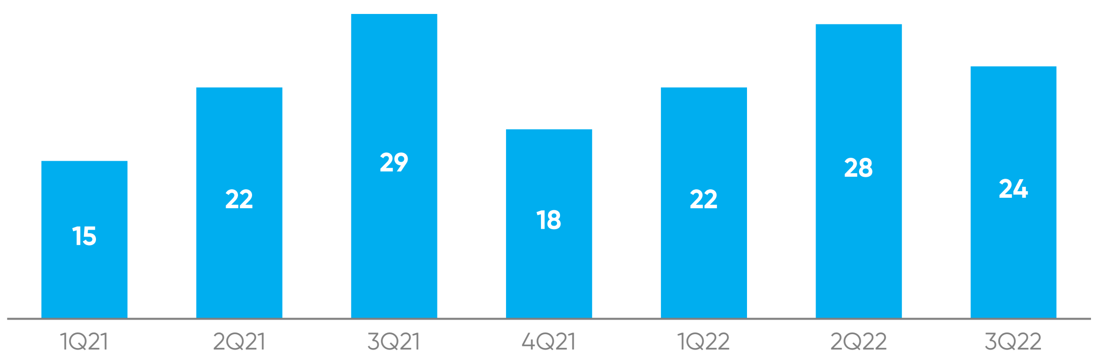
- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***	AuM
Volume	24bn EUR	9bn EUR	28bn EUR	6.6bn EUR
Growth q-o-q*	+6%	+3%	+1%	-2%
Growth y-o-y	+17%	+15%	+10%	+1%

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

NET RESULT

in m EUR



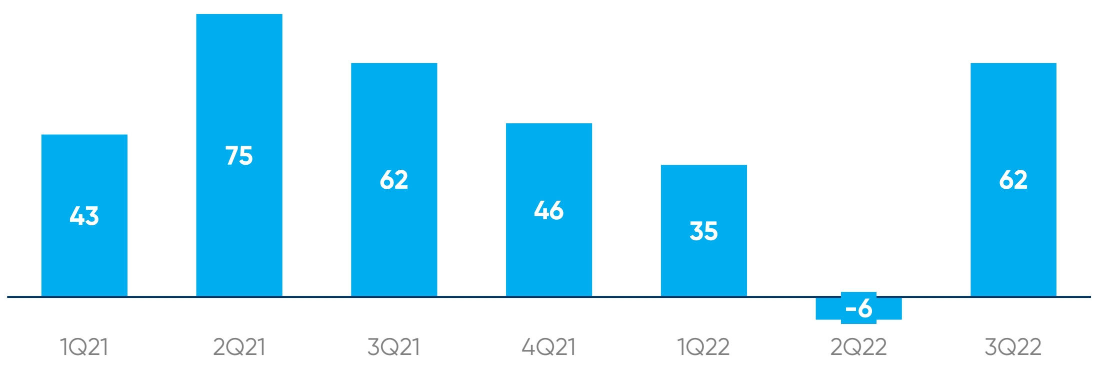
- **Net result of 24m EUR in 3Q22**
- **Highlights (q-o-q)**
  - Lower net interest income due to higher funding costs, pressure on corporate & SME loan margins, abolishment of charging negative interest rates on current accounts held by corporate entities and SMEs as of September 2022 and almost no positive tiering effect anymore, partly offset by higher reinvestment yields, strong loan & deposit volume growth and higher mortgage loan margins
  - Lower net fee & commission income due chiefly to lower fees from credit files & bank guarantees and slightly lower securities-related fees, partly offset by higher network income and payment-related fees
  - Lower result from financial instruments at fair value
  - Higher net other income
  - An excellent combined ratio of 88% in 9M22 (92% in FY21)
  - Stable non-life and higher life insurance sales
  - Lower operating expenses due to OTP SK synergies (lower staff expenses as a result of lower number of FTEs and lower facilities costs), partly offset by higher ICT and marketing costs
  - Net impairment charges, due mainly to a 5m EUR additional impairment for geopolitical and emerging risks. Credit cost ratio of 0.13% in 9M22 (-0.16% in FY21)
- **Volume trend**
  - Total customer loans rose by 3% q-o-q (especially growth in corporate loans and mortgages) and by 14% y-o-y (strong loan growth in all segments)
  - Total customer deposits rose by 3% q-o-q (due mainly to strong corporate deposit growth) and by 9% y-o-y (due chiefly to strong SME and corporate deposit growth)

- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	11bn EUR	6bn EUR	8bn EUR
Growth q-o-q*	+3%	+3%	+3%
Growth y-o-y	+14%	+19%	+9%

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

NET RESULT
in m EUR



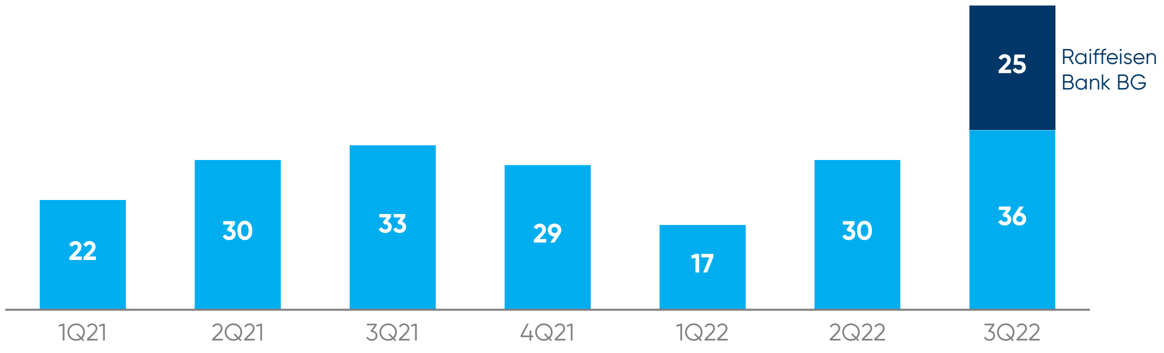
- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	6bn EUR	2bn EUR	9bn EUR
Growth q-o-q*	+11%	+0%	+1%
Growth y-o-y	+18%	+3%	+14%

- **Net result of 62m EUR in 3Q22**
- **Highlights (q-o-q)**
  - Higher net interest income excluding FX effect due chiefly to increasing interest rates and strong loan volume growth, partly offset by pressure on commercial loan margins
  - Higher net fee and commission income excluding FX effect driven by higher fees from credit files & bank guarantees, higher network income and higher mutual fund distribution fees
  - Higher net results from financial instruments at fair value
  - A very good combined ratio of 92% in 9M22 (87% in FY21)
  - Lower operating expenses due entirely to lower bank taxes. Costs excluding bank taxes and FX effect rose due to higher staff, ICT, facilities and marketing expenses, partly offset by lower professional fees
  - Higher net loan loss impairment charges, largely due to a 6m EUR additional impairment for geopolitical and emerging risks and 7m EUR charges for stage 3 classification related to opt-in moratoria extension. Credit cost ratio of 0.46% in 9M22 (-0.34% in FY21)
  - 24m EUR modification losses, largely related to the interest cap regulation in Hungary (interest cap was extended until mid-2023)
- **Volume trend**
  - Total customer loans rose by 11% q-o-q (due mainly to strong growth in corporate loans) and by 18% y-o-y (especially strong growth in corporate loans and consumer loans)
  - Total customer deposits rose by 1% q-o-q and by 14% y-o-y (the latter due to growth in all segments)

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

NET RESULT
in m EUR



- **Net result of 61m EUR in 3Q22, of which 25m EUR from the consolidation of the acquired Raiffeisenbank Bulgaria as of 3Q22**
- **Highlights (q-o-q)**
  - Next to the 33m EUR contribution from Raiffeisenbank Bulgaria, higher net interest income was driven mainly by increasing interest rates and strong loan volume growth in all segments, partly offset by pressure on commercial margins
  - Next to the 19m EUR contribution from Raiffeisenbank Bulgaria, slightly higher net fee and commission income
  - Higher net results from financial instruments at fair value
  - An excellent combined ratio of 80% in 9M22 (82% in FY21)
  - Lower non-life and life insurance sales volumes
  - Next to the 26m EUR contribution from Raiffeisenbank Bulgaria (of which roughly 5m EUR one-off integration costs), operating expenses excluding bank taxes roughly stabilised
  - Lower net loan loss impairment charges: only a 1m EUR additional impairment for geopolitical and emerging risks (versus 3m EUR in 2Q22) and 2m EUR net impairment charges mainly for retail. Credit cost ratio of 0.31% in 9M22 (-0.06% in FY21)

- **Organic volume trend**

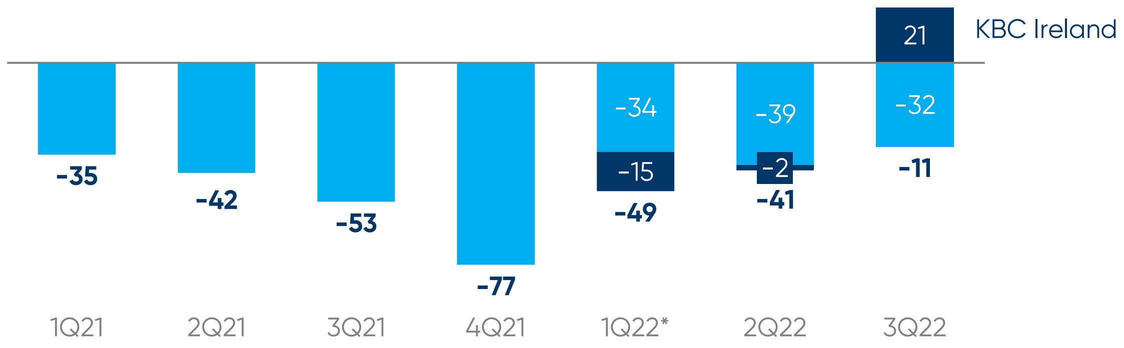
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	8bn EUR	2bn EUR	11bn EUR
Growth q-o-q*	+5%	+7%	-1%
Growth y-o-y	+22%	+19%	+7%

- **Volume trend**
  - Total customer loans rose by 5% q-o-q and by 22% y-o-y (due to growth in all segments)
  - Total customer deposits fell by 1% q-o-q (due entirely to lower corporate deposits) and rose by 7% y-o-y (due to growth in all segments)

