Disclaimer
This document should be read together with the press release of 17 February 2023 "KBC confirms that ČSOB (Czech Republic) was delivered an arbitral award in the arbitration proceedings against ICEC- Holding" , in order for the reader to have a complete view on the 2022 financial results of KBC Group.

KBC Group
Debt presentation
4Q 2022

more information: www.kbc.com

KBC Group - Investor Relations Office: IR4U@kbc.be

Well-defined core markets

BELGIUM BU

61% of assets
3.8m clients
420 branches

GDP GROWTH
in %, KBC Economics

2021	2022e	2023e
6.2%	3.1%	0.2%

debt to GDP ratio 106%

MARKET SHARE
in %, end 2022

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

117bn EUR loans
145bn EUR deposits

CZECH REPUBLIC BU

20% of assets
4.3m clients
201 branches

GDP GROWTH
in %, KBC Economics

2021	2022e	2023e
3.5%	2.5%	0.3%

debt to GDP ratio 44%

MARKET SHARE
in %, end 2022

loans and deposits	investment funds	life insurance	non-life insurance
21%	24%	7%	9%

35bn EUR loans
49bn EUR deposits

INTERNATIONAL MARKETS BU

	SK	HU	BG
of assets	4%	4%	3%
clients	0.8m	1.6m	2.4m
branches	110	195	266
loans	11bn EUR	6bn EUR	9bn EUR
deposits	8bn EUR	9bn EUR	12bn EUR

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

	2021	2022e	2023e	debt/GDP
SK	3.0%	1.5%	0.6%	62%
HU	7.1%	4.9%	0.3%	74%
BG	3.9%	3.5%	0.7%	23%

MARKET SHARE
in %, end 2022

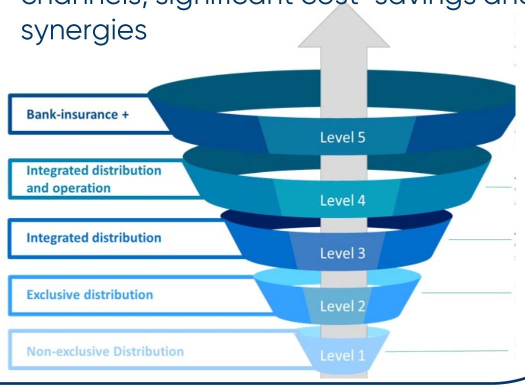
	L&D	funds	life	non-life
SK	12%	7%	2%	5%
HU	11%	11%	3%	7%
BG*	19%	14%	26%	12%

* Pro forma incl. acquisition of Raiffeisenbank Bulgaria

What differentiates us from peers

Unique integrated bank-insurance+ model

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



Successful digital-first approach through KATE

- Our **Digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development
- **Artificial intelligence** and data analysis will play an important part in digital sales and advice. **Kate, our personal digital assistant**, will feature prominently in this regard

The **independent international consulting firm Sia Partners named KBC Mobile one of the top performing mobile banking app worldwide (N°1 in 2021 and N°3 in 2022)**: a clear recognition of a decade of innovation, development and listening closely to our clients

KATE users
2.9m
KATE active users
1.9m

KATE autonomy
56% | 51%
BE | CZ

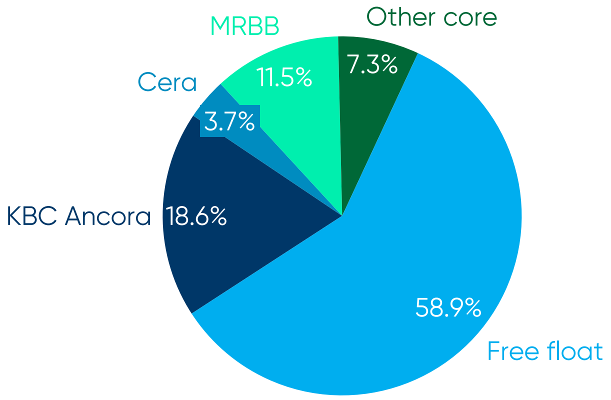
Firmly embedded sustainability strategy

- 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 social impact we might have**

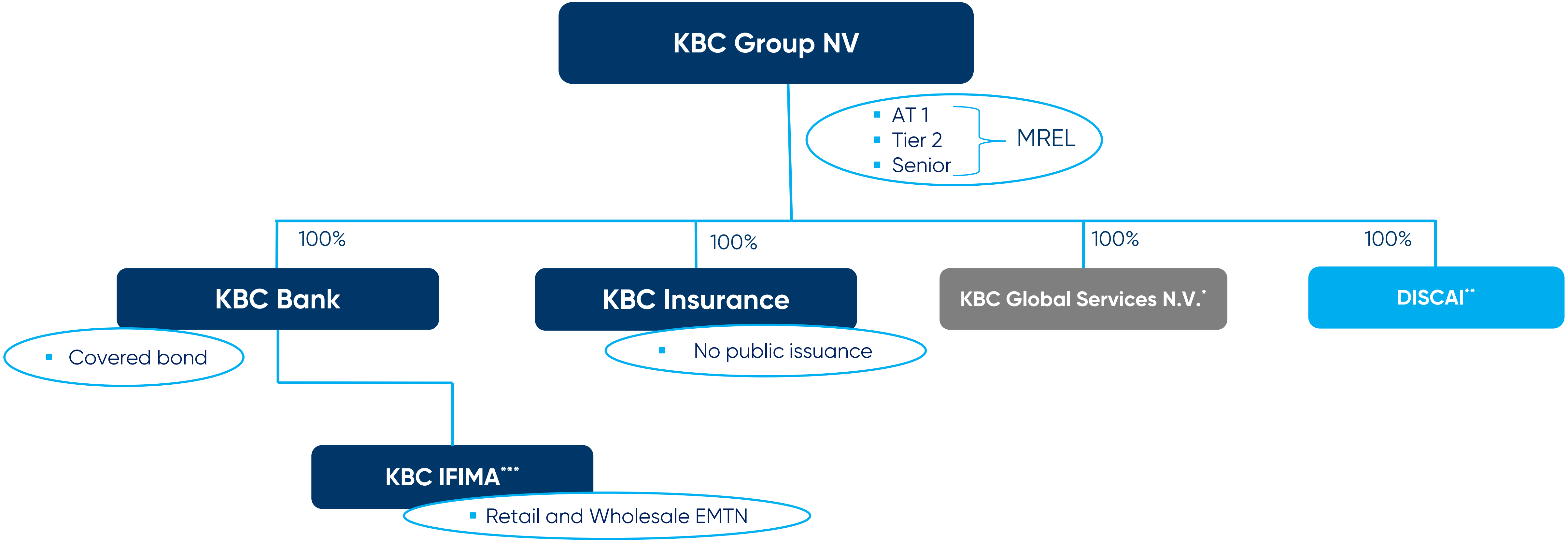
see **new climate targets** on Slide 11

Core shareholder structure

- A special feature of our shareholder structure is **the core shareholder syndicate** consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held **roughly 40%** of our shares
- These shareholders act in concert, thereby ensuring shareholder stability in our group



KBC Group's legal structure and issuer of debt instruments



- To ensure that KBC's HoldCo senior debt is eligible for the subordinated MREL target (i.e., to make sure that no excluded liabilities ranking pari passu or junior with HoldCo senior debt are present in KBC Group NV), the KBC Group ExCo decided on to make KBC Group NV a Clean HoldCo for the purpose of resolution. All the activities of KBC Group NV have been transferred (as at 1/6/2022) to a new subsidiary of KBC Group NV (with exception of the group controlling functions), the financial holding activities and issuing own funds and MREL instruments that remain at KBC Group NV

** DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties (as of 7 March 2022)

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

Latest credit ratings

		Moody's	S&P	Fitch
Group	**Senior Unsecured**	**Baa1**	**A-**	**A**
	Tier II	Baa2	BBB	BBB+
	Additional Tier I	Ba1	BB+	BBB-
	Short-term	P-2	A-2	F1
	Outlook	Positive	Stable	Stable
Bank	Covered bonds	Aaa	-	AAA
	Senior Unsecured	**A2**	**A+**	**A+**
	Tier II	-	BBB	-
	Short-term	P-1	A-1	F1
	Outlook	Positive	Stable	Stable
Insurance	Financial Strength Rating	-	A	-
	Issuer Credit Rating	-	A	-
	Outlook	-	Stable	-

Latest updates:

- **28 July 2022**: **Moody's changed the outlook to positive** and reflected the expectation that KBC's strong earnings generated in recent years will continue to be supported by strong revenue growth, thanks to (i) continued volume growth, (ii) gradual positive effects from rising interest rates on assets and liabilities, despite headwinds from the macro-economic environment. This, combined with Moody's expectation of a moderate cost of risk, should more than offset inflationary pressures on costs
- **12 October 2021**: **Fitch revised the outlooks on KBC Group and KBC Bank to stable**. The revision of the outlook reflects Fitch's updated economic assumptions for the group's main operating countries. This means back to the situation pre Covid.
- **13 July 2021**: **Moody's** has left KBC Group's senior debt rating unchanged but has **downgraded KBC Bank's senior debt rating by one notch to A2 from A1**. The outlook remains stable. The downgrade is driven by Moody's new rating methodology related to Loss Given Failure (LGF). However, Moody's view of KBC's fundamental creditworthiness remains the same. **The long-term deposit rating of KBC Bank N.V. has been downgraded to A1 from Aa3**. The rating agency also **downgraded the backed senior unsecured debt and Medium-Term Notes (MTN) programme ratings of KBC IFIMA S.A. to A2 from A1, and to (P)A2 from (P)A1, respectively**
- **23 June 2021**: **S&P revised the outlook to stable from negative for KBC Group, KBC Insurance and KBC Group RE** given the improvement of the economic risk trend in Belgium. This means back to the situation pre Covid

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

Agency	Rating scale	ESG rating of 28th of December 2022 (previous score)	Position versus industry average
CDP (Disclosure Insight Action)	D- … A	**A** (A-)	• Leader in addressing climate change • CDP's A-list • Financial average service B-
Sustainalytics	Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk	**12.5** (12.8)	• 3rd percentile of 405 diversified banks assessed • 10th of 405 diversified banks
S&P Dow Jones Indices (A Division of S&P Global)	0 … 100	**75** (74)	• Top 15% (85th percentile* of 242 banks assessed) * Final percentile of 2022 ranking is not available, as not all banks have been assessed yet by S&P Global
MSCI	C, B, BB, BBB, A, AA, AAA	**AAA** (AAA)	• 5th percentile of 197 banks assessed
ISS ESG (Corporate ESG Performance, Prime)	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)

high profitability

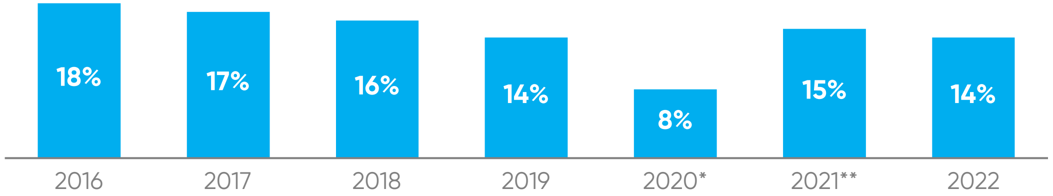
C/I ratio*
54% | FY22
55% | FY21

Combined ratio
89% | FY22
89% | FY21

Net result
2,864m | FY22
2,614m | FY21

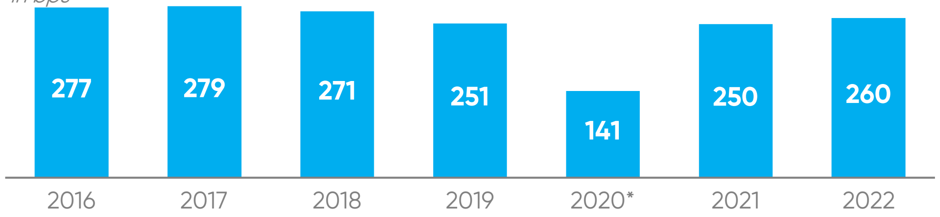
* Adjusted for specific items

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

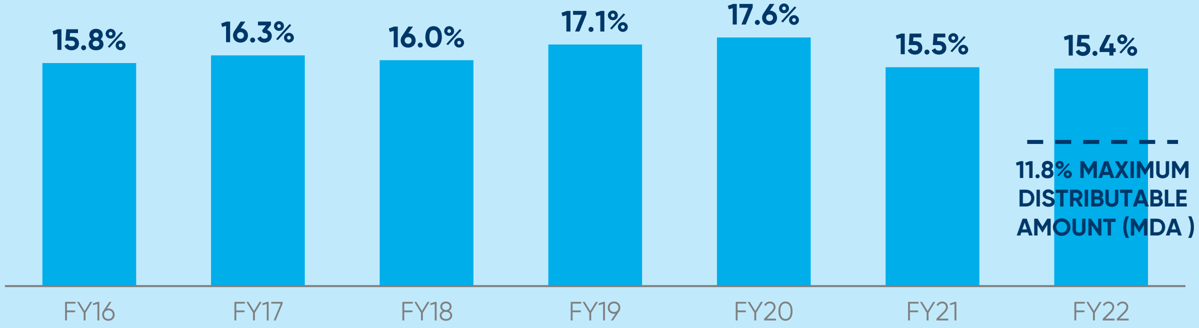
CET1 GENERATION BEFORE ANY DEPLOYMENT
in bps



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

solid capital position

CET1 RATIO (FULLY LOADED, DANISH COMPROMISE)
in %



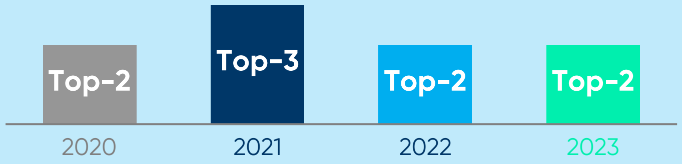
robust liquidity

NSFR
136% | FY22
148% | FY21

LCR
152% | FY22
167% | FY21

Our non-financial targets

Customer NPS ranking

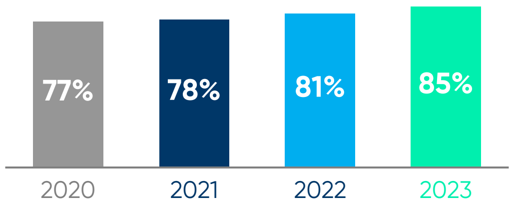


- **KBC is 2nd in customer NPS (Net Promoter Score) ranking** based on weighted avg of ranking in five core countries
- **Target is to remain the reference** (i.e. Top-2 score on group level)

Bank-insurance (BI) clients

BI CLIENTS

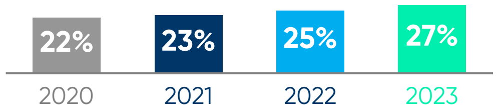
in %



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

BI STABLE CLIENTS

in %

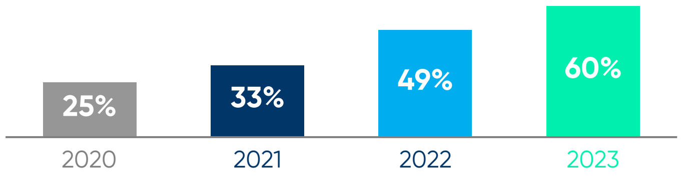


Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Straight-through processing (STP)

STP SCORE*

in %



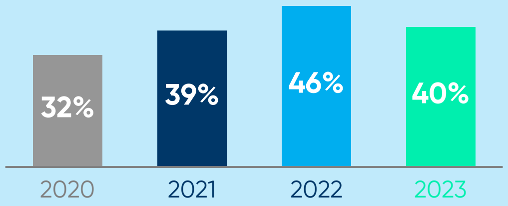
The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of core commercial products.

Digital sales

DIGITAL SALES BANKING PRODUCTS*

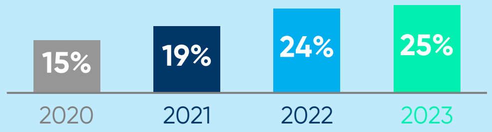
in %



Digital sales 46% of **banking sales** (vs 2023 target of ≥40%).

DIGITAL SALES INSURANCE PRODUCTS

in %



Digital sales 24% of **insurance sales** (vs 2023 target of ≥25%)

* Based on weighted average of selected core products.

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**
- All KBC banking activities have committed to the **Science Based Targets initiative (SBTi)**
- We calculated the climate-related impact of our **own investments and asset management portfolio** through **Trucost data and methodology**
- KBC received the **Terra Carta Seal** in recognition of its commitment to creating a sustainable future.
- **Net climate-neutral** regarding our direct environmental footprint

ESG Social

- 32bn EUR in **Responsible Investing funds**
- Implementation of our social bond framework and **first Belgian financial institution to issue a 750m EUR social bond**
- 9.7m EUR of outstanding **loans to microfinance institutions and investments in microfinance funds**, reaching 1.4m 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. Inclusion in** the Bloomberg Gender-Equality Index.
- First-time participation to the **Workforce disclosure initiative** and signatory of the **Women's Empowerment Principles**

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.
- KBC, CBC and K&H have been awarded **Top Employer certification** by the Top Employer's Institute
- Completion of **responsible behaviour awareness training** by the vast majority of staff in all core countries
- **Strengthening of our sustainability governance**. The country general manager sustainability has functional reporting requirements to the Senior General Manager Sustainability at KBC Group

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.

Indirect footprint scope: 57.1 Mt CO_2e in absolute terms corresponding to 312 tonnes CO_2e per million euro outstanding

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 2021 Sustainability Report (KBC.COM)

* The publication of the sustainability report 2022 will be on 3rd of April 2023

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)

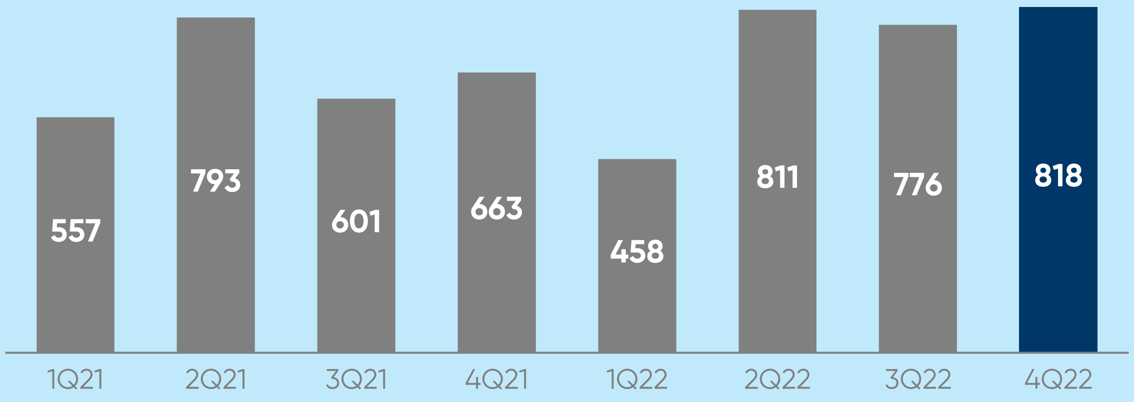
Responsible investment funds[3] 65% of total annual fund production by 2030; 55% of total assets under distribution by 2030

- 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**
- In 2022, we measured our **performance** in the covered sectors, and we will publicly disclose all details in our 2022 Sustainability Report.

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 in responsible funds by 2030 (versus the end of 2019)

Excellent 4Q22 net result of 818m EUR

NET RESULT
in m EUR



YTD ratios

- Return on Equity **14%**
- Cost-income ratio excluding bank taxes **48%**
- Combined ratio **89%**
- Credit cost ratio **0.08%**
- CET1 ratio **15.4%** (B3, DC, fully loaded)
- Leverage ratio **5.3%** (fully loaded)
- NSFR **136%** & LCR **152%**

Highlights

- **Commercial bank-insurance franchises** in core markets performed excellently
- **Customer loans** and **customer deposits** increased y-o-y in all our core countries (on a comparable basis)
- All KBC banking activities will **subject its existing climate targets to SBTi**
- Higher **net interest income** q-o-q
- Lower **net fee and commission income** q-o-q
- Q-o-q increase of **net result from financial instruments at fair value** and **net other income**
- Strong sales of **non-life insurance** y-o-y and strong sales of **life insurance** (both q-o-q and y-o-y)
- **Costs excl. bank taxes** increased q-o-q
- Higher net **impairment charges**
- Solid **solvency** and **liquidity**
- **Updated financial guidance** (see slides 38-40)

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

Capital deployment

For FY22:

- A total gross dividend of 4.0 EUR per share will be proposed to the AGM for the accounting year 2022 (of which an interim dividend of 1.0 EUR per share already paid in November 2022 and the remaining 3.0 EUR per share to be paid in May 2023)
- Including the proposed total dividend and AT1 coupon, the pay-out ratio would then amount to approximately 60%
- In line with our announced capital deployment plan for FY22, we envisage to distribute the surplus capital above the fully loaded CET1 ratio of 15% (approximately 0.4bn EUR), in the form of share buy-back (subject to ECB approval) and/or an extraordinary interim dividend. The final decision by the Board of Directors will be taken in 1H23
- Including the proposed total dividend, AT1 coupon and the surplus capital above the fully loaded CET1 ratio of 15%, the pay-out ratio would then amount to approximately 75%

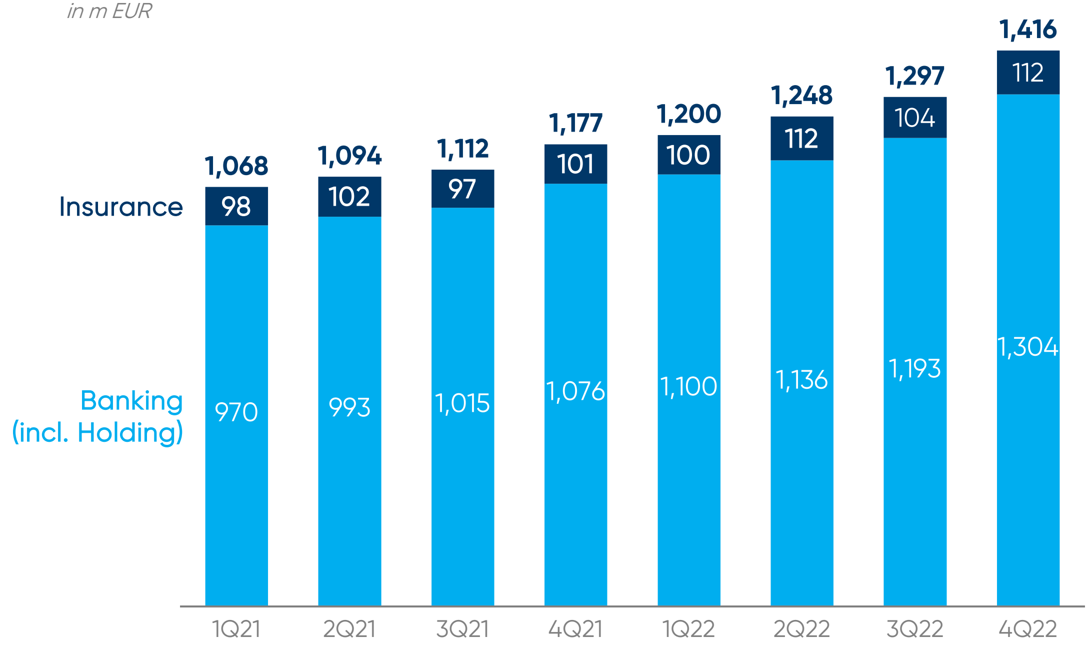
In 1Q23: capital relief from the closing of the sale of substantially all of KBC Bank Ireland's performing loan asset and liabilities

- The closing of the sale of substantially all of KBC Bank Ireland's performing loan assets and liabilities to Bank of Ireland Group will lead to a capital relief of approximately 1bn EUR
- We envisage to distribute this 1bn EUR, in the form of share buy-back (subject to ECB approval) and/or an extraordinary interim dividend. The final decision by the Board of Directors will be taken in 1H23

Higher net interest income

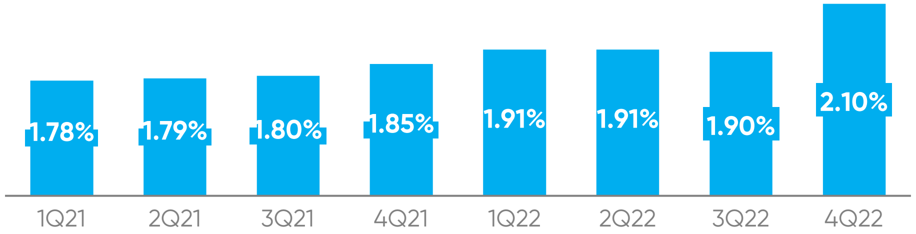
NET INTEREST INCOME

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 416m EUR)**
  - NII increased by 9% q-o-q and by 20% y-o-y, the latter due partly to the consolidation of Raiffeisenbank Bulgaria as of 3Q22 (+37m EUR NII in 4Q22)
  - On a comparable basis, NII increased by 9% q-o-q and by 17% y-o-y, driven primarily by:
    - Increasing reinvestment yield in all core countries (except q-o-q in the Czech Republic)
    - Organic loan (y-o-y) and deposit (both q-o-q and y-o-y) volume growth
    - Increased income related to funding (increased term deposits at better margins)
    - Higher NII on insurance bond portfolio (due mainly to inflation-linked bonds)

    partly offset by:
    - The negative effect of lower loan margins in most markets
    - Lower netted positive impact of ALM FX swaps

- **Net interest margin (2.10%)**
  - Rose by 20 bps q-o-q and by 25 bps y-o-y for the reasons mentioned above and despite an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

- **Organic volume trend**

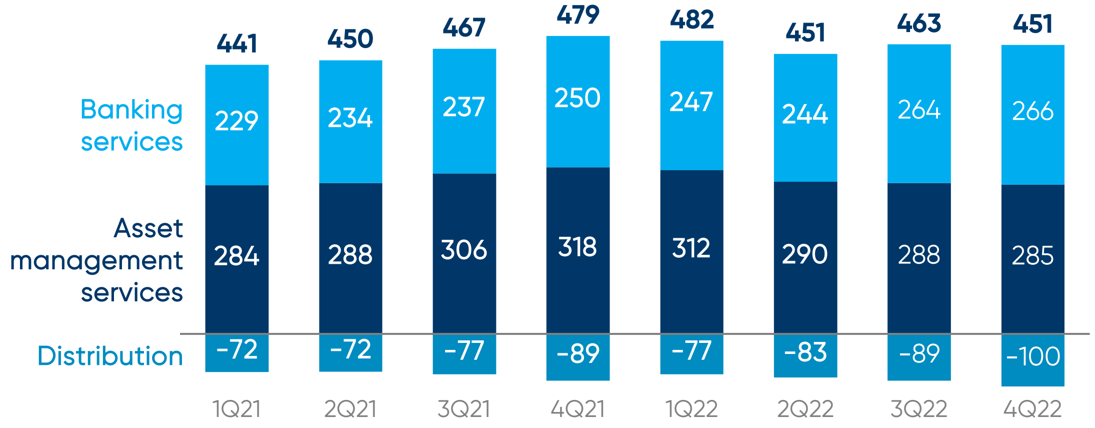
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	186bn	82bn	226bn
Growth q-o-q*	0%	+1%	+2%
Growth y-o-y	+7%	+4%	+8%

* 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 BE BU), customer deposits rose by 1% q-o-q and 5% y-o-y**

Lower fee and commission income

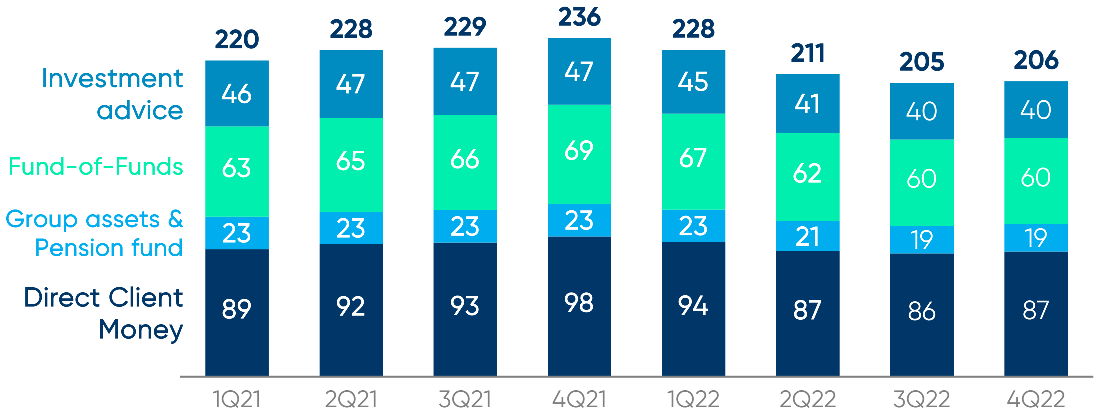
NET FEE & COMMISSION INCOME

in m EUR



ASSETS UNDER MANAGEMENT

in bn EUR



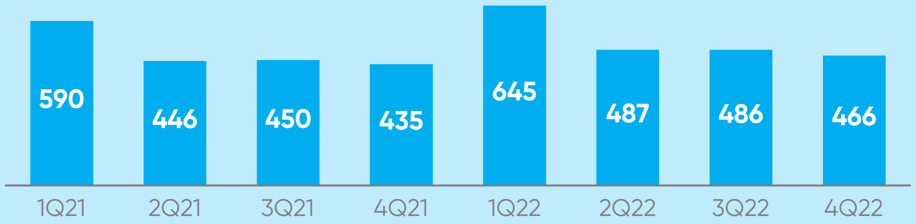
- **Net fee and commission income (451m EUR)**
  - Down by 3% q-o-q and by 6% y-o-y
    (on a comparable basis, down by 3% q-o-q and by 9% y-o-y)
  - Q-o-q decrease was mainly the result of the following:
    - Net F&C income from Asset Management Services decreased by 1% q-o-q (due entirely to lower management fees, partly offset by higher entry fees)
    - Net F&C income from banking services increased by 1% q-o-q. Higher payment-related fees and securities-related fees were partly offset by lower fees from credit files & bank guarantees and higher fee expenses in Retail (in the Czech Republic)
    - Paid distribution costs went up by 12% q-o-q (chiefly higher commissions paid linked to banking products and increased insurance sales, mainly seasonal)
  - Y-o-y decrease was mainly the result of the following:
    - Net F&C income from Asset Management Services fell by 10% y-o-y (lower management and entry fees)
    - Net F&C income from banking services increased by 6% y-o-y, entirely due to the consolidation of Raiffeisenbank Bulgaria as of 3Q22 (+17m EUR net F&C income in 4Q22)
    - Paid distribution costs rose by 12% y-o-y (mainly higher commissions paid linked to strong sales of non-life insurance products)

- **Assets under management (206bn EUR)**
  - Increased by 1% q-o-q due almost entirely to the market performance
  - Decreased by 13% y-o-y due to the negative market performance (-15%), partly offset by net inflows (+2%)
  - The mutual fund business has seen net inflows in higher-margin direct client money this quarter (0.3bn in 4Q22 and 2.9bn EUR in FY22), more than offset by net outflows in lower-margin fund-of-funds and group assets

Non-life and life sales significantly up y-o-y

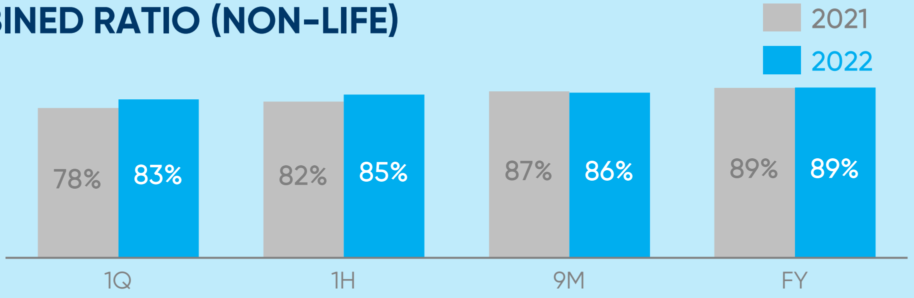
NON-LIFE SALES (GROSS WRITTEN PREMIUMS)

in m EUR



COMBINED RATIO (NON-LIFE)

in %

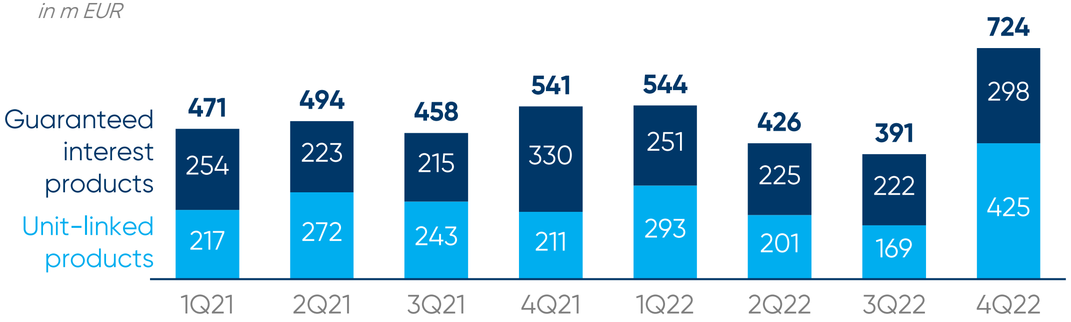


- **Sales of non-life insurance products**
  - Up by 7% y-o-y
    (growth in all countries and almost all classes, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property', as a combination of volume and tariff increases)

- **Non-life combined ratio for FY22 amounted to an excellent 89%** (89% in FY21). This is the result of:
  - 8% y-o-y higher earned premiums
  - 4% y-o-y higher technical charges (higher normal claims and more negative impact of parameter updates were partly offset by lower major claims and lower storm claims)
  - Lower ceded reinsurance result (down by 26m EUR y-o-y)