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

Group Centre BU (1) | Highlights

NET RESULT
in m EUR



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

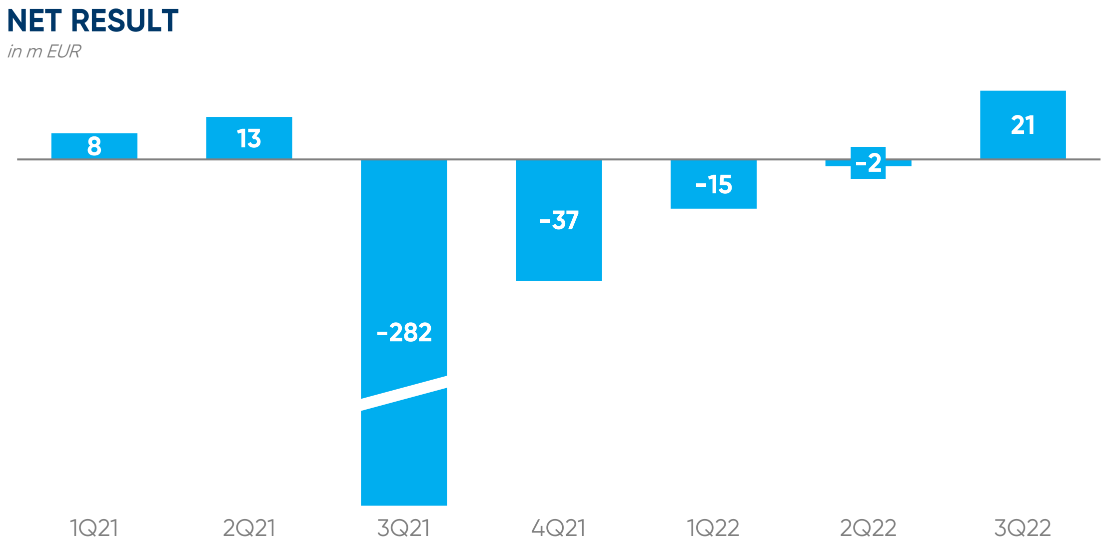
- **Net result of -11m EUR in 3Q22**, of which +21m EUR from Ireland
  - The net result for the Group Centre comprises the results from activities and/or decisions specifically made for group purposes (see table below for components) and, as of 1Q22, Ireland
- **Highlights (q-o-q)**
  - Excluding Ireland (see next slide), the q-o-q better result of Group Centre was attributable mainly to:
    - Higher net result from financial instruments at fair value
    - No net realised losses from debt instruments FV through OCI as in 2Q22
    - No net impairment charges

    partly offset by
    - Higher costs
    - Lower net other income

BREAKDOWN OF NET RESULT AT GROUP CENTRE BU
in m EUR

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Group item (ongoing business)	-34	-37	-50	-81	-34	-37	-33
Operating expenses of group activities	-16	-11	-17	-42	-21	-14	-22
Capital and treasury management	-4	-6	-3	0	4	-16	5
Holding of participations	1	0	1	29	-12	-10	-15
Group Re	18	5	-5	17	0	7	2
Other	-33	-25	-27	-85	-4	-5	-3
Ongoing results of divestments and companies in run-down	0	-5	-3	4	-15	-4	22
Total	**-35**	**-42**	**-53**	**-77**	**-49**	**-41**	**-11**

Group Centre BU (2) | Ireland



- **Net result of 21m EUR in 3Q22**
- **Highlights (q-o-q)**
  - Lower net interest income given decrease of lending income due to a loan & deposit volume reduction, margin pressure, almost no charging of negative interest rates on current accounts held by corporate entities and SMEs and almost no positive tiering effect anymore, partly offset by higher reinvestment yields thanks to increasing interest rates
  - No negative net results from financial instruments at fair value as in 2Q22
  - No negative net other income as in 2Q22
  - Higher expenses due entirely to -15m EUR one-off costs as a result of the sales transaction in Ireland (mainly increased severance and pension costs due to the delayed completion of the sale to Bank of Ireland)
  - No net loan loss impairment charges in 3Q22 (versus 13m EUR in 2Q22). Credit cost ratio of -0.02% in 9M22 (1.43% in FY21)
  - A positive one-off tax effect of 20m EUR as a result of finalisation of 2021 tax position and the sales transaction in Ireland

- **Organic volume trend**

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	9bn EUR	8bn EUR	3bn EUR
Growth q-o-q*	-5%	-5%	-25%
Growth y-o-y	-9%	-9%	-43%

- **Volume trend**
  - Total customer loans fell by 5% q-o-q and by 9% y-o-y as a result of increased redemptions in 3Q22
  - Total customer deposits decreased by 25% q-o-q and by 43% y-o-y, as customers ended the banking relationship (as a result of the withdrawal from Ireland)

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding the sold NPL portfolio, FX, consolidation adjustments and reclassifications
*** Customer deposits, excluding debt certificates and repos

✓ 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 and Bulgaria
- As a result of the 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

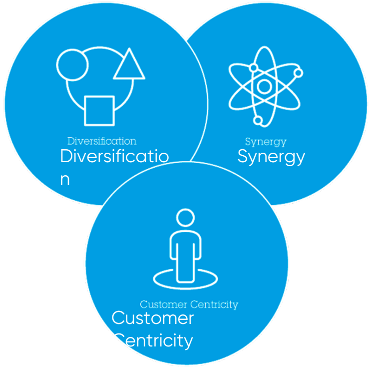
✓ **Diversified** and strong business performance

… geographically

- Mature markets (BE, CZ) versus developing markets (SK, HU, BG)
- Robust market position in all key markets & strong trends in loan and deposit growth

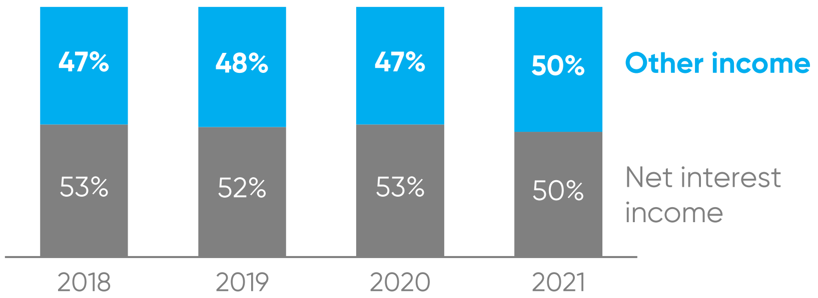
… and from a business point of view

- 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

in %



high profitability

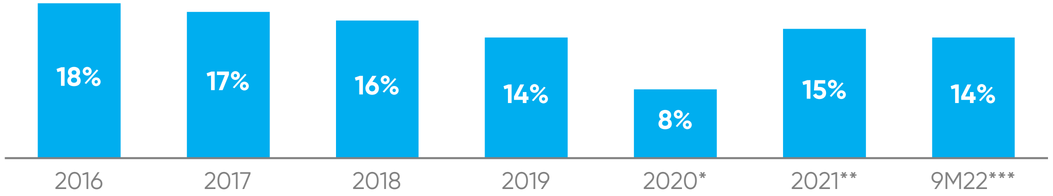
C/I ratio*
55% | FY21
54% | 9M22

Combined ratio
89% | FY21
86% | 9M22

Net result
2,614m | FY21
2,046m | 9M22

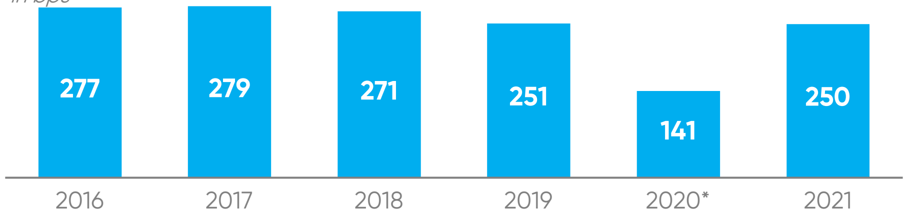
* Adjusted for specific items

RETURN ON EQUITY
in %



* 11% when adjusted for the collective covid impairments
** when excluding the one-off items due to the pending sales transactions in Ireland
*** when evenly spreading the bank tax throughout the year

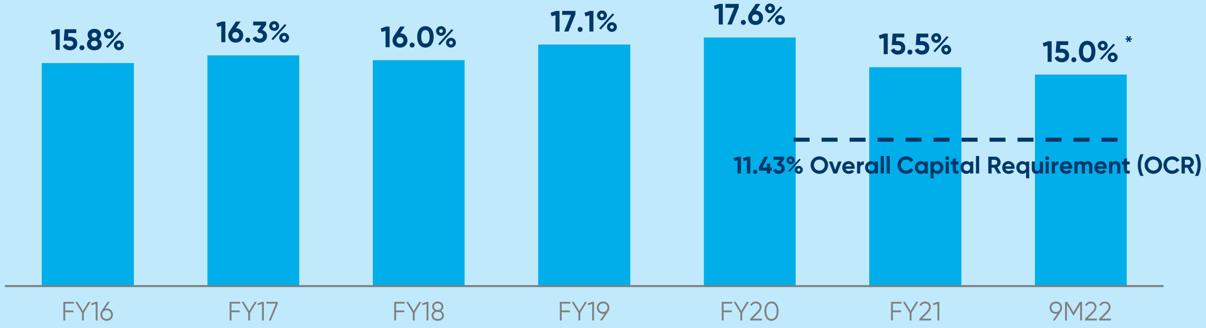
CET1 GENERATION BEFORE ANY DEPLOYMENT
in bps



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

solid capital position

CET1 RATIO (FULLY LOADED, DANISH COMPROMISE)
in %



* As of 1Q22, interim profit recognition (based on 50% profit accrual)

robust liquidity

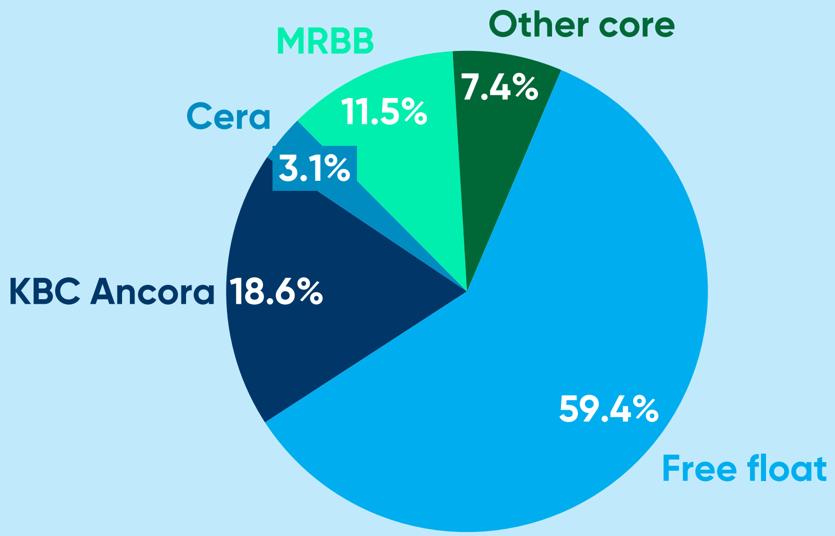
NSFR
148% | FY21
140% | 9M22

LCR
167% | FY21
155% | 9M22

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

Shareholder structure
(as at end 9M22)