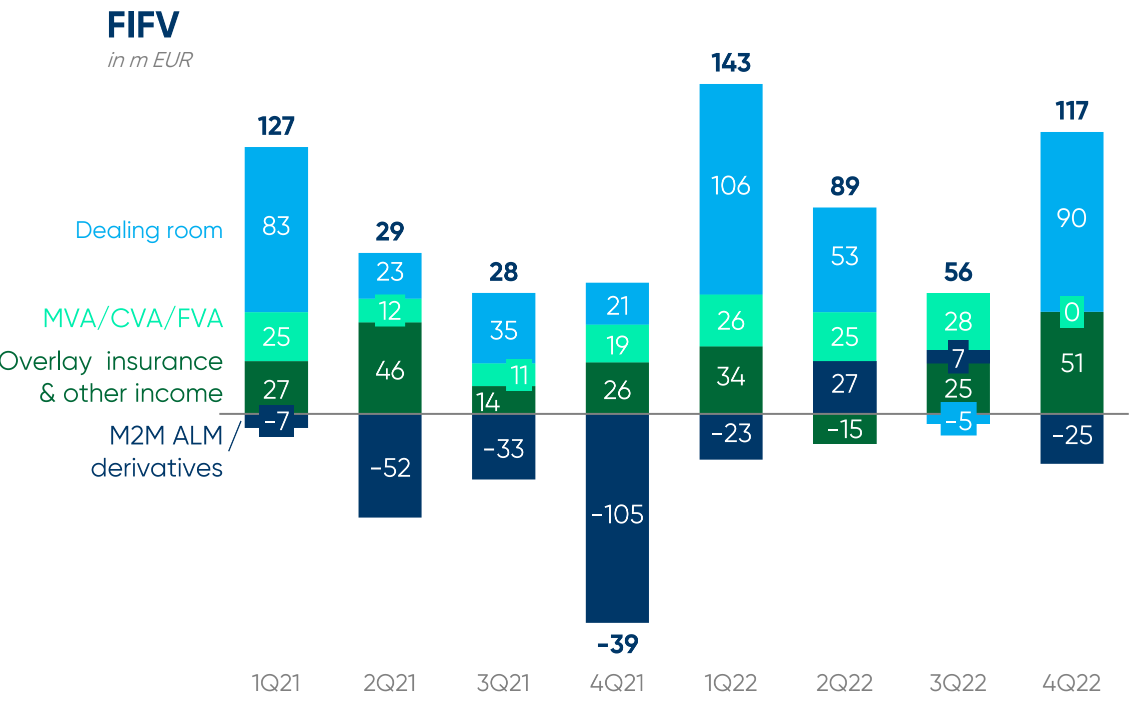
LIFE SALES

in m EUR



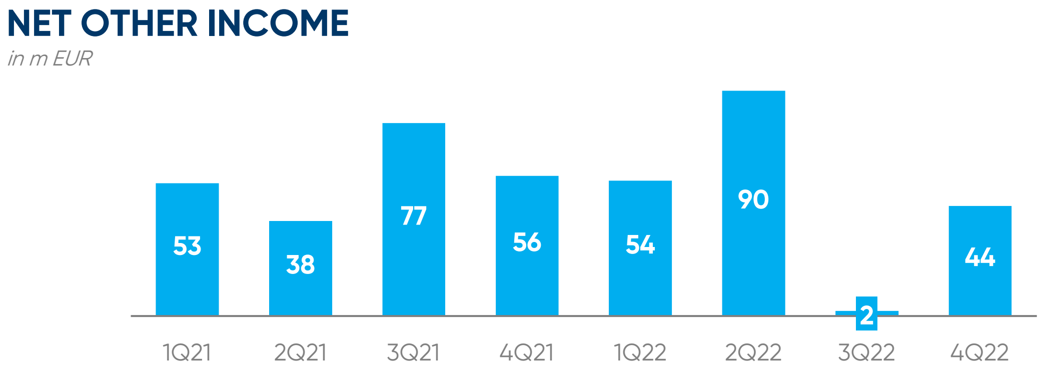
- **Sales of life insurance products**
  - Increased by 85% q-o-q due mainly to excellent sales of unit-linked products (up by 151% q-o-q due mainly to the successful launch of new structured funds in Belgium) and higher sales of guaranteed interest products (due chiefly to traditionally higher volumes in tax-incentivised pension savings products in Belgium)
  - Increased by 34% y-o-y due mainly to higher sales of unit-linked products, partly offset by lower sales of guaranteed interest
  - Sales of unit-linked products accounted for 59% of total life insurance sales in 4Q22

Sharply higher FIFV result and net other income



- **The 60m EUR q-o-q increase in FIFV was attributable mainly to:**
  - Significantly higher dealing room
  - Higher net result on equity instruments (insurance) & other income

  partly offset by:
  - Negative change in ALM derivatives
  - Less positive credit value adjustments and negative funding value adjustments which have been only partly offset by positive market value adjustments. The benefits of increased yield curves, an overall increase in equity markets and decreased counterparty credit spreads have been fully compensated by decreased KBC credit and funding spreads

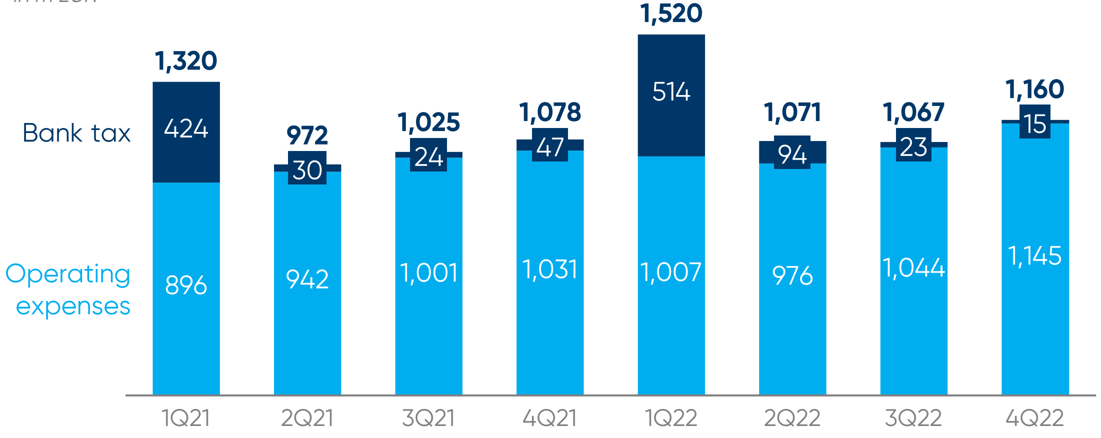


- **Net other income amounted to 44m EUR**
  - Somewhat lower than the normal run rate of around 50m EUR per quarter due to a -7m EUR provision for legacy legal files in Slovakia (while 3Q22 was impacted mainly by realised losses on the sale of bonds)

Costs in line with guidance

OPERATING EXPENSES

in m EUR



- **FY22 opex excluding bank taxes amounted to 4.17bn EUR, in line with our guidance of 4.15bn EUR**
- **Operating expenses in FY22 excluding bank taxes, changes in the consolidation scope, one-offs and FX effect rose by 7% y-o-y** due mainly to higher staff expenses (wage inflation), higher ICT costs, higher marketing and professional fee expenses
- **FY22 cost/income ratio**
  - 54% when excluding certain non-operating items* (55% in FY21)
  - 48% excluding all bank taxes (51% in FY21)

BANK TAX SPREAD 2022

in m EUR

	TOTAL	Upfront				Spread out over the year			
	4Q22	1Q22	2Q22	3Q22	4Q22	1Q22	2Q22	3Q22	4Q22
BE BU	0	354	-4	-1	0	0	0	0	0
CZ BU	1	60	-1	0	0	0	0	0	1
Hungary	13	56	78	0	-14	21	22	22	27
Slovakia	0	6	0	0	0	0	0	0	0
Bulgaria	0	12	-2	0	0	0	0	0	0
Ireland & Group Centre	1	3	1	0	0	1	1	1	1
TOTAL	15	492	72	-1	0	23	23	23	15

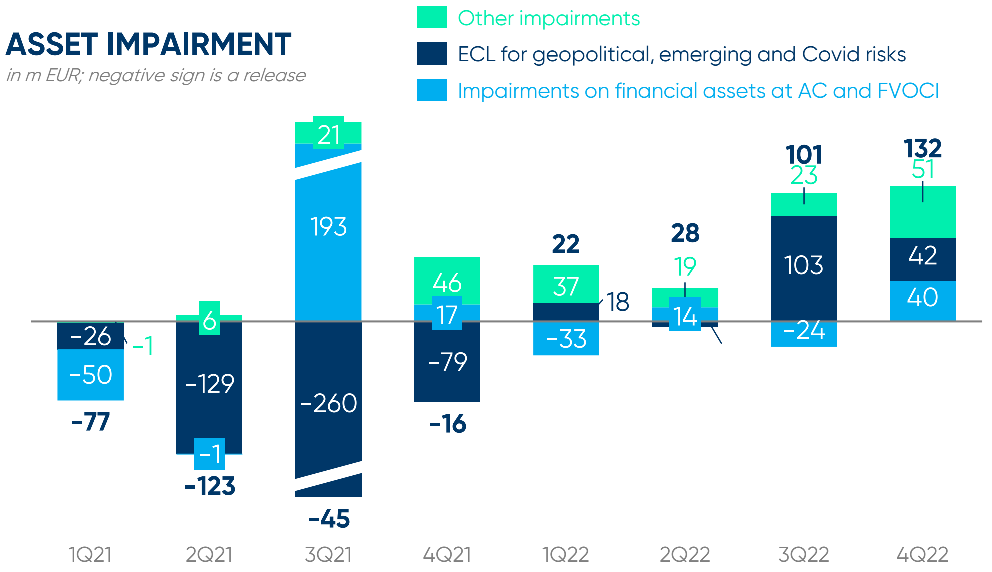
- **Operating expenses excluding bank taxes** went up by 10% q-o-q and by 11% y-o-y. When excluding the 24m EUR consolidation impact of Raiffeisenbank Bulgaria in 4Q22, opex excluding bank taxes increased by 9% y-o-y
  - The q-o-q increase is due mainly to the impact of inflation/wage indexation, higher ICT costs, seasonally higher marketing and professional fee expenses as well as higher depreciations, partly offset by less negative one-off costs related to the sales transaction in Ireland (-5m EUR in 4Q22 versus -15m EUR in 3Q22)
  - The like-for-like y-o-y increase is due to, among other things, the impact of inflation/wage indexation, higher ICT costs, higher marketing and professional fee expenses, partly offset by less negative one-off costs related to the sales transactions in Ireland (-5m EUR in 4Q22 versus -16m EUR in 4Q21)
- Total bank taxes (including ESRF contribution) increased by 23% y-o-y to 646m EUR in FY22

* See glossary for the exact definition

Net loan loss impairment charges & excellent credit cost ratio

ASSET IMPAIRMENT

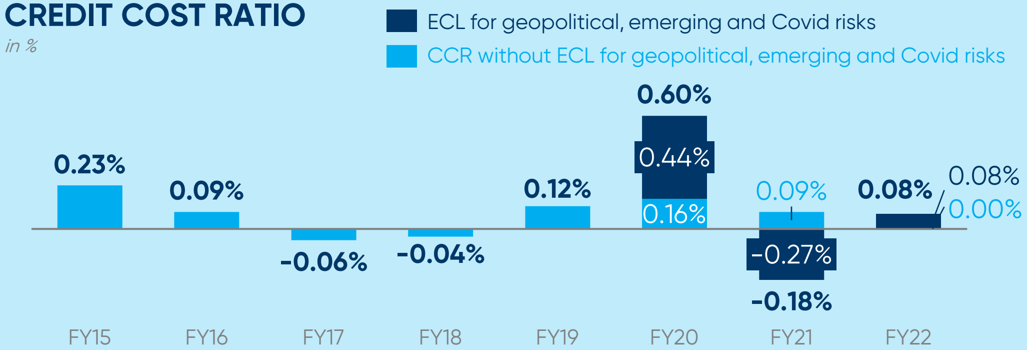
in m EUR; negative sign is a release



- **Net loan loss impairment charges on lending book combined with an increased geopolitical & emerging risk buffer**
  - **Net loan loss impairment charges of 82m EUR** in 4Q22 (compared with 79m EUR in 3Q22) due to:
    - 40m EUR net loan impairment charges on lending book
    - An increase of 42m EUR due to the uncertainties surrounding geopolitical and emerging risks
    - Total outstanding ECL for geopolitical and emerging risks now stands at 429m EUR (see details on next slide)
  - **51m EUR impairment on 'other', due mainly to**:
    - 25m EUR modification losses related to the interest cap regulation in Hungary (19m EUR for SMEs and an additional 6m EUR for retail mortgages)
    - A 21m EUR impairment on (in)tangibles
    - A 5m EUR goodwill impairment in the Czech Republic

CREDIT COST RATIO

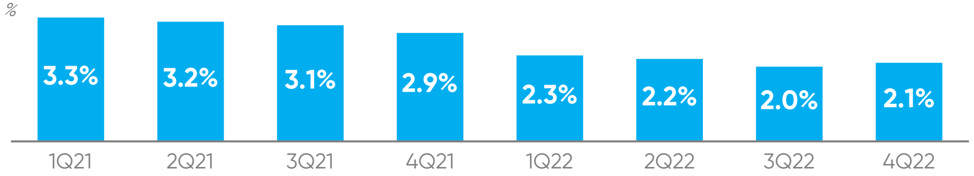
in %



- **The credit cost ratio in FY22 amounted to:**
  - 0 bps (9 bps in FY21) without ECL for geopolitical, emerging and Covid risks
  - 8 bps (-18 bps in FY21) with ECL for geopolitical, emerging and Covid risks

IMPAIRED LOANS RATIO

in %



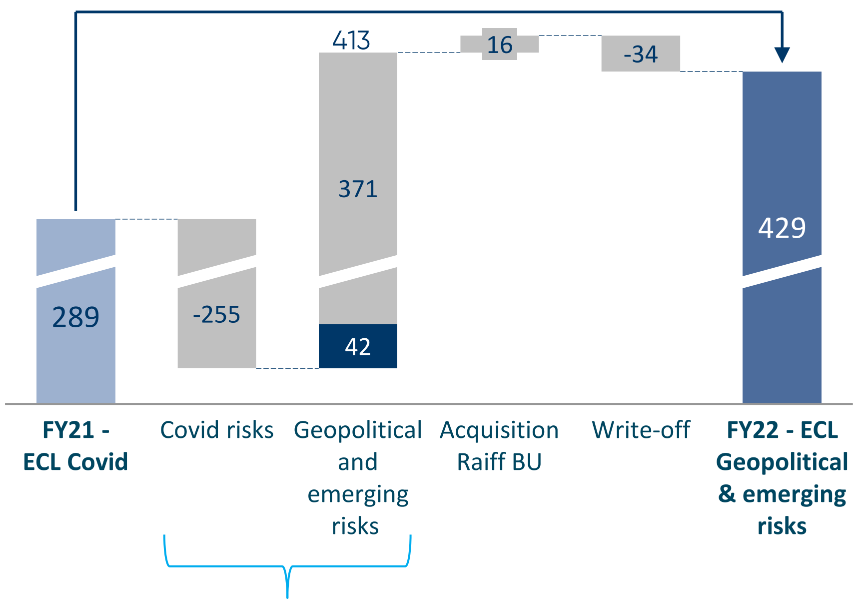
- **The impaired loans ratio amounted to 2.1%** (1.1% of which over 90 days past due)

Outstanding ECL for geopolitical and emerging risks amounts to 429m EUR

Y-O-Y CHANGE IN THE OUTSTANDING ECL FOR COVID, GEOPOLITICAL & EMERGING RISKS

in m EUR; negative sign is a release

Y-o-y ECL: +140m EUR



YTD negative P&L impact of 158m EUR

9M22 4Q22

OUTSTANDING ECL BY RISK DRIVERS AT YE22 (and q-o-q change)

in m EUR; negative sign is a release

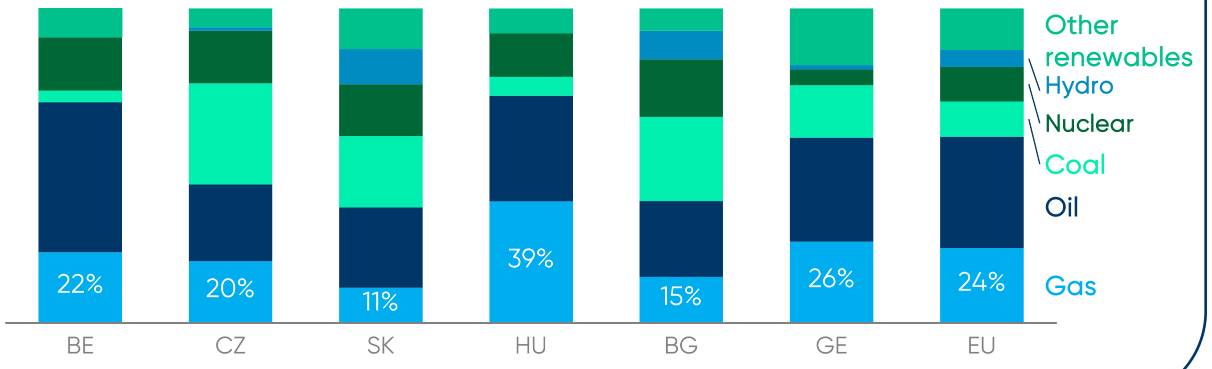
A	No direct subsidiaries	KBC has **no direct subsidiaries** in Russia, Belarus or Ukraine
B	Very limited **direct** credit exposure	**Direct transfer risk exposure** amounts to **29m EUR ECL,** mainly concentrated in commercial exposure on Russian banks (due to recoveries, down from 34m EUR[2] after 9M22 or -5m EUR q-o-q). No exposure on Russian sovereign debt
C	**Indirect** credit impact: counterparties	Counterparties-at-risk: (total client credit exposure at 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[1]: 2.8bn EUR ➔ **ECL: 39m EUR** (down from 49m EUR after 9M22 or **-10m EUR q-o-q,** due mainly to the list of Belgian clients being updated)
D	Emerging risks (secondary 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[1]: 11.3bn EUR ➔ **ECL: 304m EUR (up from 255m EUR[2] after 9M22 or +49m EUR q-o-q,** driven mainly by the sectors that are vulnerable to the energy crisis being refined)
E	Macroeconomic scenarios	Downward revision of macroeconomic forecasts, partly compensated by slightly improved probabilities to 60%/5%/35% (for base-case/optimistic/pessimistic scenario) ➔ **ECL: 57m EUR (up from 49m EUR after 9M22 or +8m EUR q-o-q)**
	Outstanding ECL	**A + B + C + D + E = ECL: 429m EUR (+42m EUR q-o-q)**

1. *Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements*
2. *Including Raiffeisenbank Bulgaria , +6m (B) and +10m (D)*

Macroeconomic impact of the Russia/Ukraine conflict

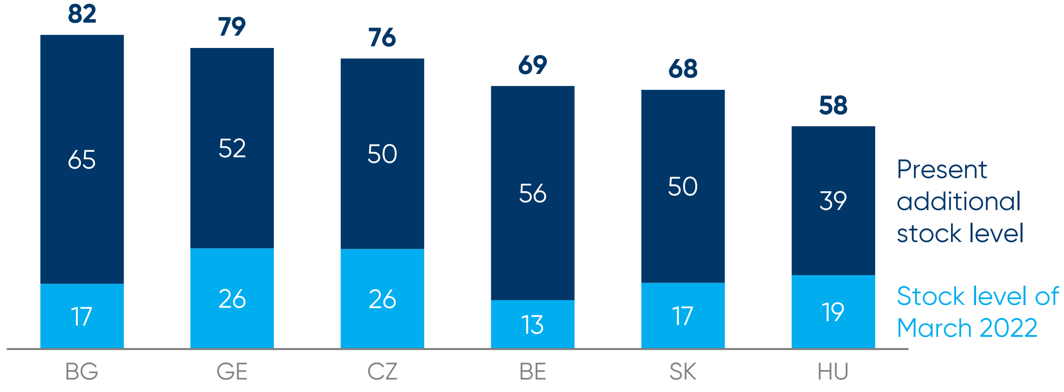
PRIMARY ENERGY CONSUMPTION | DECOMPOSITION

in fraction of Joules consumed; Source: BP



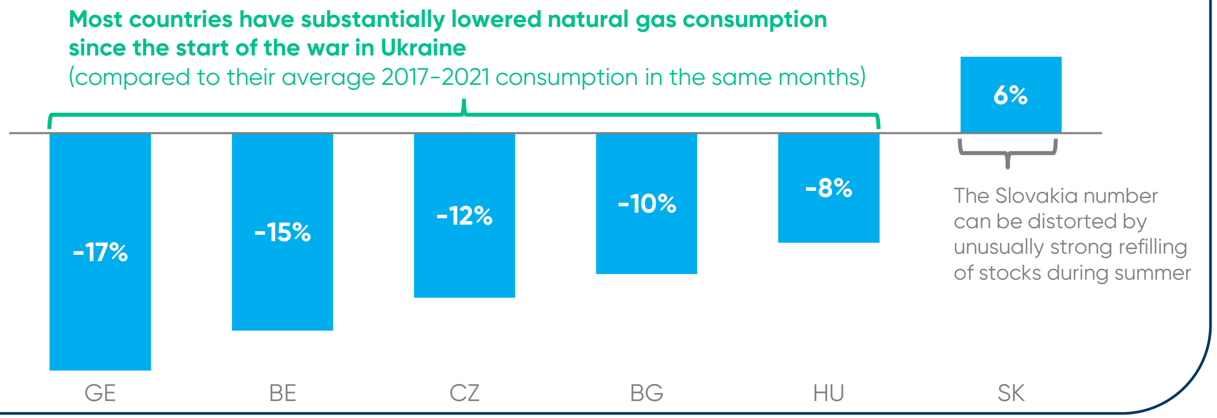
NATURAL GAS STOCK LEVEL | AS ON 31/JAN/23

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



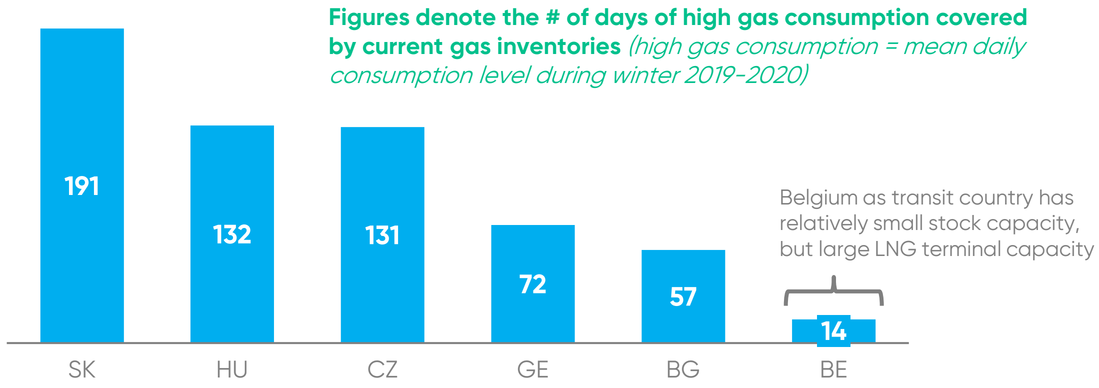
NATURAL GAS CONSUMPTION MAR-NOV | 2022 VS AVG 2017-2021

in %; Source: KBC Economics based on Eurostat



NATURAL GAS COVERAGE | AS ON 31/JAN/23

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



CREDIT COST RATIO*

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

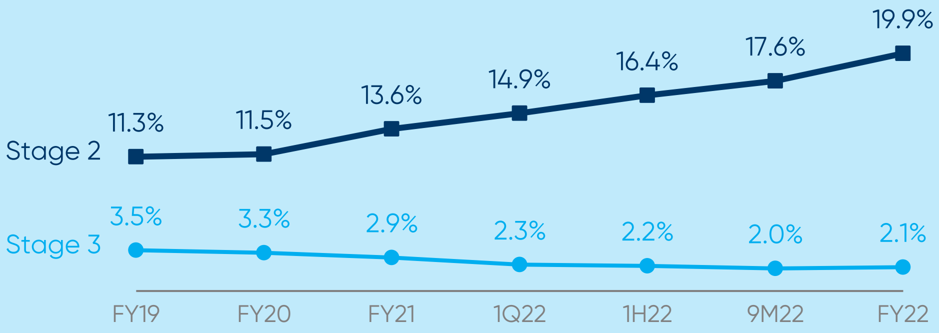
	FY22	FY21	FY20	FY19	FY18	FY17	AVERAGE '99 –'22
Belgium BU	**0.03%**	-0.26%	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic BU	**0.13%**	-0.42%	0.67%	0.04%	0.03%	0.02%	n/a
International Markets BU*	**0.31%**	0.36%	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre BU*	**-0.04%**	0.28%	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**0.08%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.39%**

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

Loan portfolio breakdown by IFRS 9 ECL stage

TOTAL LOAN PORTFOLIO OUTSTANDING – BY IFRS9 ECL STAGE*

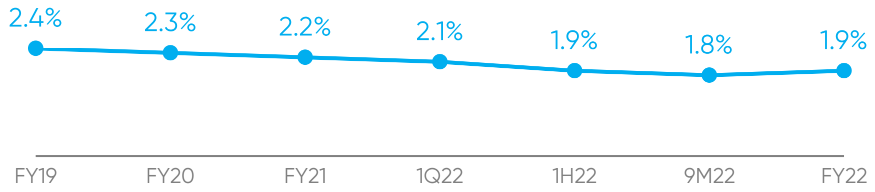
in %; as % of total Group loan portfolio outstanding



- 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, in line with strict application of the general ECB guidance on staging, 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 and a model recalibration in 4Q22, no general deterioration has been observed in our portfolio

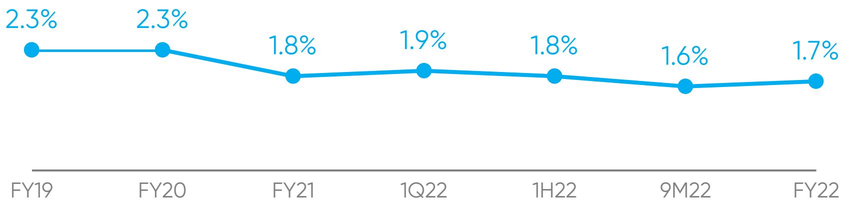
STAGE 3 RATIO | BELGIUM BU

in %



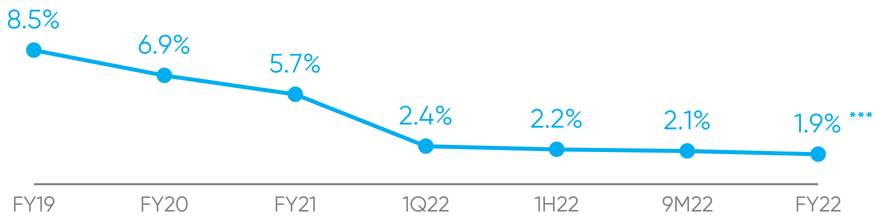
STAGE 3 RATIO | CZECH REPUBLIC BU

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

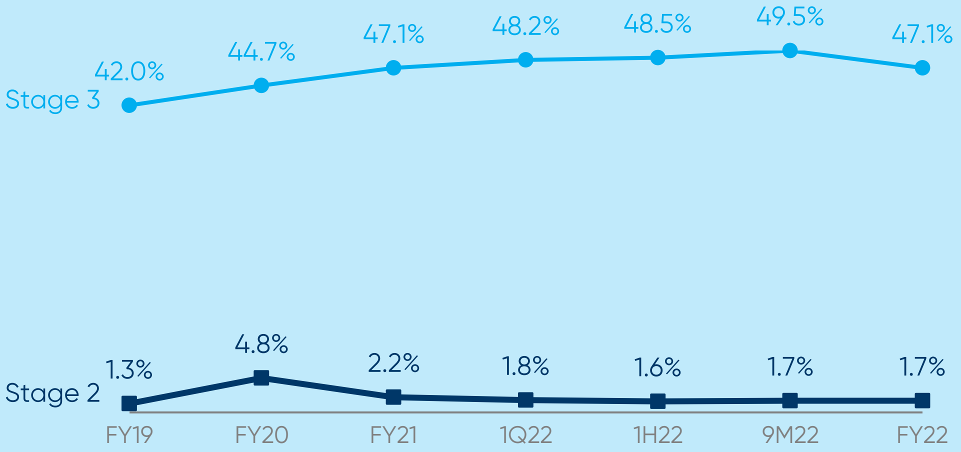
** As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made

*** As of 3Q 2022, including KBC Bank Bulgaria with a Stage 3 ratio of 2.6% at FY22

Cover ratios

COVER RATIO – BY IFRS9 ECL STAGE*

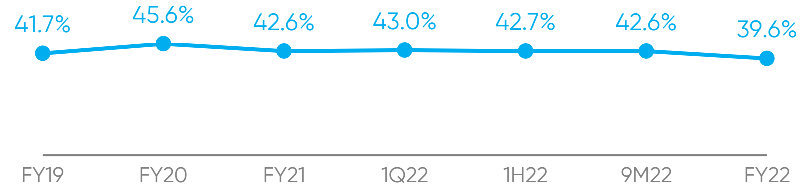
in %



- In 2022, the higher Stage 3 cover ratio is driven mainly by the sale of non-performing mortgage loans of Ireland
- The q-o-q decrease of the Stage 3 cover ratio is driven mainly by inflow of stage 3 files with high collateral
- 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)