- 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

BELGIUM BU

62% of assets
3.8m clients
428 branches

GDP GROWTH
in %, KBC Economics

2021	2022e	2023e
6.2%	2.3%	0.2%

debt to GDP ratio 108%

MARKET SHARE
in %, end 2021

loans and deposits	investment funds	life insurance	non-life insurance
19%	28%	13%	9%

118bn EUR loans
141bn EUR deposits

CZECH REPUBLIC BU

21% of assets
4.3m clients
202 branches

GDP GROWTH
in %, KBC Economics

2021	2022e	2023e
3.5%	2.1%	0.8%

debt to GDP ratio 42%

MARKET SHARE
in %, end 2021

loans and deposits	investment funds	life insurance	non-life insurance
20%	23%	8%	9%

35bn EUR loans
48bn EUR deposits

INTERNATIONAL MARKETS BU

	SK	HU	BG
of assets	4%	3%	4%
clients	0.8m	1.6m	1.7m
branches	115	197	157
EUR loans	11bn	6bn	8bn
EUR deposits	8bn	9bn	11bn

GDP GROWTH 2021-2022e-2023e
in %, KBC Economics

	2021	2022e	2023e
SK	3.0%	1.4%	0.6%
HU	7.1%	5.5%	0.0%
BG	3.9%	2.8%	1.6%

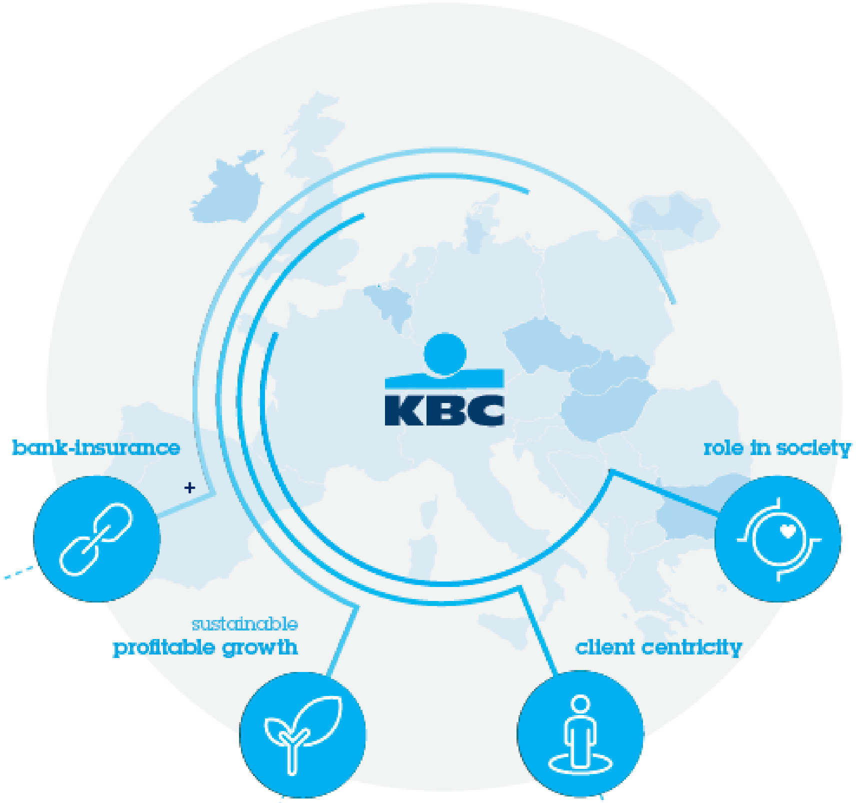
	SK	HU	BG
debt/GDP	63%	77%	25%

MARKET SHARE
in %, end 2021

	L&D	funds	life	non-life
SK	11%	7%	3%	5%
HU	11%	12%	3%	7%
BG*	19%	14%	22%	12%

* Pro forma incl. acquisition of Raiffeisenbank Bulgaria

Differently: THE NEXT LEVEL



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

pearl +

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 think client. We act digital

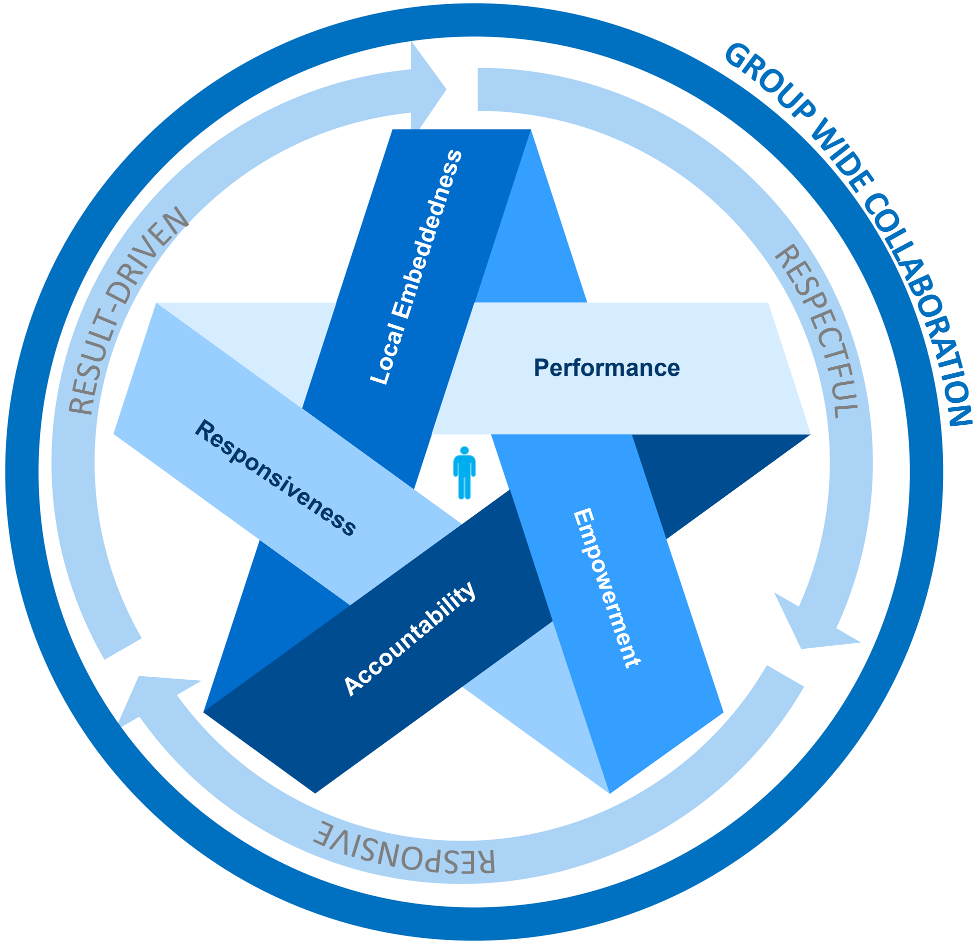
We design for a digital world
even when we are selling face to face
This digital way of working makes us even more
responsive and sets us apart from the competition
Our clients want simple, hassle-free solutions
So we simplify our processes and
procedures to facilitate that

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 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

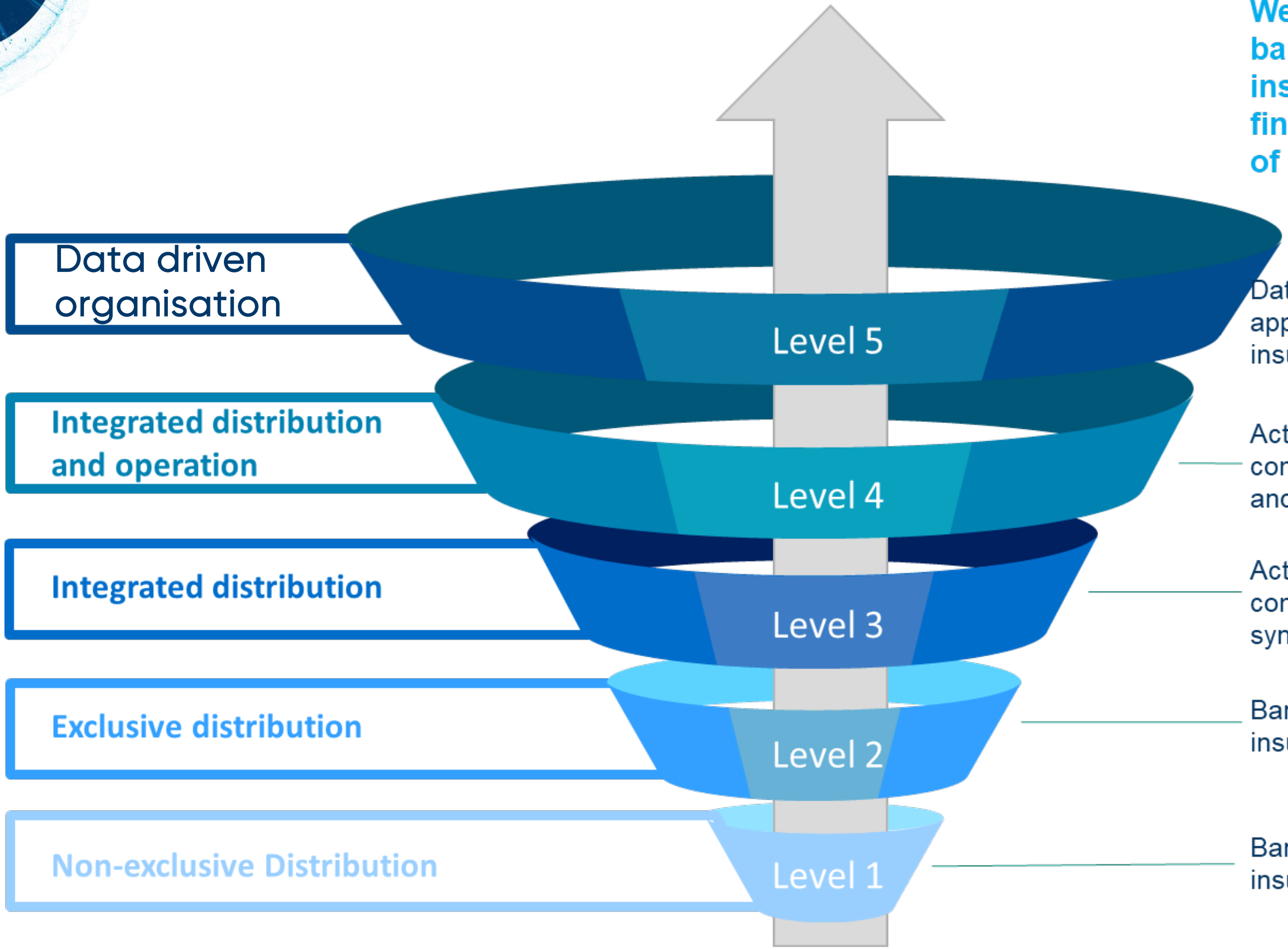


'Why would you build exactly the same thing in your country, when you have the solution next door?'