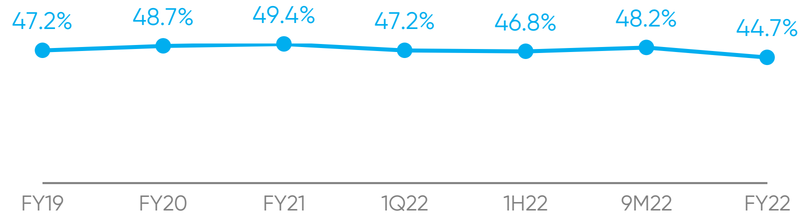
STAGE 3 COVER RATIO | BELGIUM BU

in %



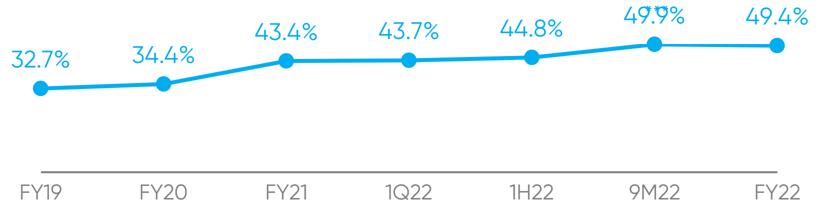
STAGE 3 COVER RATIO | CZECH REPUBLIC BU

in %



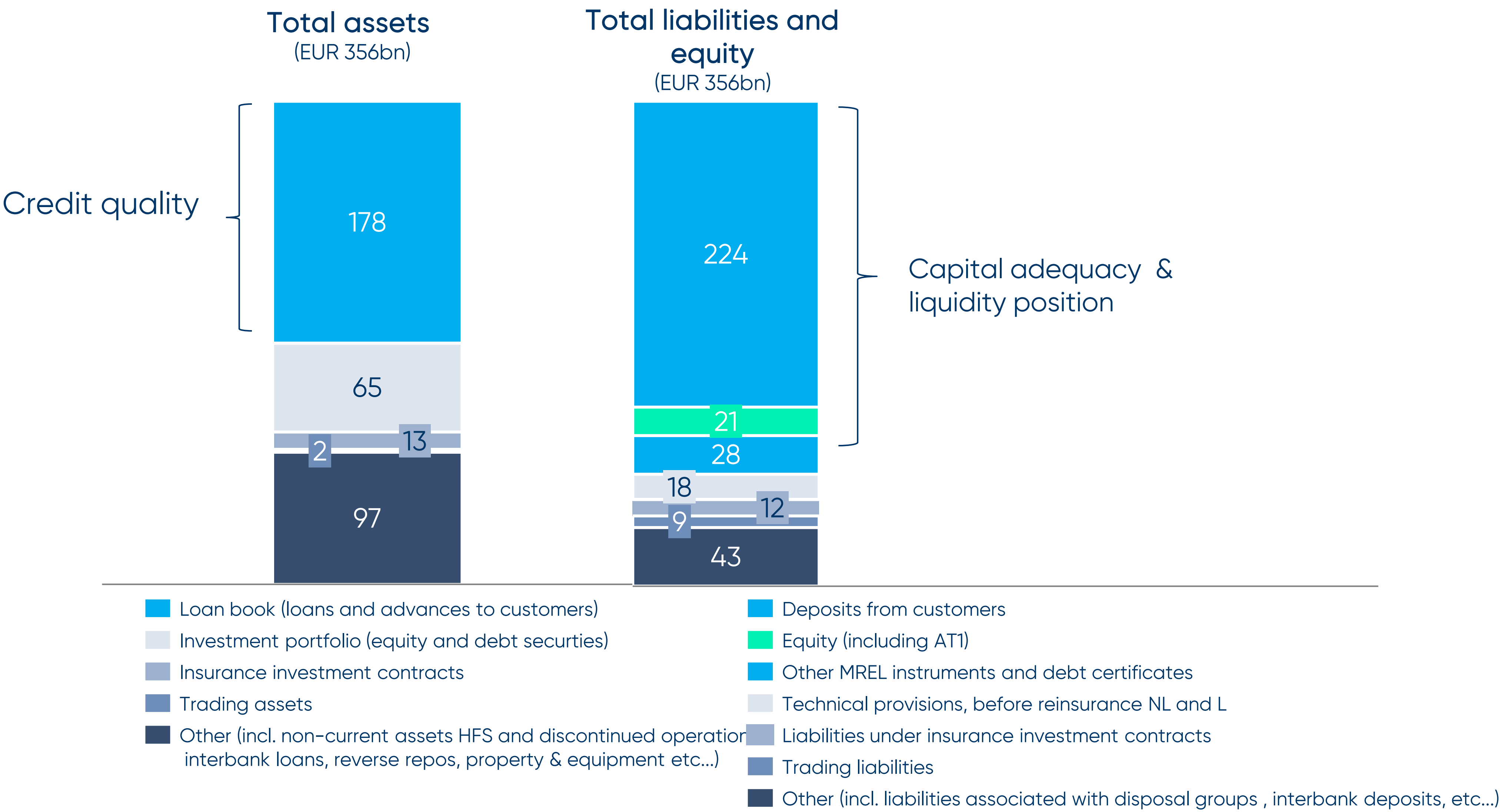
STAGE 3 COVER RATIO | INTERNATIONAL MARKETS BU**

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 64% at FY22

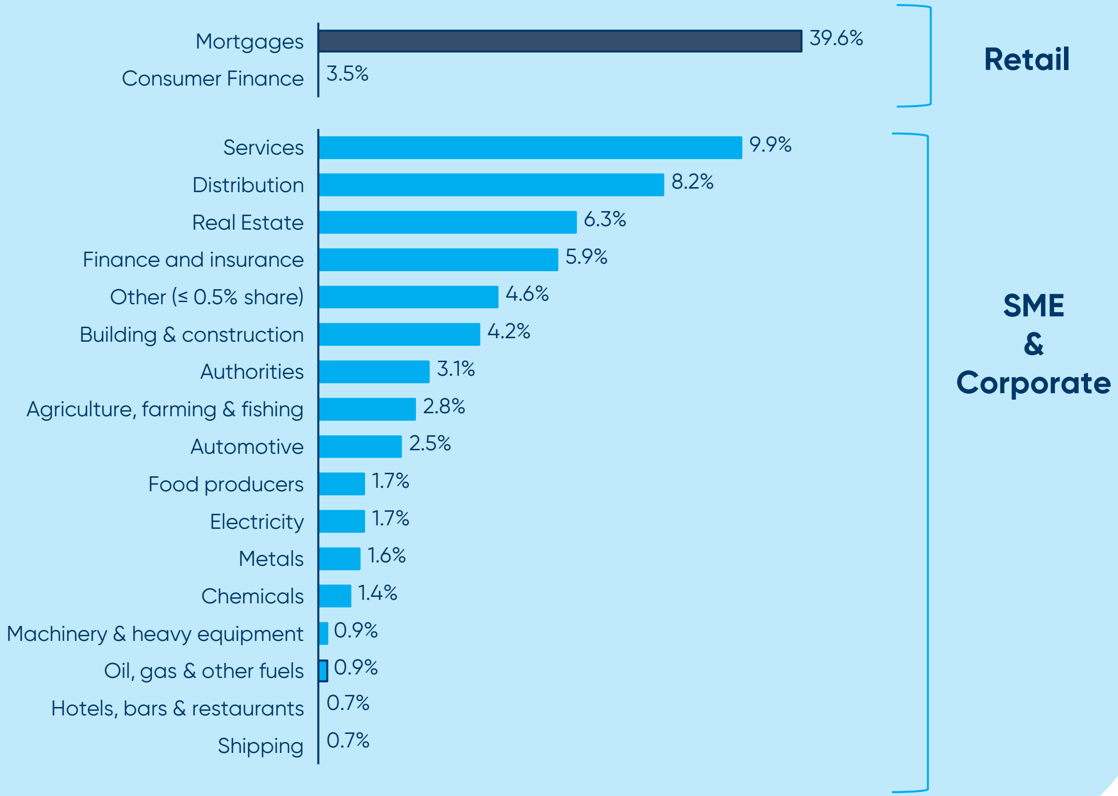
KBC Group consolidated balance sheet - FY22



Diversified loan portfolio

TOTAL LOAN PORTFOLIO OUTSTANDING – BY SECTOR

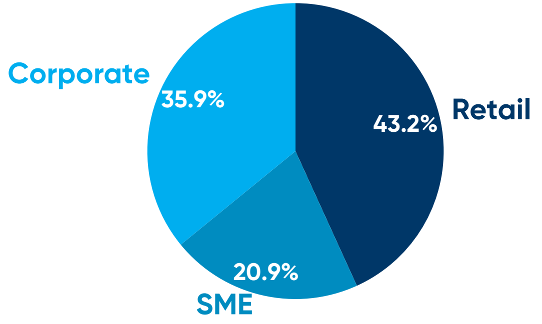
*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding
206bn EUR
Group level**

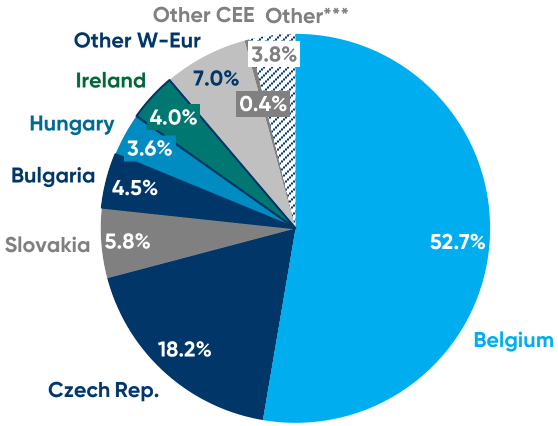
TOTAL LOAN PORTFOLIO OUTSTANDING – BY SEGMENT

*as % of total Group loan portfolio outstanding**



TOTAL LOAN PORTFOLIO OUTSTANDING – BY GEOGRAPHY

*as % of total Group loan portfolio outstanding**



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

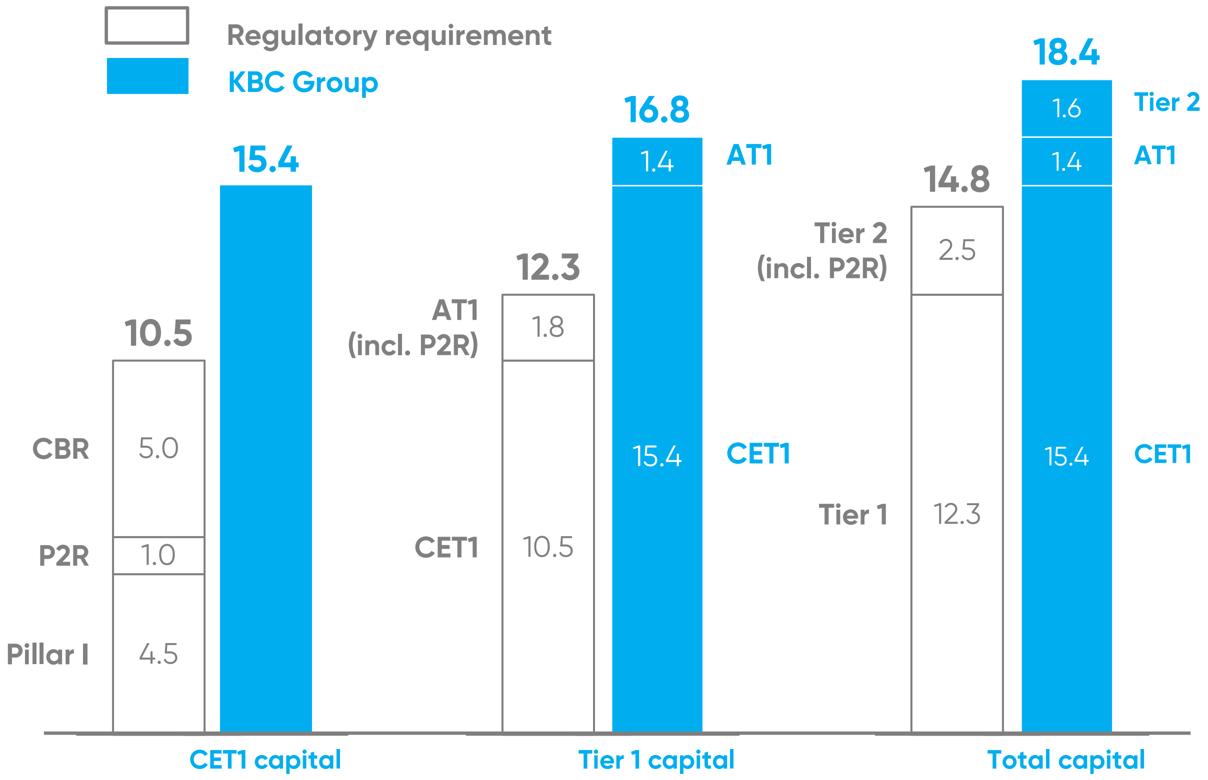
** Including loan portfolio of KBC Bank Ireland and KBC Bank Bulgaria as of 3Q22 (+4.5bn EUR at YE22). The pro-forma total loan portfolio outstanding without KBC Bank Ireland amounts to 198bn EUR.

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

Strong capital position with substantial buffer to MDA

CAPITAL REQUIREMENTS AND DISTANCE TO MAXIMUM DISTRIBUTABLE AMOUNT (MDA) RESTRICTIONS AS AT 31 DEC'22 (FULLY LOADED, B3)

in %



Fully loaded B3 common equity ratio amounted to 15.4% at the end of FY22 based on the Danish Compromise. As of 1Q22, interim profit recognition (based on 50% profit accrual)

- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 46bps for Tier 2

- **CBR 4.95% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  0.75% Countercyclical buffer
  0.20% Systemic risk buffer

- **MDA 11.8%**
  i.e. the net of the CET1 ratio (15.4%) and the MDA buffer (3.6%)

Total distributable items (under Belgian Gaap) KBC Group 9.7bn EUR at FY22, of which:

- Available reserves: 949m EUR
- Accumulated profits: 4 646m EUR

Leverage ratio, Solvency II ratio and liquidity ratios

LEVERAGE RATIO | KBC GROUP

fully loaded, Basel 3

leverage ratio
5.3%
FY22
5.2% in 9M22

Slight q-o-q increase of the leverage ratio

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

SOLVENCY II RATIO | KBC INSURANCE

SII ratio
203%
FY22
227% in 9M22

The q-o-q delta (-24pp) in the Solvency II ratio was driven mainly by inverted EUR interest rate curves and higher equity markets

LIQUIDITY RATIOS | KBC GROUP

LCR
152%
FY22
155% in 9M22

NSFR
136%
FY22
140% in 9M22

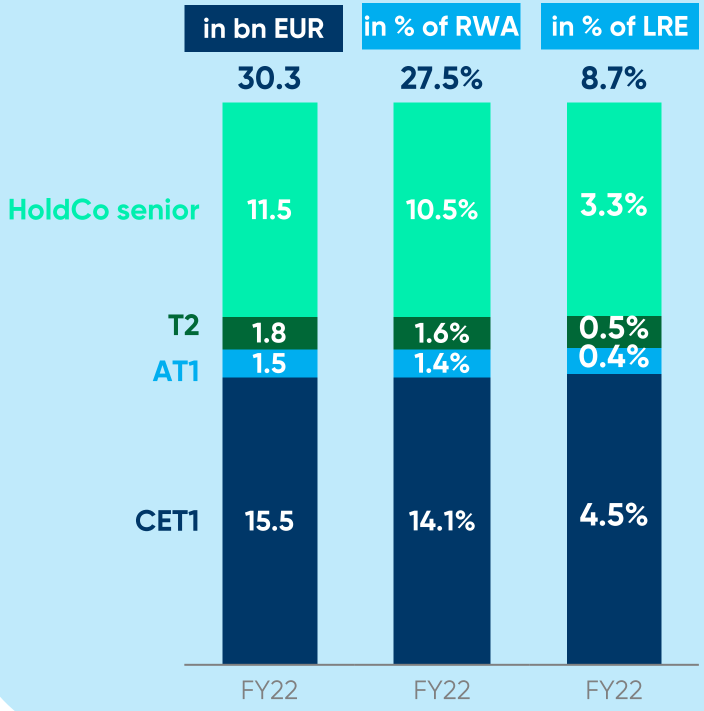
Both LCR* and NSFR** were well above the regulatory requirement of 100% due to a strong growth in customer funding and the participation to TLTRO III

* 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.

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 December 2022, the SRB communicated updated draft MREL targets**[1] (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:
  - **27.87% of RWA** as from 01-01-2024 (including CBR[2] of 4.95% as from 4Q2023), with an intermediate target as from 01-01-2022, reaching 26.21% at YE2022 (including CBR[3] of 4.58%)
  - **7.38% of LRE** as from 01-01-2024, with an intermediate target of 7.34% of LRE as from 01-01-2022

MREL actuals

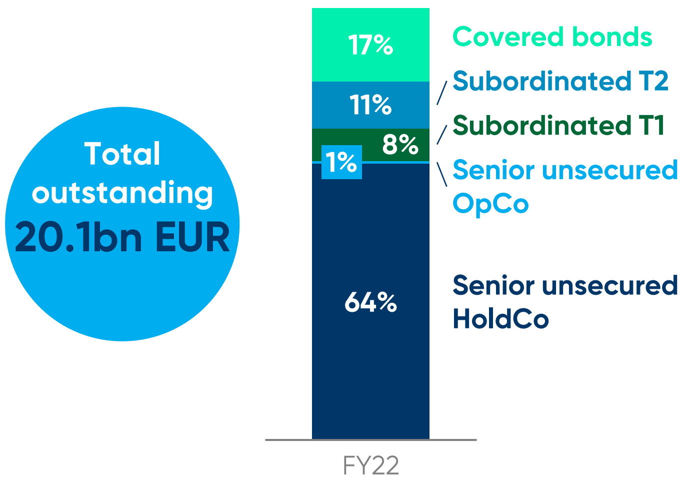


- The **MREL ratio in % of RWA** increased from 27.2% in 3Q22 to 27.5% in 4Q22. This is driven mainly by the issuance of a new Holdco senior instrument and an increase of the CET1 capital
- The **MREL ratio in % of LRE** increased from 8.6% in 3Q22 to 8.7% in 4Q22, driven by the issuance of a new HoldCo senior instrument, an increase of the CET1 capital and a decrease of the leverage ratio exposure

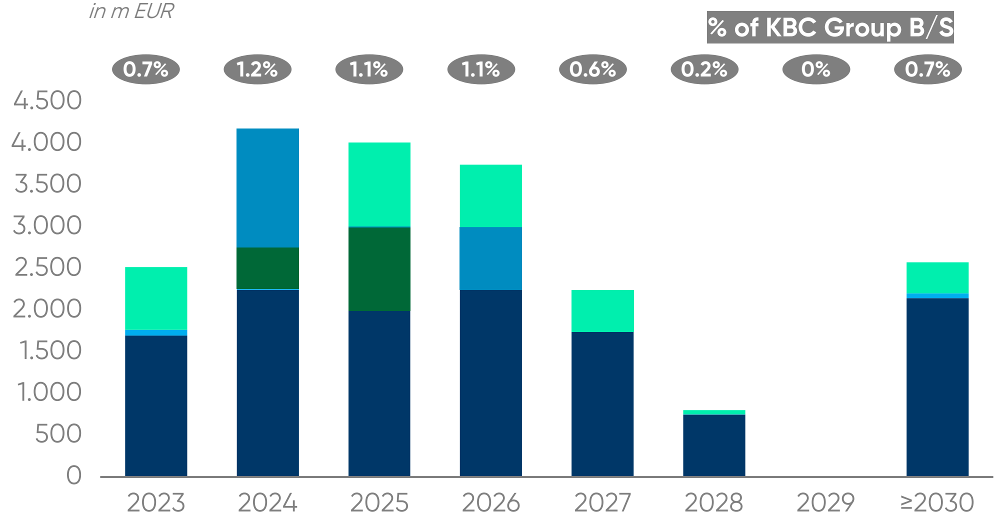
1. The official MREL decision is expected during 2Q23
2. Combined Buffer Requirement as of 01-01-2024 = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.75%) + Systemic Risk Buffer (0,20%)
3. Combined Buffer Requirement at YE 2022 = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.39%) + Systemic Risk Buffer (0,20%)

upcoming mid-term funding maturities

TOTAL OUTSTANDING
in %



FUNDING MATURITY BUCKETS
in m EUR



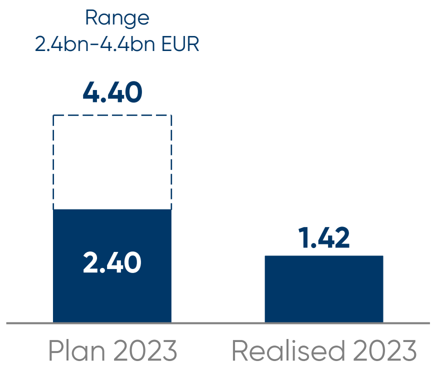
KBC Bank has 6 solid sources of long-term funding:

- 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 4Q22

- In **November 2022**, KBC Group issued a senior Holdco benchmark for an amount of 1bn EUR with a 5-year maturity callable after 4 years.