Johan Thijs

Strategy | 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.



Data driven organisation: Fully integrated digital first distribution approach based on a solution driven and AI enabled bank-insurance.

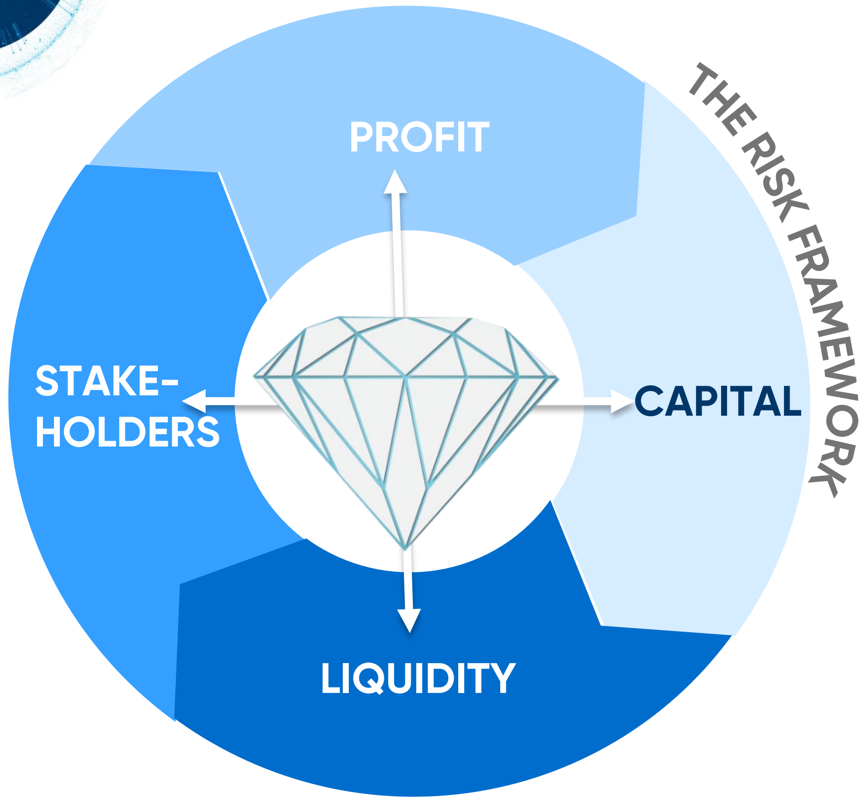
Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial and non-commercial synergies.

Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial synergies.

Bank branches sell insurance products from intra-group insurance companies as additional source of income.

Bank branches selling insurance products of third party insurers as additional source of income.

Strategy | 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

Kate

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 | Four flavors

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**).

Available in all KBC's core countries!

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 retail **USE CASES:** BE: 212, CZ: 136, BG: 37, HU: 16, SK: 30,

Kate AUTONOMY 54% BE 63% CZ

use cases for small SME's : 19 in BE & 30 in CZ

2 460 000 clients already in contact with Kate (BE+CZ+BG+HU)

'KATE IN A BOX' delivered to all core countries

High converstion rate: 97% of leads get picked up !

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 and BE
To be launched in HU, BG and SK (2023)

KATE | 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.

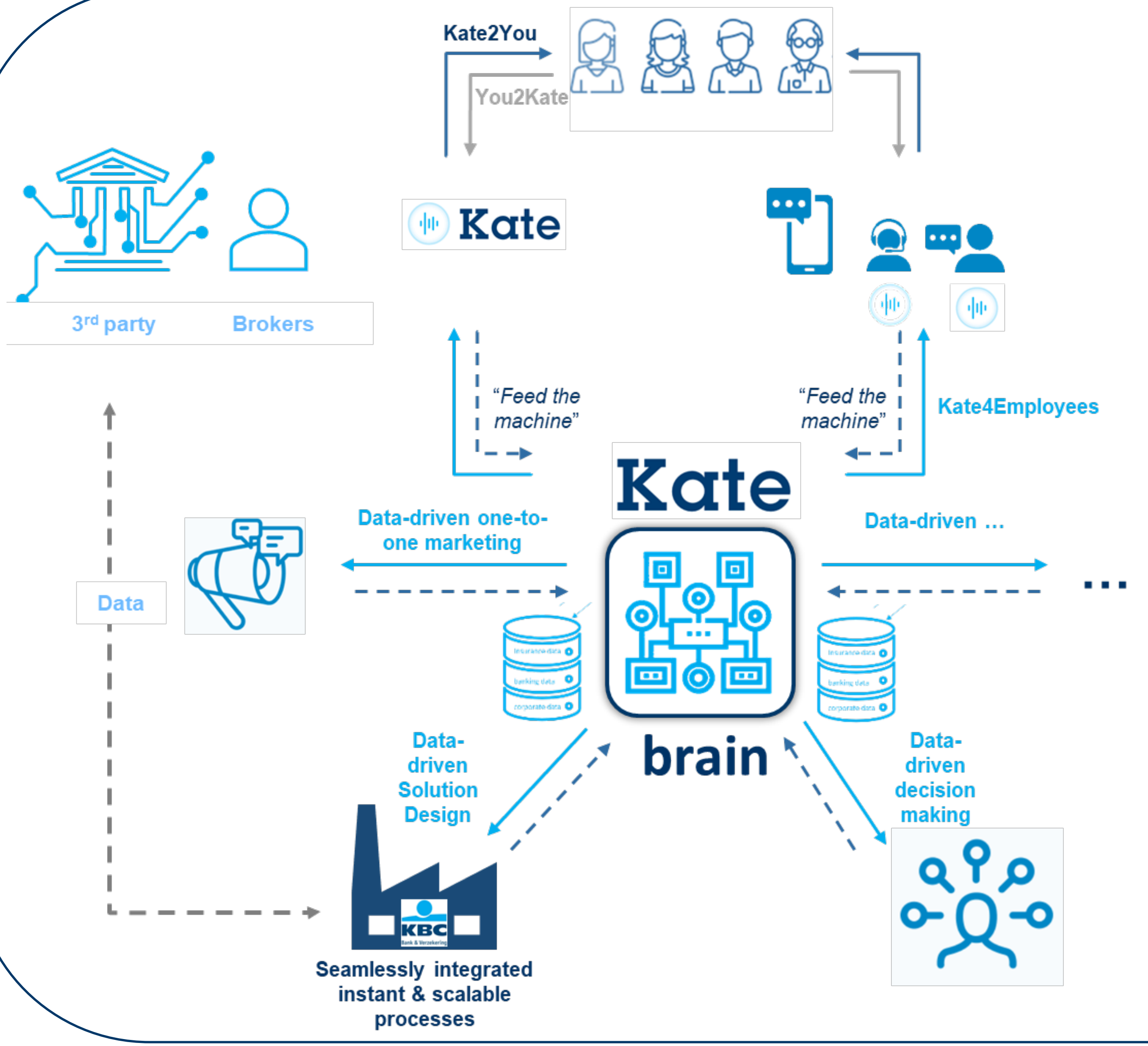
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by providing relevant insights.

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**.

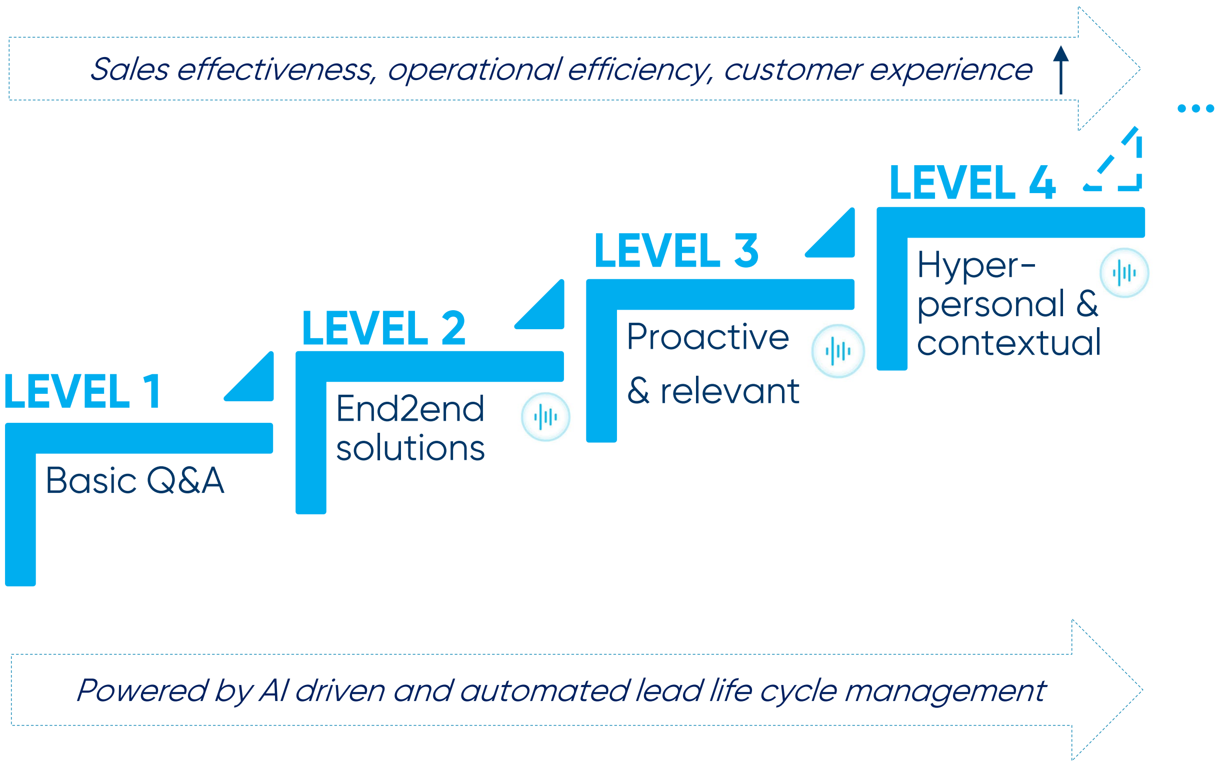
Very important in this are the **feedbacks loops** from all interactions to make **sure Kate is learning** and getting smarter, resulting in better decision making.