EXPECTED MREL FUNDING PROGRAM
in bn EUR



We aim to issue 1 green/social bond per year

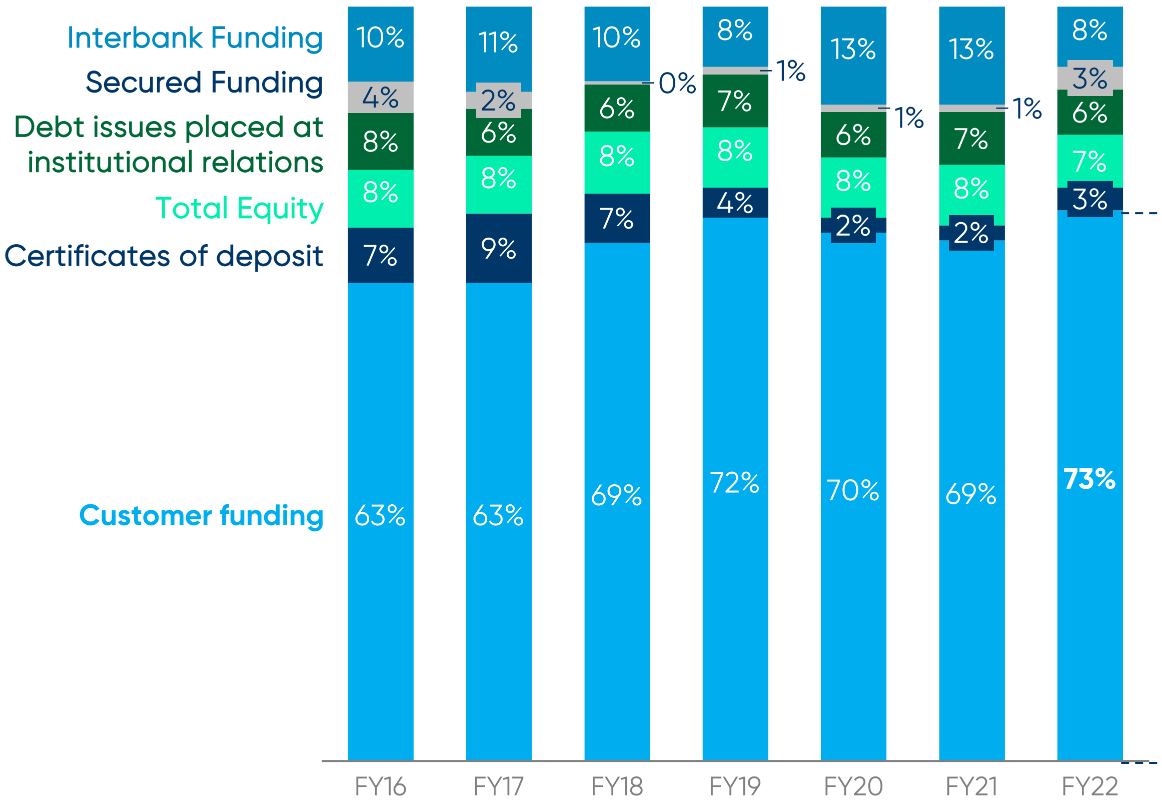
Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

In **January 2023**, KBC Group issued a senior Holdco benchmark of 1bn USD with a 6 years maturity callable after 5 years.
Later in **January**, KBC Group also issued a subordinated Tier 2 of 500m EUR with a 10.25 years maturity callable after 5.25 years.
(*Both are not included in the above figures as not part of the 4Q2022 position*).

strong and growing customer funding base

- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Stable % in customer funding** compared to balance sheet total (but net growth in customer funding in absolute terms)
- KBC **Bank participated to the TLTRO III** for a remaining exposure of 15.4bn EUR which is reflected in the 'Interbank Funding' item below

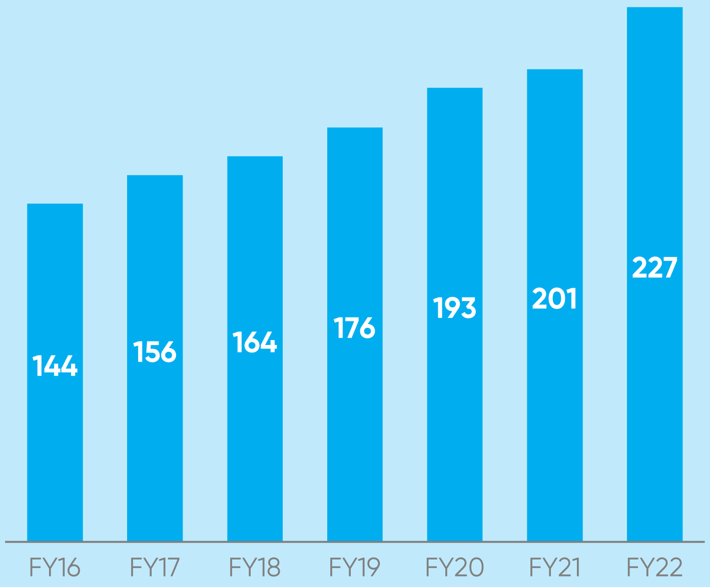
FUNDING BASE
in %



zoom on customer funding

CUSTOMER FUNDING
in %

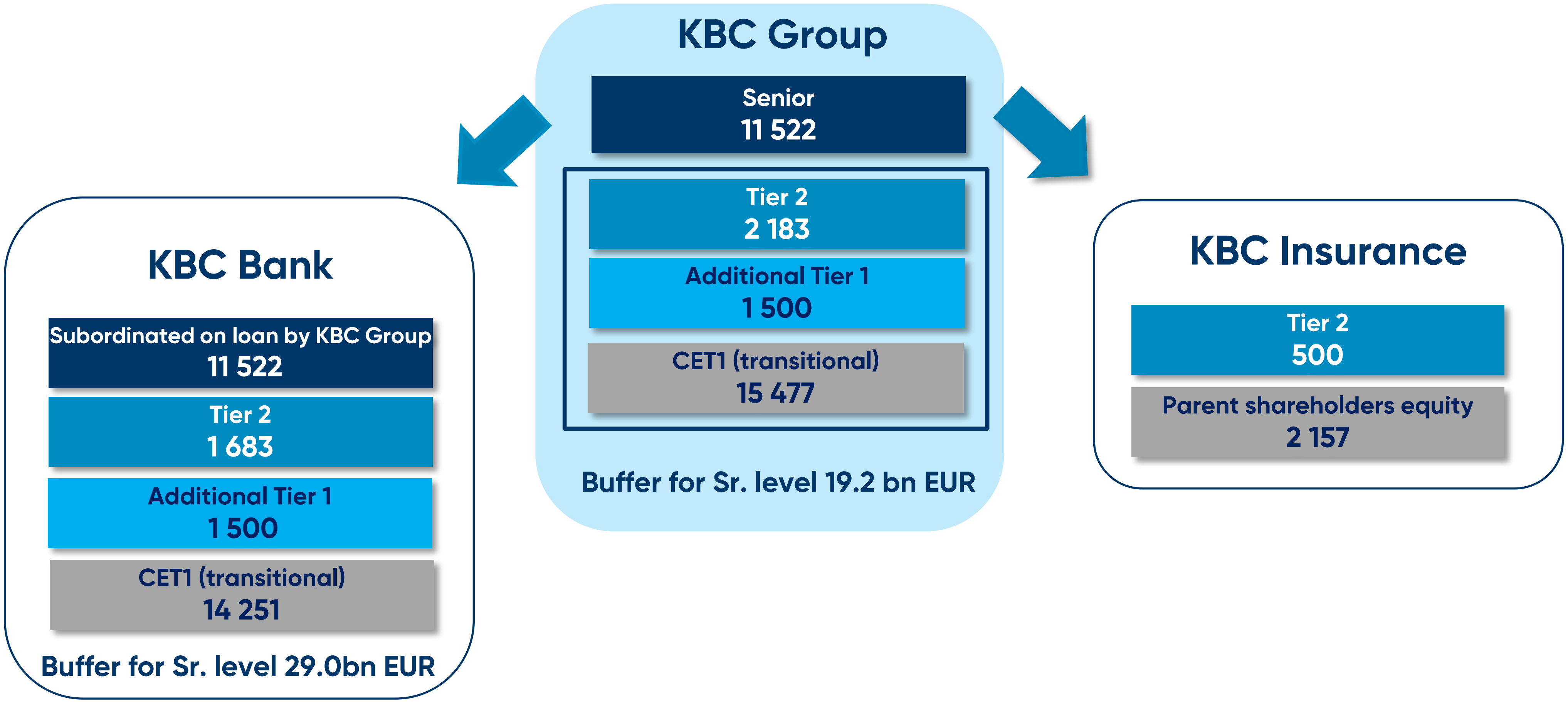
CUSTOMER FUNDING
in bn EUR



KBC has strong buffers cushioning senior debt at all levels

BUFFERS FOR SENIOR LEVEL DEBT AT KBC GROUP, KBC BANK & KBC INSURANCE

in m EUR

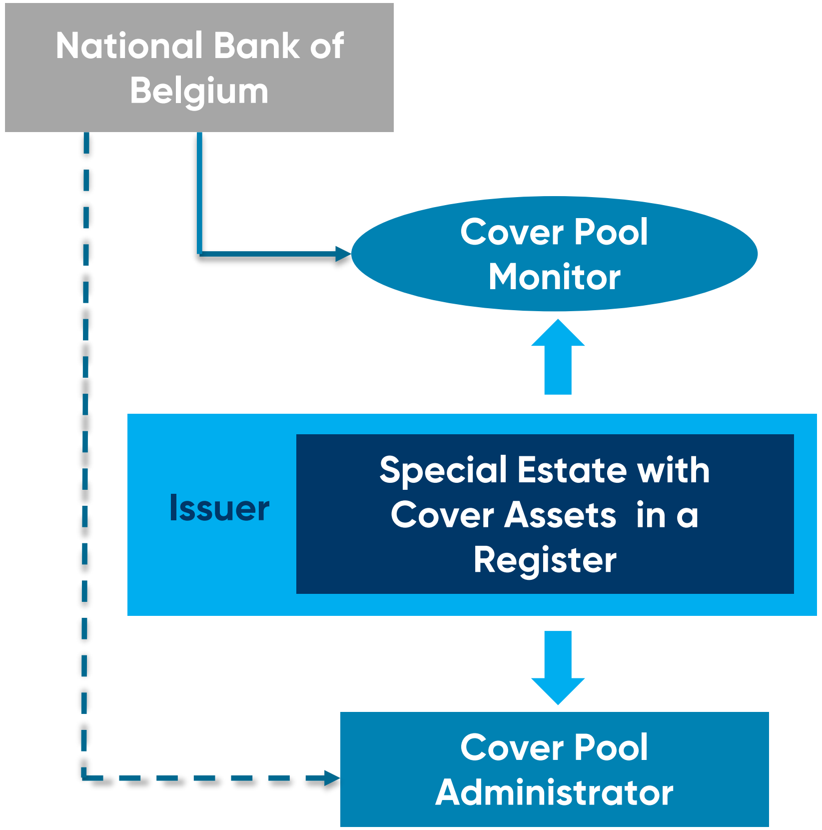


Covered bond programme | Overview

The covered bond programme is considered as an important funding tool for the treasury department.
KBC's intentions are to be a frequent benchmark issuer if markets and funding plan permit.

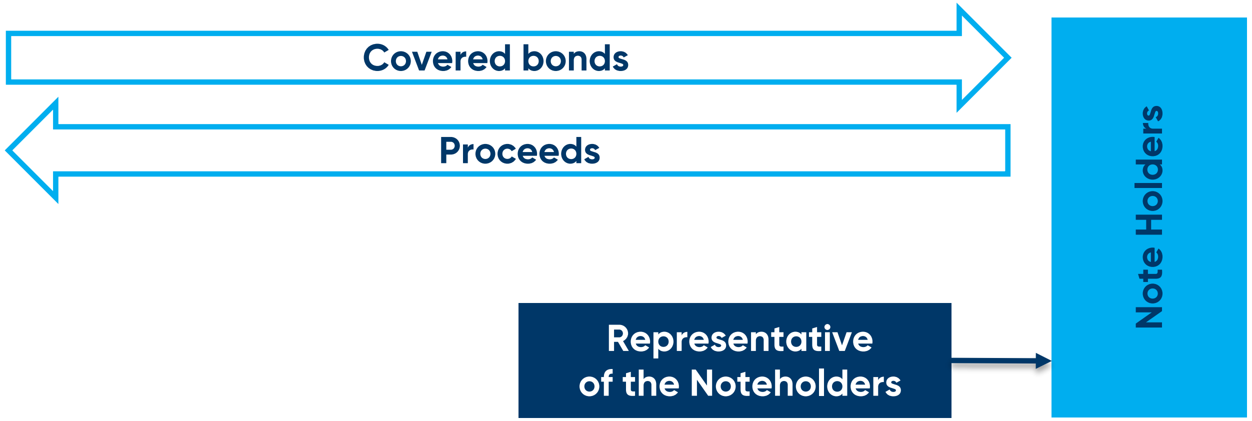
Issuer	KBC Bank NV
Main asset category	Minimum 105% of covered bond outstanding is covered exclusively by residential mortgage loans and collections thereon • Branch originated prime residential mortgages predominantly out of Flanders • Selected cover assets have low average LTV (62.6%) and high seasoning (56 months) • Disciplined origination policy
Programme size	**17.5bn EUR | Outstanding amount of 11.92 bn EUR**
Interest rate	Fixed rate, floating rate or zero coupon
Maturity	• Soft bullet: payment of the principal amount may be deferred past the final maturity date until the **extended final maturity date** if the issuer fails to pay • Extension period is 12 months for all series
Events of default	• Failure to pay any amount of principal on the extended final maturity date • A default in the payment of an amount of interest on any interest payment date
Rating agencies	• Moody's Aaa 10.5% over-collateralisation • Fitch AAA 4% over-collateralisation

Covered bond programme | Belgian legal framework



Belgian legal framework

- Direct covered bond issuance from a bank's balance sheet
- Dual recourse, including recourse to a special estate with cover assets included in a register
- The special estate is not affected by a bank's insolvency
- Requires licenses from the **National Bank of Belgium (NBB)**
- Ongoing supervision by the NBB
- The **cover pool monitor** verifies the register and the portfolio tests and reports to the NBB
- The NBB can appoint a cover pool administrator to manage the special estate



Covered bond programme | Strong legal protection mechanisms

Several legal protection mechanisms are in place:

1	**Collateral type**	**The value of one asset category must be at least 85% of the nominal amount of covered bonds** ✓ KBC Bank exclusively selects residential mortgage loans and commits that their value (including collections) will be at least 105%
2	**Over-collateralisation test**	**The value of the cover assets must at least be 105% of the covered bonds** The value of residential mortgage loans: 1) Is limited to 80% LTV 2) Must be fully covered by a mortgage inscription (min 60%) plus a mortgage mandate (max 40%) 3) 30-day overdue loans get a 50% haircut and 90% overdue (or defaulted) get zero value
3	**Amortisation test**	**The sum of interest, principal and other revenues of the cover assets must at least be the interest, principal and costs relating to the covered bond**
4	**Liquidity test**	**Cover assets must generate sufficient liquidity or include enough liquid assets to pay all unconditional payments on the covered bonds falling due the next 6 months**
5	**Stress testing**	**Quarterly stress testing on all Cover tests and Liquidity test** 1) Interest rate shifts of +200bp/-200bp combined with stressed prepayments rates 2) Decreases in credit quality of the borrowers
6	**No cap on issuance**	**Currently no issuance limit for KBC Bank NV.** Supervisor monitors the TLOF ratio (min 8%) and the encumbrance ratio and has the possibility to limit the issuance volume in order to protect KBC's other creditors.

Aligned with best practices and market developments

- **The KBC Green Bond Framework** is in line with the Green Bond Principles (2017)
- Second party opinion provided by Sustainalytics and Pre-issuance- certification by the Climate Bonds Initiative
- KBC intends to align its Green Bond Framework with emerging good practices, such as a potential European Green Bond Standard or other forthcoming regulatory requirements and guidelines
- For details of the KBC green bond framework, we refer to kbc.com: https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html

- **In the context of the Green Bond**, KBC allocated the proceeds to three green asset categories: **renewable energy (share of 45%) and residential real-estate loans (share of 55%)**.
- For future transactions, in cooperation with the relevant business teams, KBC aims to capture more green assets from other categories and expand the green eligibility to more business lines and clients.