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).**



KATE | From basic chatbot to hyper-personal digital assistant



LEVEL 4: Kate offers hyper-personal solutions at the right time

LEVEL 3: Kate proactively offers actionable end-to-end solutions to unburden customers (to save time and money)

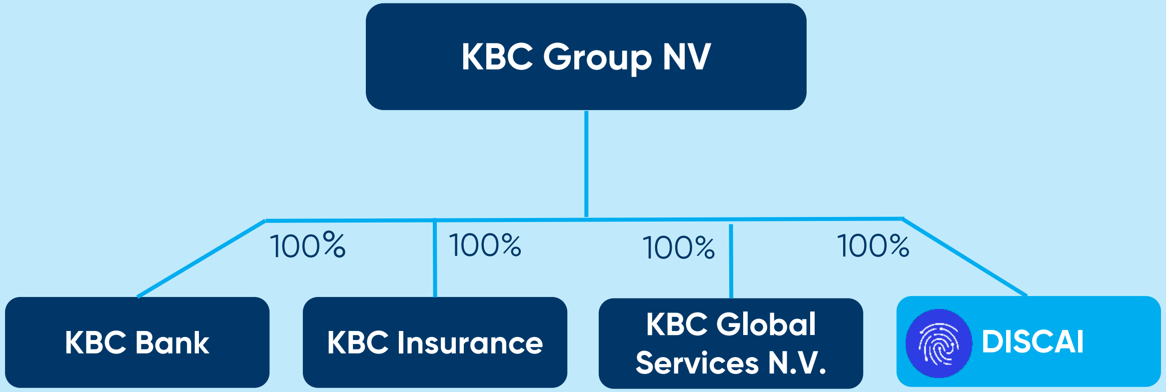
LEVEL 2: Kate reactively offers digital end-to-end solutions to customers

LEVEL 1: A chatbot answers basic questions from customers on day-to-day bankinsurance needs

DISCAI | KBC's AI fintech, launched on 7 March 2022

DISCAI - Discovering AI

- Fully owned KBC Group subsidiary, grouping the in-house developed **artificial intelligence** (AI) **solutions**
- Bank-Insurance as a Service
  - Offering **innovative solutions** to other companies
  - Leverage investments in **data**, AI, together with KBC's **financial expertise**
  - Fully in line with **KBC's strategy** to go beyond traditional bank-insurance offering and **income diversification**



next steps for DISCAI

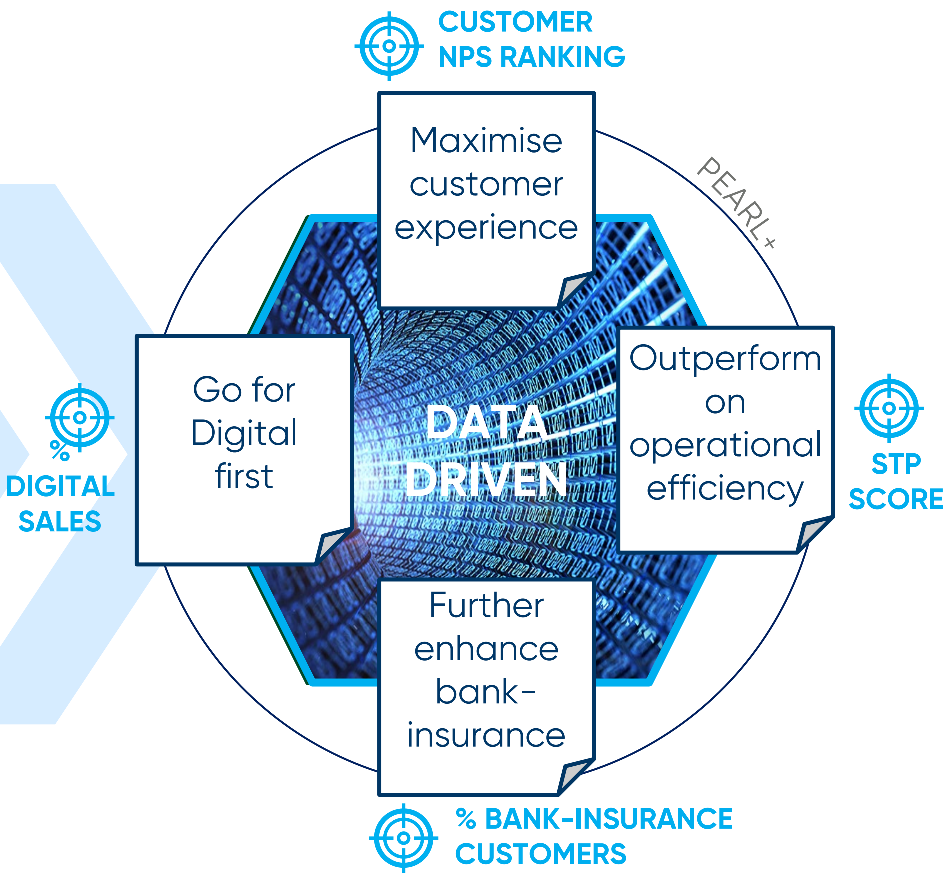
✓ **Starting with commercialisation of AML platform**

- Innovative and high-performance **AI-based solution** developed by KBC for **anti-money laundering** (AML), a global challenge for financial institutions
- Much **more effective** solution in detecting fraud cases ('know your transaction (**KYT**)' under AML regulations), trend-based instead of rule-based
- Adhering to **strict data privacy standards**
- Partnering with **KPMG** to attract interested B2B parties and support implementation in various countries
- Initial focus on parties **geographically close to KBC Group**

✓ **More potential innovative solutions in the future**

- In a next phase, **DISCAI** will assist companies and organisations from various sectors in search for **high-performance and innovative solutions** to technological and regulatory challenges

- 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



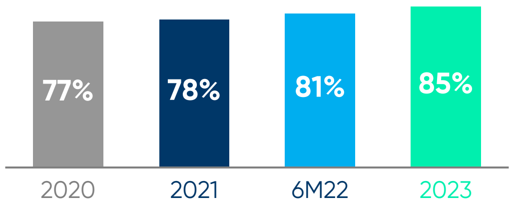
Customer NPS ranking

* Based on the latest available data.

- **KBC is 3rd in customer NPS (Net Promoter Score) ranking** based on weighted avg of ranking in six core countries
- **Target is to remain the reference** (i.e. Top-2 score on group level)

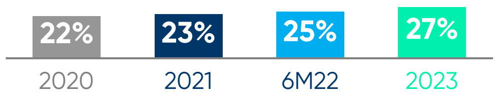
Bank-insurance (BI) clients

BI CLIENTS
in %



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

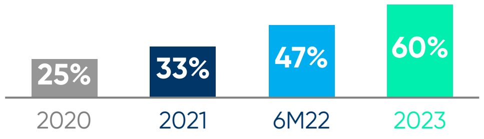
BI STABLE CLIENTS
in %



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

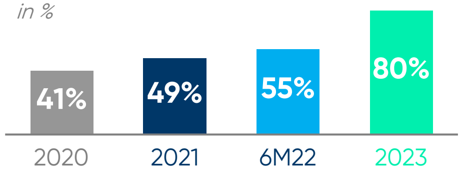
Straight-through processing (STP)

STP SCORE*
in %



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

STP POTENTIAL*
in %

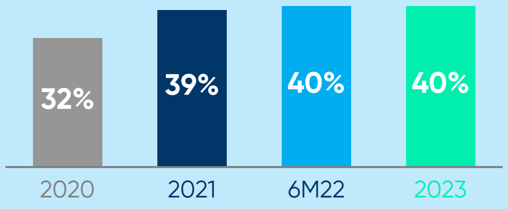


The **STP potential** measures what the STP ratio would be if KBC would only have the digital channel in its interaction with clients for a given process or product.

* Based on analysis of core commercial products.

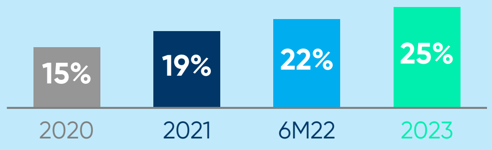
Digital sales

DIGITAL SALES BANKING PRODUCTS*
in %



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

DIGITAL SALES INSURANCE PRODUCTS
in %



Digital sales 22% of **insurance sales** (vs 2023 target of ≥25%)

* Based on weighted average of selected core products.

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

Agency	ESG rating of 27th of October 2022 (previous score)	Position versus industry average
CDP (Disclosure Insight Action)	D- … A: **A-** (A-)	Financial services average B
Sustainalytics	Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk: **12.8** (11.8)	3rd percentile of 411 diversified banks assessed; 8th of 411 diversified banks
S&P Dow Jones Indices (A Division of S&P Global)	0 … 100: **75** (74)	Top 12% (88th percentile* of 242 banks assessed)
MSCI	C, B, BB, BBB, A, AA, AAA: **AAA** (AAA)	5th percentile of 191 banks assessed
Corporate ESG Performance Prime (Rated by ISS ESG)	D-, D, D+, C-, C, C+, …: **C prime** (C prime)	1st decile rank of 300 Commercial Banks & Capital Markets assessed
FTSE4Good	0, 1, 2, 3, 4, 5: **4.3** (4.7)	Top 10% (90th percentile of banks assessed)

* Final percentile of 2022 ranking is not available, as not all banks are assessed yet by S&P Global

Some recent ESG realisations

ESG – Environmental

- Disclosure of **2030-2050 climate targets** for our lending portfolio and responsible investing funds in line with our CCCA ambitions
- We calculated the **GHG emissions for the entire KBC Group's loan and lease portfolio** for the first time based on the PCAF methodology
- We calculated the **climate-related impact of our own investments and asset management portfolio** through Trucost data and methodology
- Net climate-neutral regarding **our direct environmental footprint**

ESG – Social

- 31bn EUR in **Responsible Investing funds**
- Implementation of our social bond framework and **first Belgian financial institution to issue a 750m EUR social bond**
- 10.2m EUR of outstanding **loans to microfinance institutions and investments in microfinance funds**, reaching 1.7m rural entrepreneurs and farmers in the South
- Promoting **female entrepreneurship** targeting 50% of female founders in our start-up community
- Promoting **diversity and an inclusive culture** in the Bloomberg Gender-Equality Index
- First-time participation to the **Workforce disclosure initiative**

ESG – Governance

- Top level responsibility for sustainability and climate change – anchored in our **sustainability governance and remuneration**
- **Our people** as one of the main drivers in our sustainable transition
- Our climate business game was further enrolled into our organisation
- Completion of **responsible behaviour awareness training** by the vast majority of staff in all core countries

Our environmental footprint

Figure 5.1: Scope and source of KBC Group's total GHG emissions totalling 57.1 Mt CO_2e

The colours of the icons in the figure above are an indication of the data quality of the calculated GHG emissions from that particular source, ranging from dark green (highest data quality) to grey (lowest data quality). Readers are referred to the 'Sustainability facts and figures' section of this report for detailed information on the scope and sources of KBC Group's GHG emissions, the data quality, the calculation methodology and detailed GHG emissions figures and emission intensity data per sector.

DIRECT footprint scope:

Measure, reduce and set clear targets on our **direct footprint scope** already since 2015.

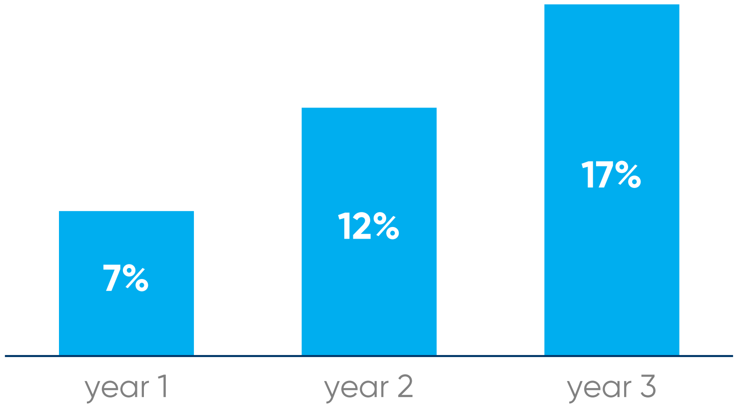
- At YE 2021, we achieved the target of **100% of renewable energy** (in % of own electricity consumption)
- We already **substantially** **reduced our own GHG emissions by -71% in 2021 vs -80% targeted by 2030** (reduction compared to 2015)
- In line with our commitment, we reached **net-climate neutrality by offsetting** our residual direct emissions

INDIRECT footprint scope:

- In 2021, for the first time, we have calculated the Scope 3 emissions from our loan and lease portfolio (the financed emissions)
- More details in our latest sustainability report (KBC.COM):

IMPACT OF AN IMMEDIATE +100BPS PARALLEL RATE SHOCK ACROSS ALL CURRENCIES ON NII AT KBC GROUP LEVEL

in% change on NII at KBC Group level as % of total guided FY22 NII



This impact assessment is based on:

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

Loan loss experience at KBC

CREDIT COST RATIO*

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

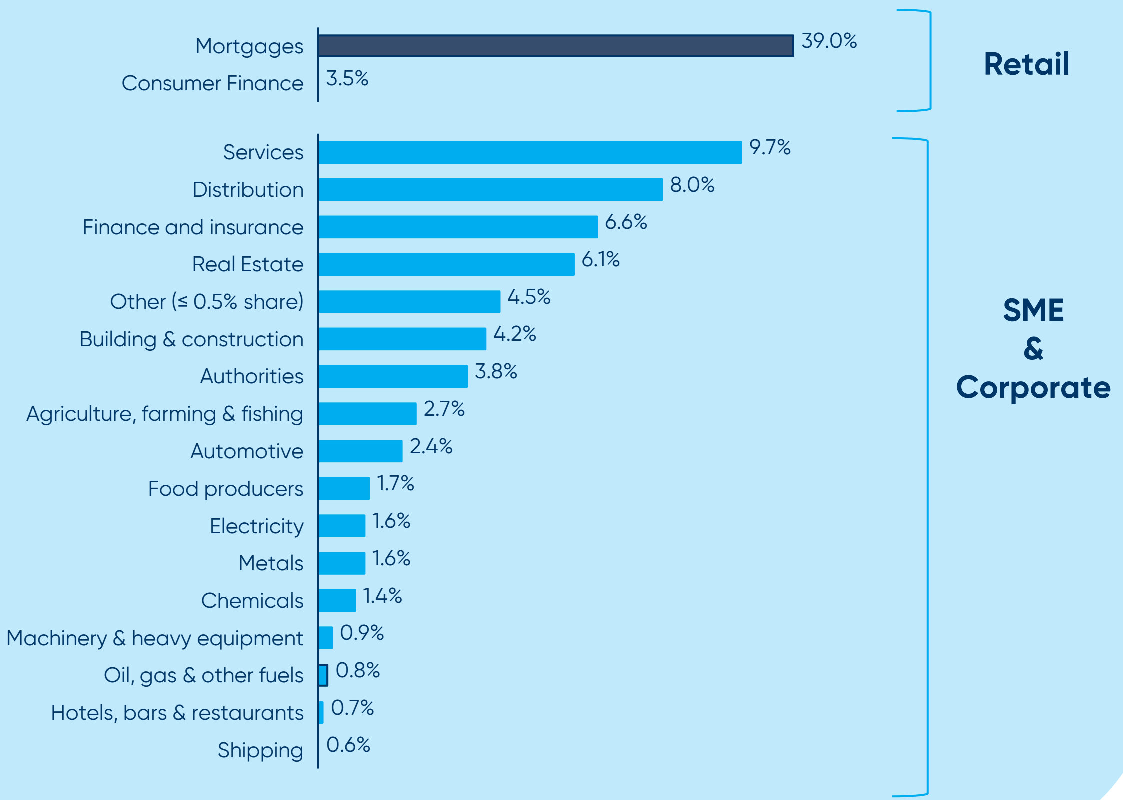
	9M22	FY21	FY20	FY19	FY18	FY17	AVERAGE '99 –'21
Belgium BU	**-0.01%**	-0.26%	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic BU	**0.08%**	-0.42%	0.67%	0.04%	0.03%	0.02%	n/a
International Markets BU*	**0.28%**	0.36%	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre BU*	**0.02%**	0.28%	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**0.05%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.40%**

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

Diversified loan portfolio

TOTAL LOAN PORTFOLIO OUTSTANDING – BY SECTOR

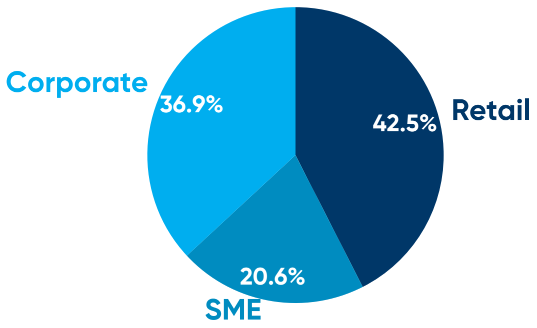
*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding
207bn EUR
Group level**

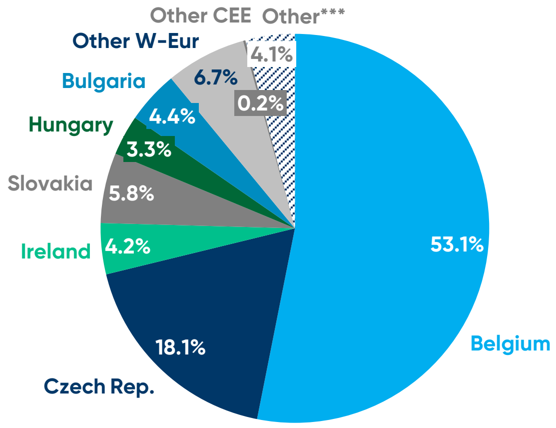
TOTAL LOAN PORTFOLIO OUTSTANDING – BY SEGMENT

*as % of total Group loan portfolio outstanding**



TOTAL LOAN PORTFOLIO OUTSTANDING – BY GEOGRAPY

*as % of total Group loan portfolio outstanding**



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

** Including loan portfolio of KBC Bank Ireland and Raiffeisenbank Bulgaria as of 3Q22 (+4.4bn EUR). The pro-forma total loan portfolio outstanding without KBC Bank Ireland amounts to 198bn EUR.

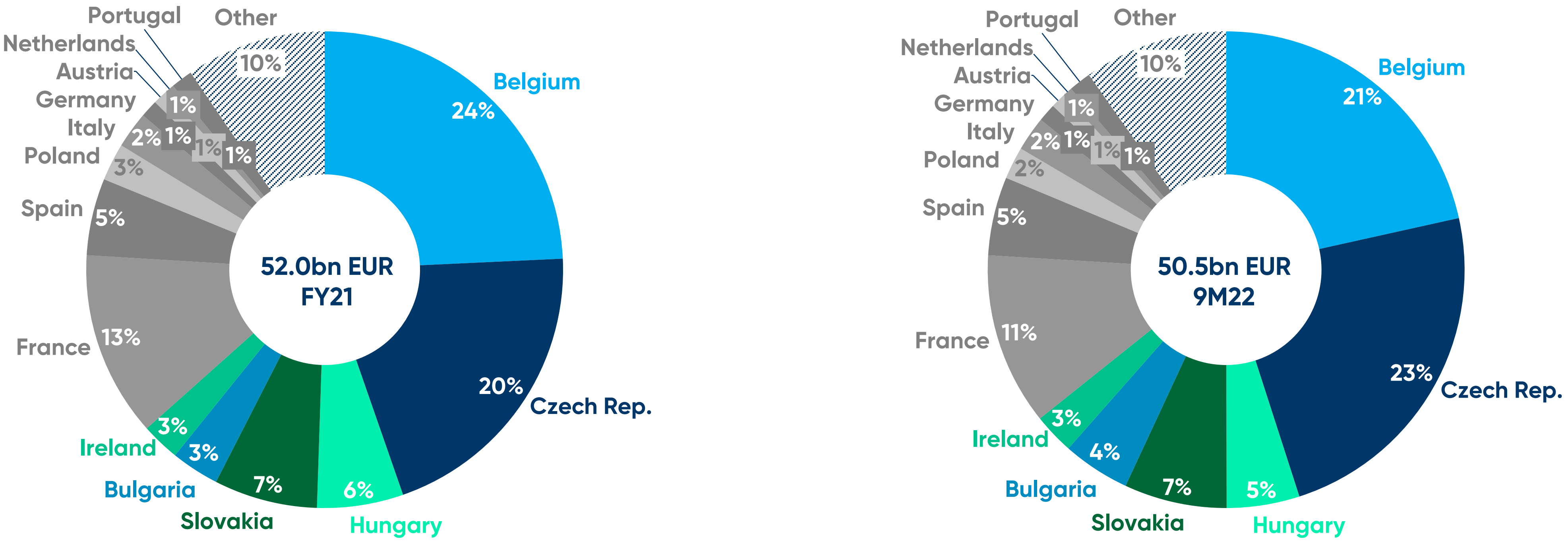
*** 'Other' includes 0.01% of the outstanding portfolio to Russia and Ukraine

substantial and well-diversified government bond portfolio

- **Carrying value of 50.5bn EUR in government bonds** (excl. trading book) at end of 9M22, 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 5.8bn EUR** at the end of 9M22

GOVERNMENT BOND PORTFOLIO – CARRYING VALUE* FY21/9M22

in %

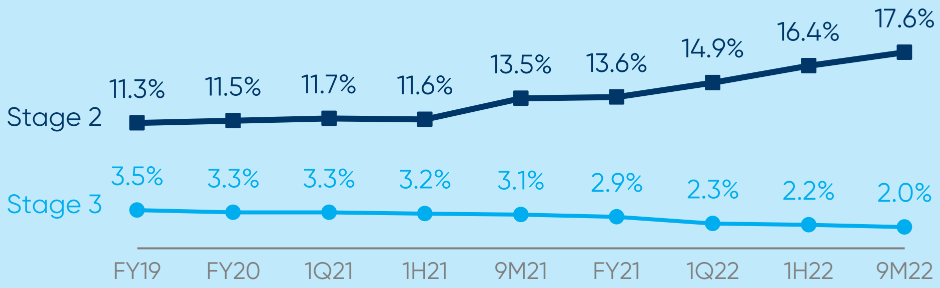


* Carrying value is the amount at which an asset (or liability) is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