Certification

- The Climate Bonds Standard Board approved the certification of the KBC Green Bonds

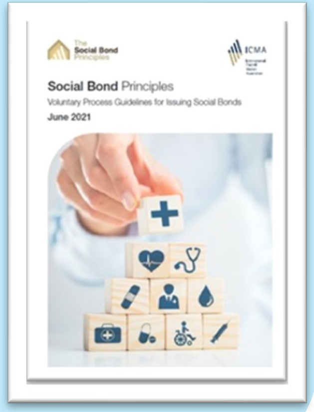
Verification

- One year after issuance and until maturity, a limited assurance report on the allocation of the Green Bond proceeds to Eligible Assets to be provided by an external auditor
- See latest impact report as of EOY 2021 available on kbc.com:

KBC GREEN BOND 2018 – ASSETS & IMPACT	Renewable energy	Green buildings
Allocated amount	195.9m EUR	304.1m EUR
Electricity produced/energy saved	378,038 mWh	25,951 mWh
Avoided CO_2 emissions	77,414 tonnes	4,861 tonnes
KBC GREEN BOND 2020 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated amount	264.8m EUR	235.2m EUR
Electricity produced/energy saved	413,354 mWh	20,075 mWh
Avoided CO_2 emissions	84,647 tonnes	3,761 tonnes
KBC GREEN BOND 2021 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated amount	323.5m EUR	426.5m EUR
Electricity produced/energy saved	592,276 mWh	36,395 mWh
Avoided CO_2 emissions	121,286 tonnes	6,819 tonnes

Aligned with best practices and market developments

- By adding the social aspect to its funding mix, KBC Bank can further enhance its ability to finance social projects and increase its positive social impact on society
- **The KBC Social Bond Framework** is aligned with ICMA's Social Bond Principles (2021).
- Second party opinion provided by Sustainalytics (May 2022)
- Information pertaining to the Social Bond Framework can be found on kbc.com: https://www.kbc.com/en/investor-relations/debt-issuance/kbc-social-bond.html



First financial institution in Belgium

- **KBC Group was the first financial institution in Belgium to issue a Social Bond** (18th of August 2022)
- The first issuance has been 100% allocated to the hospital sector

Clear Social Bond governance

Use of proceeds

Social Bond Eligible Assets include financing in Belgium in the following categories:
- **Access to Essential Services – Education**
- **Access to Essential Services - Health**
- **Affordable Housing**
- **Employment Generation**

Process for evaluation & selection

KBC's Green and Social Bond Committee is an important part of the selection process for Social Bond Eligible Assets . The Committee's responsibilities include approval of asset inclusion in the Social Bond Portfolio, approval of annual reporting and updating the Framework if required

Management of proceeds

- KBC intends to exclusively **allocate** an amount equivalent to the net social bond **proceeds to a social bond portfolio of Eligible Assets**
- Allocated Eligible Assets to be individually identified in KBC's internal information systems and monitored on a quarterly basis

Reporting

- ***Allocation of Proceeds Report*** will be published annually and will include a limited assurance report
- ***Social Report*** will be published annually on various indicator metrics of the allocated Eligible Assets

Economic outlook

- While at the end of 2022 some of the headwinds to the global economy turned into tailwinds (mild winter weather, significant structural savings in gas consumption…) and despite strong economic resilience last year, we expect a broad-based slowdown
- Inflation may have peaked in major economies as headline inflation turned lower in the US and the euro area. Going forward, we expect inflation to gradually decelerate as energy inflation falls back and core inflation gradually decreases
- We expect central banks (i.e. FED and ECB) to continue their rate hikes in the first half of 2023, while early moving CEE-central banks such as the CNB and NBH remain in a wait-and-see stance against a backdrop of still high inflation

Group guidance for 2023*

- Our **FY23 total income guidance** stands at **9.4bn EUR ballpark figure** (including a 0.4bn EUR positive one-off effect upon closing of substantially all of KBC Bank Ireland's performing loan assets and its deposit book), of which **5.7bn EUR ballpark for NII**
- **FY23 opex excluding bank taxes** is estimated at **4.4bn EUR ballpark figure**
- The **credit cost ratio for 2023** is estimated at **20-25bps** (below the through-the-cycle CCR of 25-30bps), excluding any movement in the ECL buffer

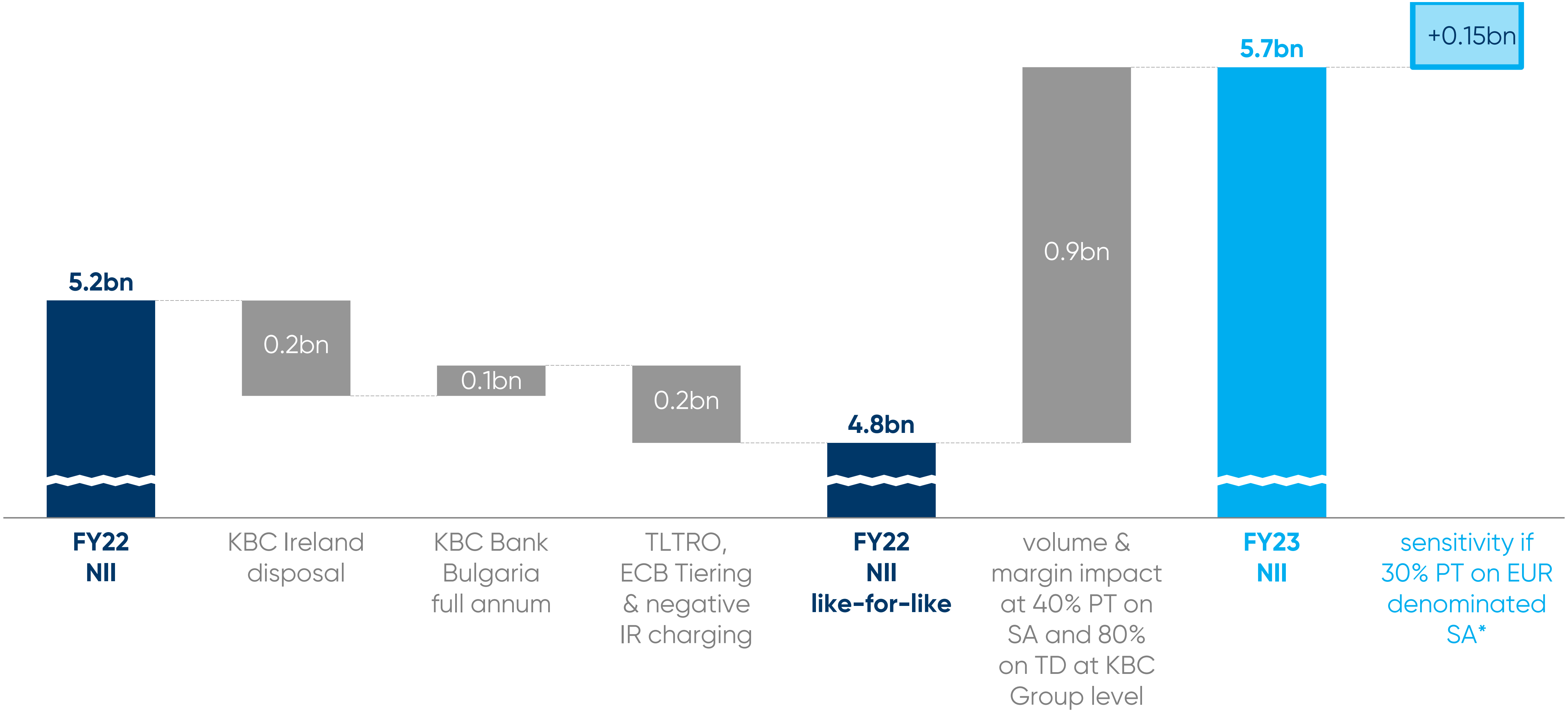
Basel 4 guidance

- The B4 impact on RWA will be phased-in, and therefore the first-time application RWA impact in 2025 will only be approximately 3bn EUR

* Our Group guidance for 2023 is based on the market forward rates of 3 February 2023 (for ST & LT interest rates). We took into account a pass-through rate of 40% on saving accounts and 80% on term deposits at KBC Group level. Volume growth in 2023 is estimated at roughly 3-4% y-o-y. Note that IFRS17 impact is not yet taken into account (explanatory slides will be provided on 18 April 2023)

2023 NII sensitivity

NII EVOLUTION WITH PASS-THROUGH SENSITIVITY
in bn EUR



PT = Pass-Through rate; SA = Saving Accounts; TD = Term Deposits

* With 40% PT on non-EUR denominated SA and 80% on TD

Long-term / 3-year financial guidance

3-year financial guidance*		
CAGR total income ('22-'25)	± 6.0%	by 2025
CAGR OPEX excl. bank taxes ('22-'25)	± 1.8%	by 2025
Combined ratio	≤ 92%	as of now
Surplus capital **	> 15%	as of now

⇒ **Jaws of ± 4.2%**

⇒ **C/I ratio excl BT ±43%**

* Our long-term financial guidance is based on the market forward rates of 3 February 2023 (for ST & LT interest rates). We took into account a pass-through rate of 40% on saving accounts and 80% on term deposits at KBC Group level. Note that IFRS17 impact is not yet taken into account.
KBC estimates that the forward rates are on the conservative side.

** Fully loaded CET1 ratio, Danish Compromise

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

Regulatory requirements		
Overall capital requirement (OCR)*	≥ 11.31%	by 2023
MREL as a % of RWA**	≥ 27.87%	by 2024
MREL as a % of LRE**	≥ 7.38%	by 2024
NSFR	≥ 100%	as of now
LCR	≥ 100%	as of now

* Excluding Pillar 2 guidance of 100 bps

** In December 2022, the SRB communicated the updated draft MREL targets (under BRRD2) for 01-01-2024 in % of RWA and in % of LRE

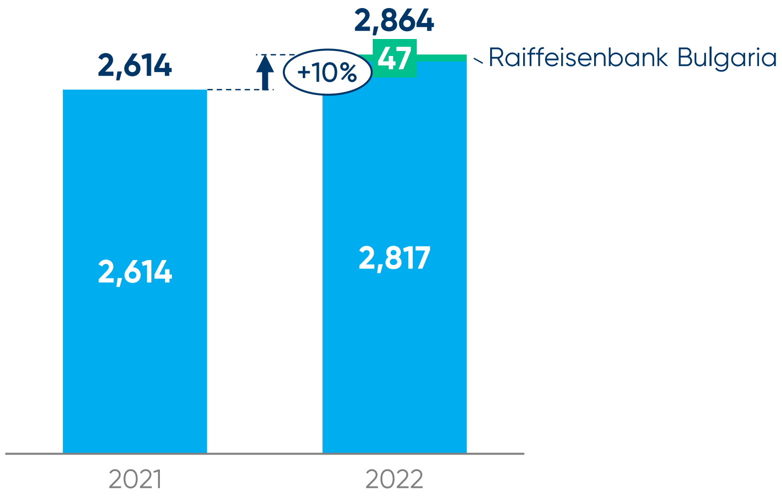
Annex 1 | Summary of the different business units performance

	KBC GROUP	BELGIUM BU	CZECH REPUBLIC BU	SLOVAKIA	HUNGARY	BULGARIA	GROUP CENTRE	Of which IRELAND
				INTERNATIONAL MARKETS BU			GROUP CENTRE BU	
4Q22 NET RESULT (in million euros)	818m	525m	159m	17m	104m	48m	-35m	33m
FY22 ROAC (in %)	22%	22%	38%	18%				
ALLOCATED CAPITAL (in %)		59%	16%	6%	7%	7%	5%	4%
LOANS* (in billion euros) (q-o-q organic** growth loans)	186bn (0%)	117bn (0%)	35bn (0%)	11bn (+3%)	6bn (+1%)	9bn (+3%)		8bn (-6%)
DEPOSITS*** (in billion euros) (q-o-q organic** growth deposits)	226bn (+2%)	145bn (+3%)	49bn (+1%)	8bn (+2%)	9bn (+3%)	12bn (+6%)		2bn (-20%)
BRANCHES (end 4Q22)		420	201	110	195	266		
CLIENTS (end 4Q22)	13m	3.8m	4.3m	0.8m	1.6m	2.4m		

* 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

Annex 2 | FY 2022 Net result amounted to 2 864m EUR

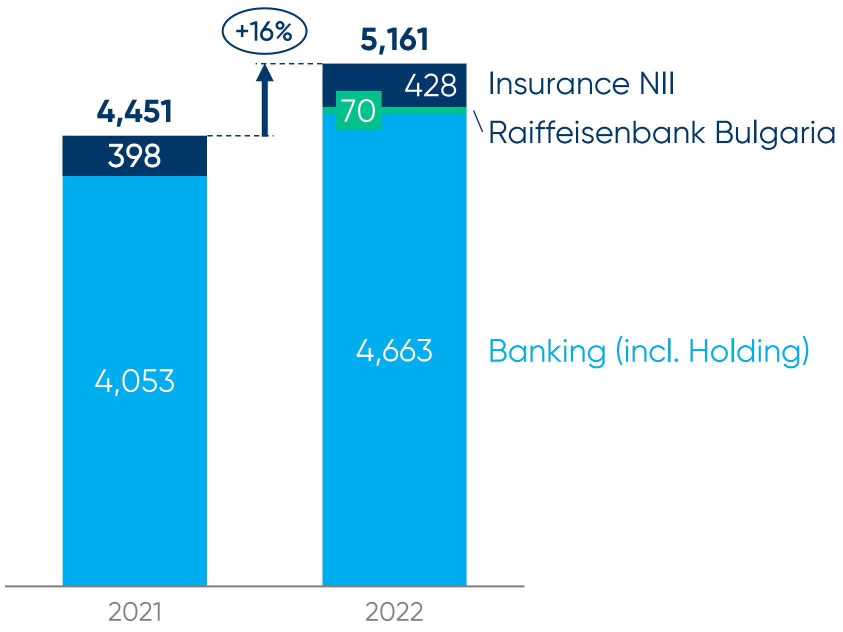
NET RESULT
in m EUR



- **Net result rose by 10% y-o-y to 2,864m EUR in 2022 (and +8% y-o-y excluding Raiffeisenbank Bulgaria),** mainly as a result of the following
  - **Revenues rose by 14% y-o-y (and +13% y-o-y excluding Raiffeisenbank Bulgaria)** mainly due to higher net interest income, net result from FIFV, higher result from insurance (both life and non-life), higher dividend income and slightly higher net fee and commission income, partly offset by lower net other income and lower net realised result from debt instruments at fair value through OCI
  - **Operating expenses excluding bank taxes** rose by 8% y-o-y (and +6% y-o-y excluding Raiffeisenbank Bulgaria) to 4.17bn EUR, in line with the guided 4.15bn EUR. Total bank taxes (including ESRF contribution) increased from 525m EUR in FY21 to 646m EUR in FY22
  - **Net impairment charges amounted to 284m EUR** (compared with net impairment releases of 261m EUR in FY21). This was attributable chiefly to :
    - A 413m EUR geopolitical & emerging risk buffer
    - A 255m EUR reversal of collective Covid-19 impairments in FY22
    - One-off loan loss impairments of 17m EUR as a result of the two pending sales transactions in Ireland
    - 21m EUR loan loss provision reversals on some individual files
    - Impairment of 130m EUR on 'other', of which
      - 63m EUR modification losses in Hungary
      - A 24m EUR one-off as a result of the two pending sales transactions in Ireland
      - A 38m EUR impairment, mainly on (in)tangibles (in other countries besides Ireland)
      - A 5m EUR goodwill impairment in CZ BU

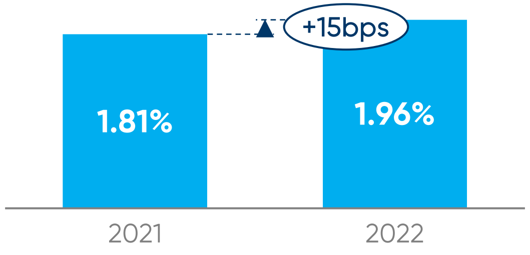
NET INTEREST INCOME

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 (5 161m EUR)**
  - Net interest income rose by 16% y-o-y due mainly to :
    - Increasing reinvestment yield in all core countries
    - Good loan and deposit volume growth
    - Increased income related to funding (increased term deposits at better margins and slightly positive impact of TLTRO3)
    - Consolidation of Raiffeisen Bank Bulgaria as of 3Q22 (70m EUR NII in 2H22)
    - Higher NII on insurance bond portfolio (due mainly to inflation-linked bonds)
    - Higher netted positive impact of ALM FX swaps
    - The appreciation of the CZK versus the EUR

    partly offset by:
    - Loan margin pressure on the outstanding portfolio in almost all countries
    - Less positive impact of charging of negative interest rates on current accounts held by corporate entities and SMEs and less positive impact of ECB deposit tiering
    - The depreciation of the HUF versus the EUR
  - Loan volumes increased by 7% y-o-y, while customer deposits excluding debt certificates and repos rose by 8% y-o-y

- **Net interest margin (1.96%)**
  - Increased by 15 bps y-o-y for the reasons mentioned above and despite an increase of the interest-bearing assets (denominator)

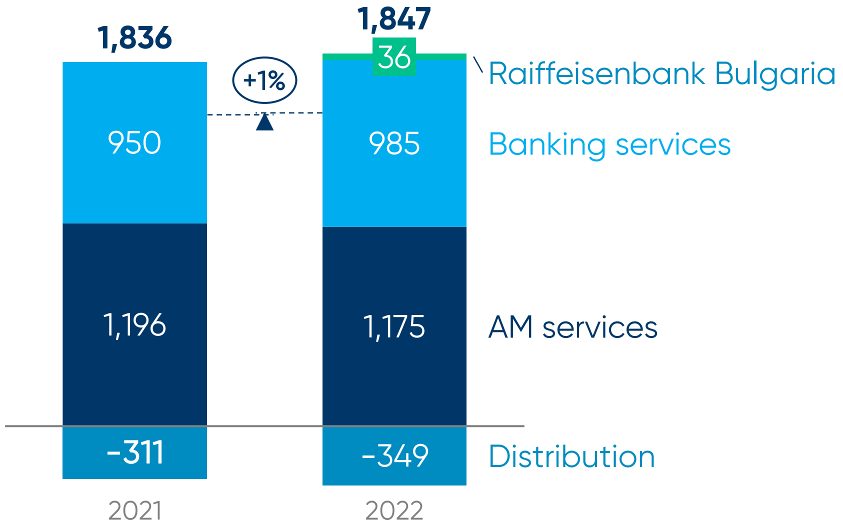
- **Organic volume trend**

	Total loans*	o/w retail mortgages	Customer deposits**
Volume	186bn	82bn	226bn
Growth y-o-y	+7%	+4%	+8%

* 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.