Continue improvement of Stage 3

TOTAL LOAN PORTFOLIO OUTSTANDING – BY IFRS9 ECL STAGE*

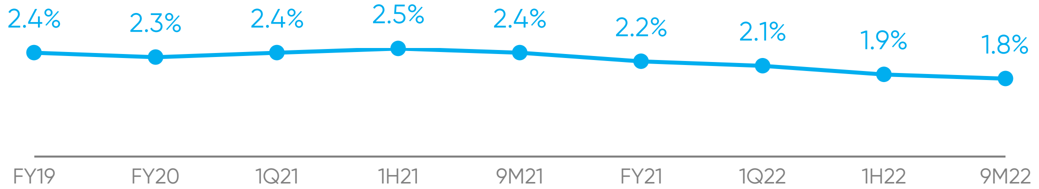
in %; as % of total Group loan portfolio outstanding



- Decrease of Stage 3 portfolio is mainly related to the sale of non-performing portfolio of Ireland
- As of 2H21, the increase of the Stage 2 portfolio resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios for the impact of Covid and the Czech interest rate increases.
- In 2022, an additional exposure was transferred to Stage 2 linked to the geopolitical and emerging risks, partly compensated in 2Q22 by the full release of the collective transfer of Covid
- Excluding these collective transfers, no general deterioration has been observed in our portfolio

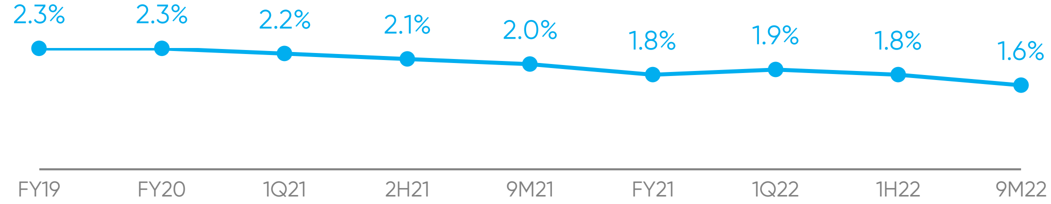
STAGE 3 RATIO | BELGIUM BU

in %



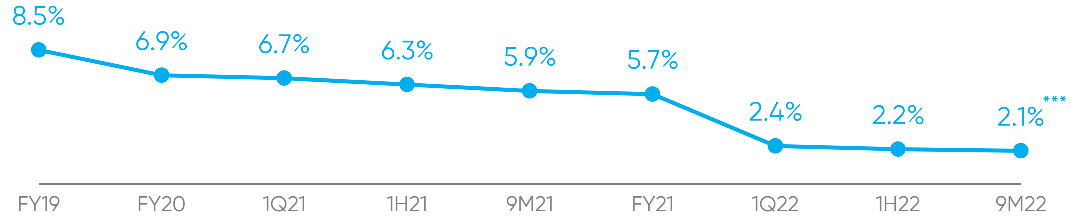
STAGE 3 RATIO | CZECH REPUBLIC BU

in %



STAGE 3 RATIO | INTERNATIONAL MARKETS BU**

in %

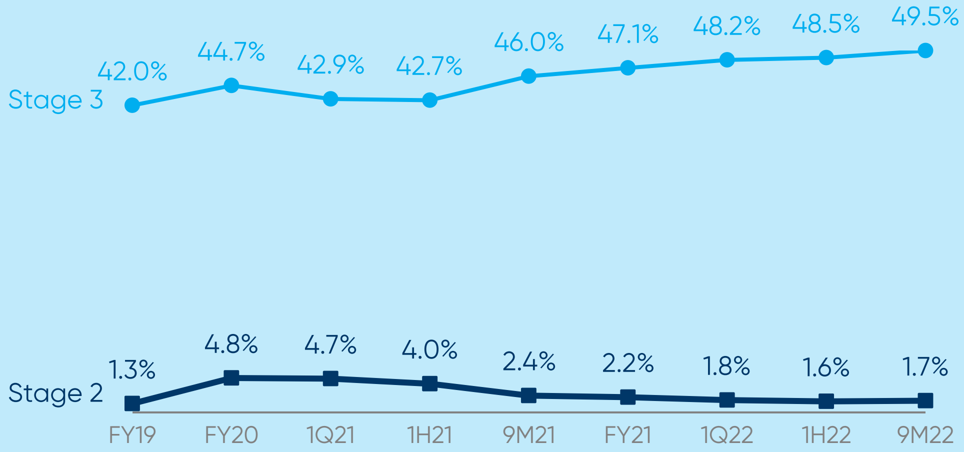


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements
** As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made
*** As of 3Q 2022 including Raiffeisenbank Bulgaria with a Stage 3 ratio of 2.7%

increasing cover ratio of Stage 3 portfolio

COVER RATIO – BY IFRS9 ECL STAGE*

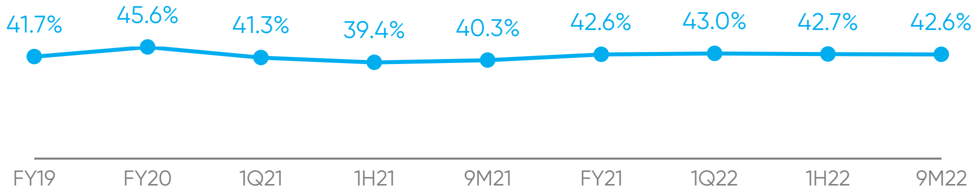
in %



- The increase of the Stage 3 cover ratio is driven mainly by the sale of non-performing mortgage loans of Ireland
- The q-o-q increase of the Stage 3 cover ratio is driven mainly by an increase of the coverage of BU following the acquisition of KBC Bank Bulgaria
- From 2H21, the decline of the Stage 2 cover ratio resulted mainly from collective shifts to Stage 2 (linked to the geopolitical and emerging risks, partly compensated in 2Q22 by the full release of the collective transfer of Covid)

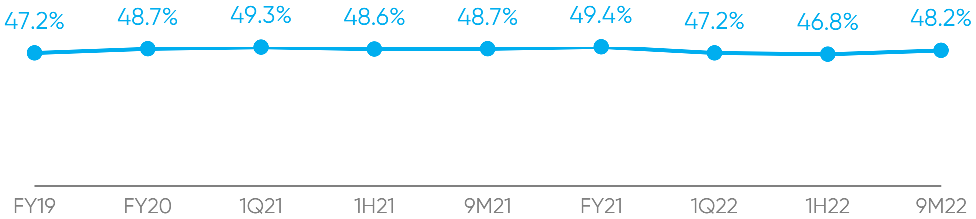
STAGE 3 COVER RATIO | BELGIUM BU

in %



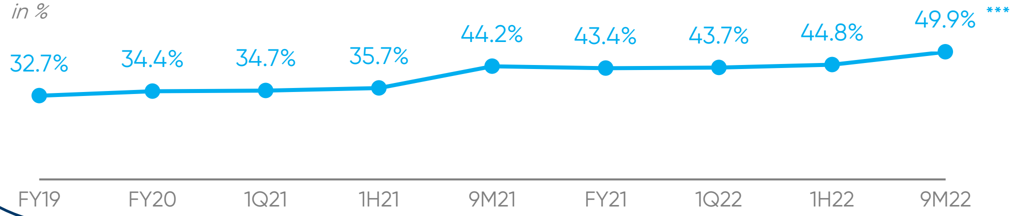
STAGE 3 COVER RATIO | CZECH REPUBLIC BU

in %



STAGE 3 COVER RATIO | INTERNATIONAL MARKETS BU**

in %



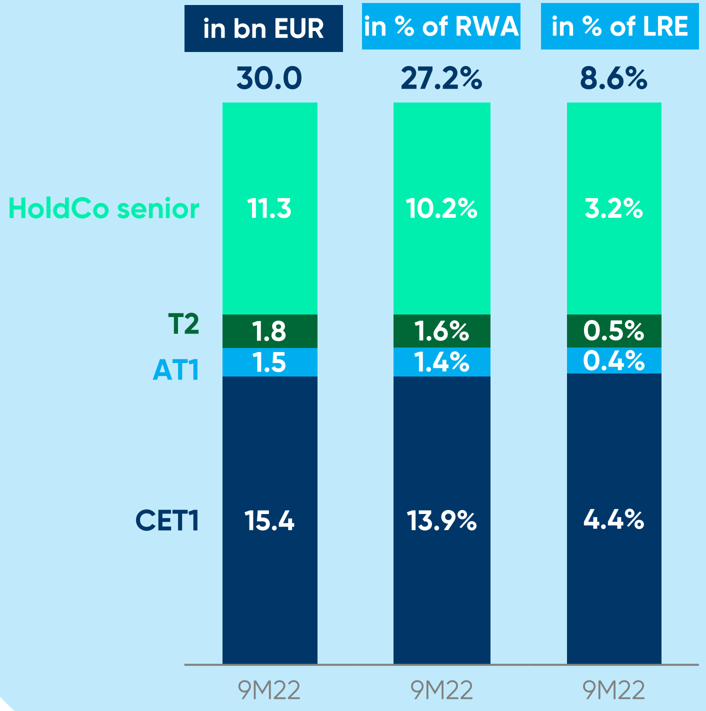
* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements
** As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made
*** As of 3Q 2022 including Raiffeisenbank Bulgaria with a coverage ratio of 63%

Above resolution requirements of 2022 in terms of MREL

MREL targets

- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- **In 2Q22, the SRB communicated to KBC updated final MREL targets** (under BRRD2) for 01-01-2024, expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **new binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - **27.46% of RWA** as from 01-01-2024 (including CBR* of 5.07% as from 4Q2023), with an intermediate target as from 01-01-2022, reaching 26.35% at YE2022 (including CBR* of 4.72%)
  - **7.41% of LRE** as from 01-01-2024, with an intermediate target of 7.34% of LRE as from 01-01-2022

MREL actuals



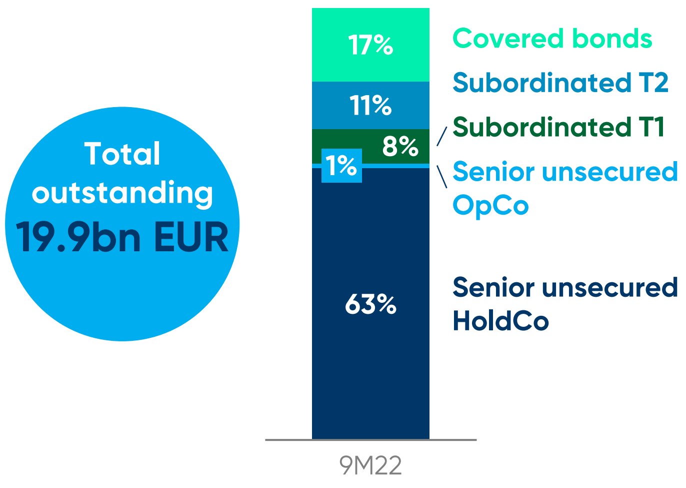
- The **MREL ratio in % of RWA** decreased from 27.6% in 2Q22 to 27.2% in 3Q22. This is due to the increase of the RWA in 3Q22, driven mainly by the acquisition of Raiffeisenbank Bulgaria. The negative impact of the RWA increase is partially offset by the issuance of new HoldCo Senior instruments
- The **MREL ratio in % of LRE** increased from 8.2% in 2Q22 to 8.6% in 3Q22, driven by the issuance of new HoldCo Senior instruments

- **C**ombined **B**uffer **R**equirement = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.40% for 2022 and 0.75% as from 4Q 2023) + Systemic Risk Buffer (0,32%)

upcoming mid-term funding maturities

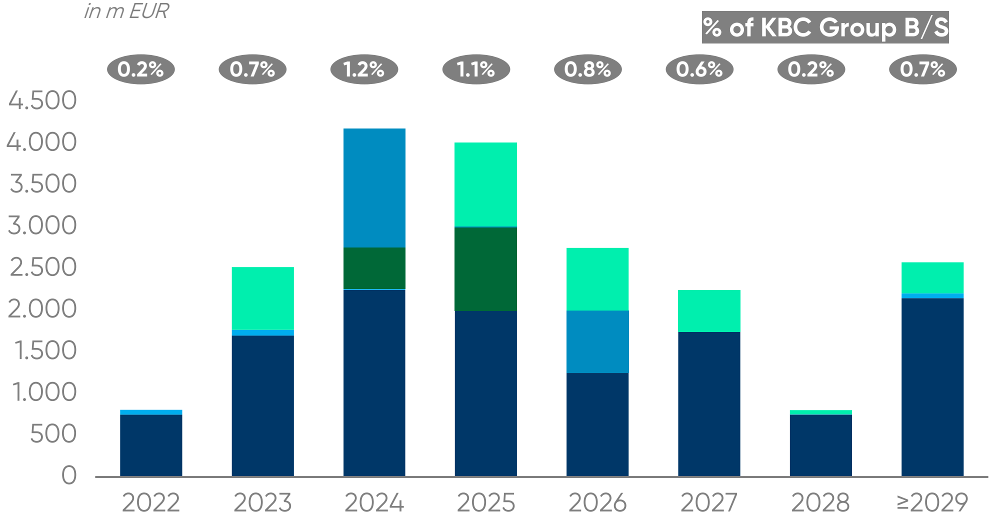
TOTAL OUTSTANDING

in %



FUNDING MATURITY BUCKETS

in m EUR



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

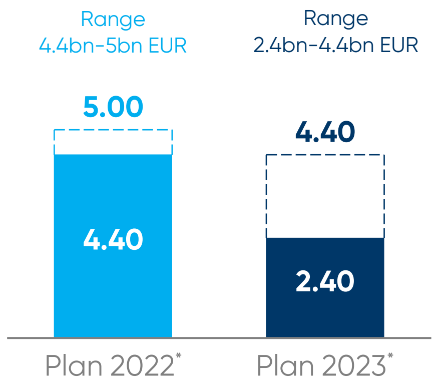
FUNDING PROGRAM 9M22

In 9M 2022, KBC issued in total 4.400m EUR, of which:

- In **August 2022**, KBC Group issued a senior social benchmark for an amount of 750m EUR with a 8-year maturity
- In **September 2022**, KBC Group issued 100m EUR 12Y via Private Placements
- Also in **September 2022**, 425m GBP senior holdco 6NC5 was issued

EXPECTED MREL FUNDING PROGRAM

in bn EUR



We aim to issue 1 green/social bond per year

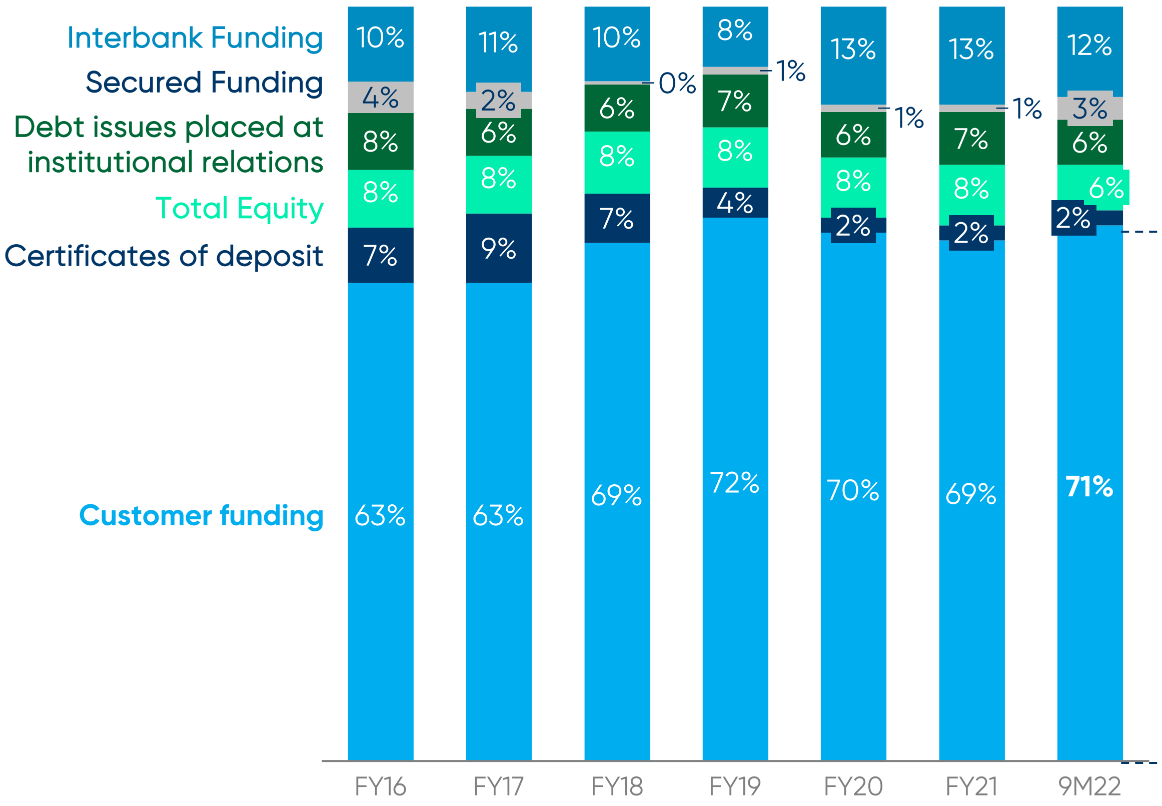
Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

* Expected funding plan modified due to a delay of transaction approval of the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book

strong and growing customer funding base

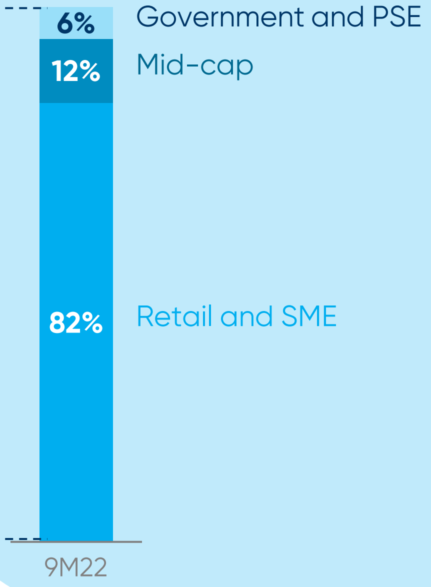
- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Stable % in customer funding** compared to balance sheet total (but net growth in customer funding in absolute terms)
- KBC **Bank participated to the TLTRO III** for a total exposure of 24.5bn EUR which is reflected in the 'Interbank Funding' item below

FUNDING BASE
in %

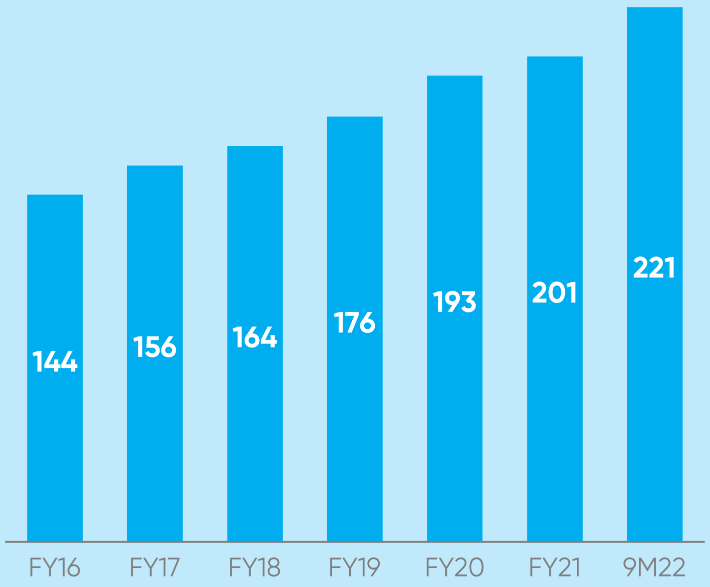


zoom on customer funding

CUSTOMER FUNDING
in %



CUSTOMER FUNDING
in bn EUR



Glossary

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 (i) MtM ALM derivatives (fully excluded), (ii) bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) and (iii) one-off items
Credit cost ratio (CCR)	[annualised net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula. 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
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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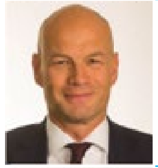
KBC Group CEO



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More information

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

Upcoming 2022 /2023 events

10 November	Equity roadshow, London
15 November	ESG Event, Paris
17 November	Credit Suisse Conference, Madrid
17 November	Equity roadshow, Paris or Brussels
22 November	Debt: Credit update, Frankfurt
29 November	Debt: Credit update, Luxemburg
30 November	Equity roadshow, New York
1 December	Equity roadshow, Boston
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9 February	FY2022 / 4Q2022 Publication of Results
10 February	Equity roadshow, London

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- KBC believes that this presentation is reliable, although some information is condensed and therefore incomplete. KBC cannot be held liable for any loss or damage resulting from the use of the information.
- This presentation contains non-IFRS information and forward-looking statements with respect to the strategy, earnings and capital trends of KBC, involving numerous assumptions and uncertainties. There is a risk that these statements may not be fulfilled and that future developments differ materially. Moreover, KBC does not undertake any obligation to update the presentation in line with new developments.
- By reading this presentation, each investor is deemed to represent that they possess sufficient expertise to understand the risks involved.