NET FEE & COMMISSION INCOME

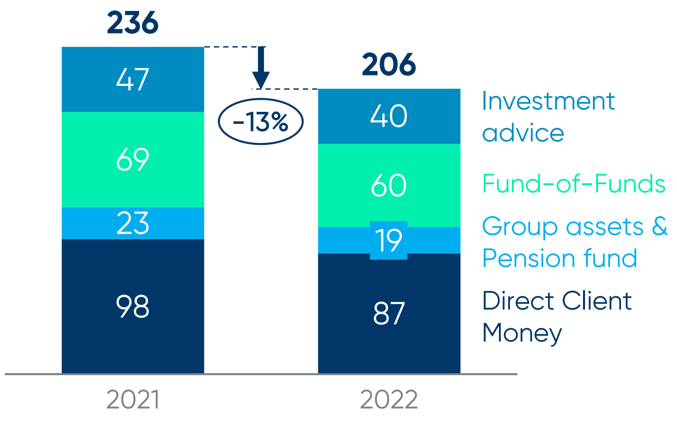
in m EUR



- **Net fee and commission income (1,847m EUR)**
  - Increased by 1% y-o-y
    - Net F&C from Asset Management Services decreased by 2% y-o-y driven entirely by lower entry fees. Management fees roughly stabilised y-o-y
    - Net F&C income from banking services increased by 7% y-o-y driven mainly by higher fees from payment services, higher network income and higher fees from credit files & bank guarantees, partly offset by lower securities-related fees. Net F&C income from banking services rose by 4% y-o-y on a comparable basis (excluding the +36m EUR impact in 2H22 from the consolidation of Raiffeisenbank Bulgaria)
    - Distribution costs rose by 12% y-o-y due chiefly to higher commissions paid linked to banking products and increased non-life insurance sales

ASSETS UNDER MANAGEMENT

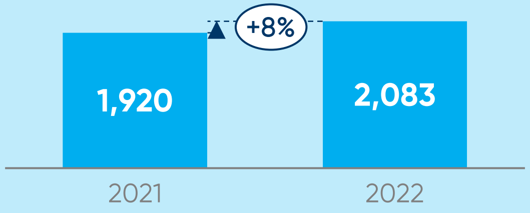
in bn EUR



- **Assets under management (206bn EUR)**
  - Decreased by 13% y-o-y due entirely to the market performance (-15%), partly offset by net inflows (+2%)
  - The mutual fund business has seen 2.9bn EUR net inflows in higher-margin direct client money in FY22

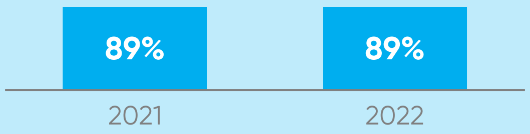
NON-LIFE SALES (GROSS WRITTEN PREMIUMS)

in m EUR



COMBINED RATIO (NON-LIFE)

in %



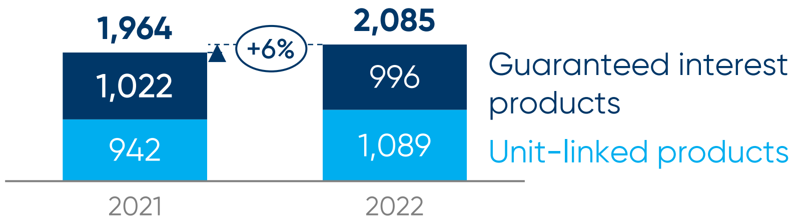
- **Sales of non-life insurance products**
  - Up by 8% y-o-y thanks to growth in all classes
- **The non-life combined ratio for FY22 amounted to an excellent 89%** (89% in FY21). This is the result of :
  - 8% y-o-y earned premium growth in FY22
  - 4% y-o-y higher technical charges in FY22 due mainly to:
    - Higher normal claims and more negative impact of parameter updates

    partly offset by:
    - Lower major claims and lower storm claims
  - Lower ceded reinsurance result (down 26m EUR y-o-y)

Note that the technical charges for Life and Non-Life (after reinsurance) in 2022 included a release of technical provisions of respectively 31m EUR and 10m EUR, booked in the Czech Republic, as a result of reassessing the confidence level of the technical provisions

LIFE SALES

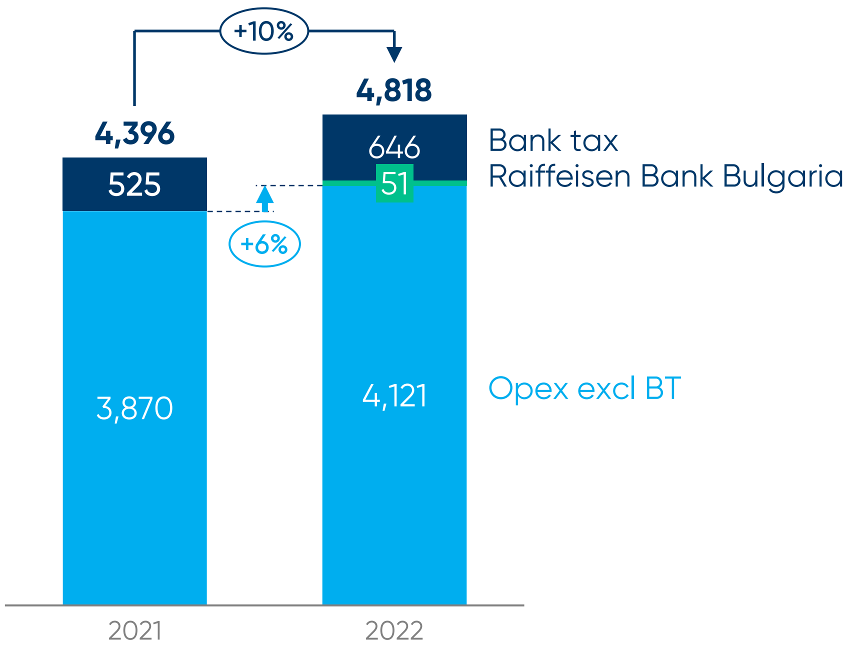
in m EUR



- **Sales of life insurance products**
  - Up by 6% y-o-y
    - The 16% y-o-y increase in sales of unit-linked products was mainly the result of the successful launch of new structured funds in Belgium
    - Sales of guaranteed interest products decreased by 3% y-o-y
  - Sales of unit-linked products accounted for 52% of total life insurance sales

OPERATING EXPENSES

in m EUR



- **Operating expenses excluding bank taxes** rose by 8% y-o-y (and +6% y-o-y excluding Raiffeisenbank Bulgaria) to 4.17bn EUR, in line with the guided 4.15bn EUR
- **Operating expenses in FY22 excluding bank taxes, changes in the consolidation scope, one-offs and FX effect rose by 7% y-o-y** due mainly to higher staff expenses (wage inflation), higher ICT costs, higher marketing and professional fee expenses
- **The C/I ratio excluding bank taxes amounted to 48% in FY22** (51% in FY21)
- Total bank taxes (including ESRF contribution) increased from 525m EUR in FY21 to 646m EUR in FY22

ADDITIONAL TIER I SECURITIES

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity	Trigger	Level
KBC Group	EUR	BE0002592708	1,000	4.250%	M/S+359,4bps	24/04/2018	24/10/2025	Perpetual	Temporary write-down	0.05125
KBC Group	EUR	BE0002638196	500	4.750%	M/S+468,9bps	5/03/2019	5/03/2024	Perpetual	Temporary write-down	0.05125

TIER II SECURITIES

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity date	Tenor	Trigger
KBC Group	EUR	BE0002290592	500	1.625%	M/S +125bps	18/09/2017	18/09/2024	18/09/2029	12YNC7	regulatory + tax call
KBC Group	EUR	BE0002664457	750	0.500%	M/S+110bps	3/09/2019	3/12/2024	3/12/2029	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002819002	750	0.625%	M/S+95bps	7/09/2021	7/12/2026	7/12/2031	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002914951	500	4.875%	M/S+225bps	24/01/2023	25/04/2028	25/04/2033	10.25NC5.25	regulatory + tax call

SENIOR HOLDCO

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Maturity date	Tenor
KBC Group	EUR	BE0002266352	750	0.750%	M/S +65bps	18/10/2016	18/10/2023	7y
KBC Group	EUR	BE0002602804	500	0.875%	M/S +72bps	27/06/2018	27/06/2023	5y
KBC Group	EUR	BE0002631126	750+250	1.125%	M/S +95bps	25/01/2019	25/01/2024	5y
KBC Group	EUR	BE0002645266	500	0.625%	M/S +60bps	10/04/2019	10/04/2025	6y
KBC Group	EUR	BE0002681626	500	0.750%	M/S +65bps	24/01/2020	24/01/2030	10y
KBC Group	EUR	BE0974365976	500	0.500%	M/S +72bps	16/06/2020	16/06/2027	7NC6
KBC Group	EUR	BE0002728096	750	0.125%	M/S +60bps	3/09/2020	3/09/2026	6NC5
KBC Group	EUR	BE0002766476	750	0.125%	M/S+60bps	14/01/2021	14/01/2029	8NC7
KBC Group	EUR	BE0002799808	500 + 200	0.750%	M/S+65bps	31/05/2021	31/05/2031	10y
KBC Group	GBP	BE0002820018	400	1.250%	M/S+52bps	21/09/2021	21/09/2027	6y
KBC Group	EUR	BE0002832138	750	0.250%	M/S+47bps	1/12/2021	1/03/2027	5.25NC4.25
KBC Group	EUR	BE0002839208	750	0.750%	M/S+70bps	21/01/2022	21/01/2028	6NC5
KBC Group	EUR	BE0002846278	750	1.500%	M/S+90bps	29/03/2022	29/03/2026	4NC3
KBC Group	EUR	BE0974423569	750	2.875%	M/S+125bps	29/06/2022	29/06/2025	3NC2
KBC Group	EUR	BE0002875566	750	3.000%	M/S+125bps	25/08/2022	25/08/2030	8y
KBC Group	GBP	BE0002879600	425	5.500%	M/S+158bps	20/09/2022	20/09/2028	6NC5
KBC Group	EUR	BE0002900810	1 000	4.375%	M/S+170bps	23/11/2022	23/11/2027	5NC4
KBC Group	USD	BE6340805124	1000	5.796%	T+210bps	19/01/2023	19/01/2029	6NC5

KBC Green Bond

KBC Social Bond

PORTFOLIO DATA AS OF 31 DECEMBER 2022

in EUR

Total Outstanding Principal Balance	16 549 426 188
Total value of the assets for the over-collateralisation test	15 212 781 076
No. of Loans	212 367
Average Current Loan Balance per Borrower	119 262
Maximum Loan Balance	1 130 045
Minimum Loan Balance upon selection	1 000
Number of Borrowers	138 765
Longest Maturity	319 months
Shortest Maturity	3 months
Weighted Average Seasoning	59 months
Weighted Average Remaining Maturity	185 months
Weighted Average Current Interest Rate	1.66%
Weighted Average Current LTV	61.94%
No. of Loans in Arrears (+30days)	226
Direct Debit Paying	99%

INTEREST RATE TYPE

in %

Fixed	82%
1 y / 1y	6%
3y / 3y	8%
5y / 5y	3%
10y / 5y	<1%
15y / 5y	<1%
20y / 5y	<1%

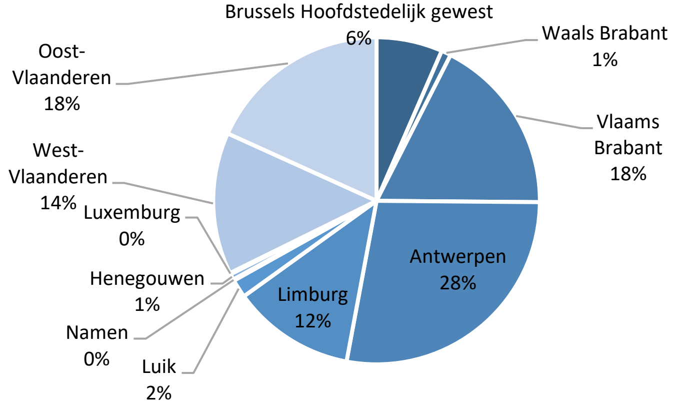
REPAYMENT TYPE

in %

Annuity	>99%
Linear	<1%

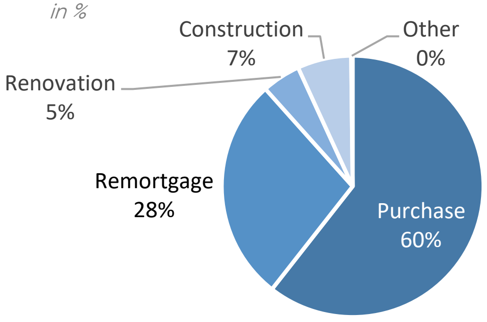
GEOGRAPHICAL ALLOCATION

in %



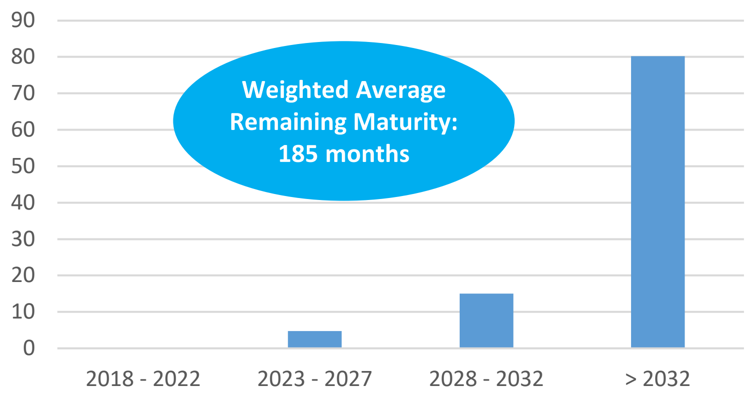
LOAN PURPOSE

in %

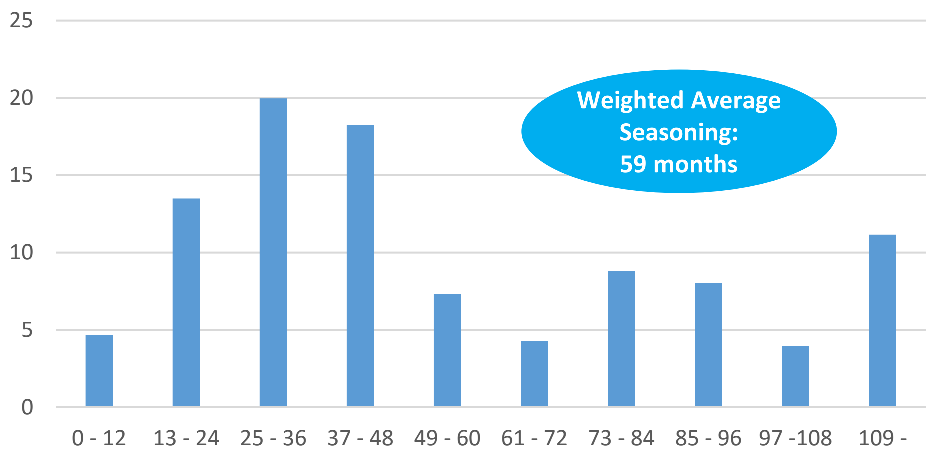


Investor reports, final terms and prospectus are available on www.kbc.com/covered_bonds

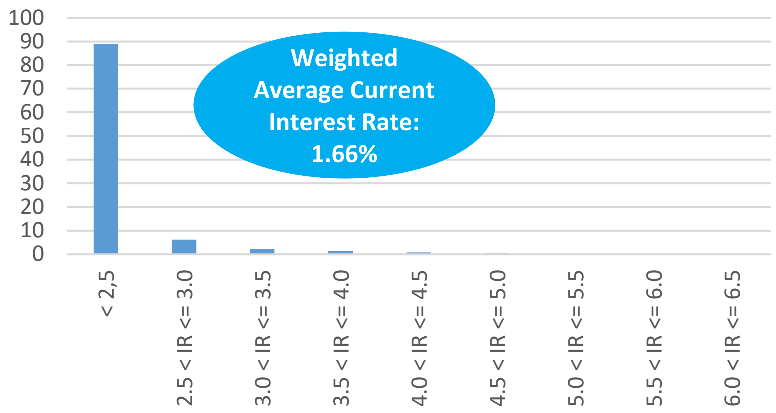
FINAL MATURITY DATE



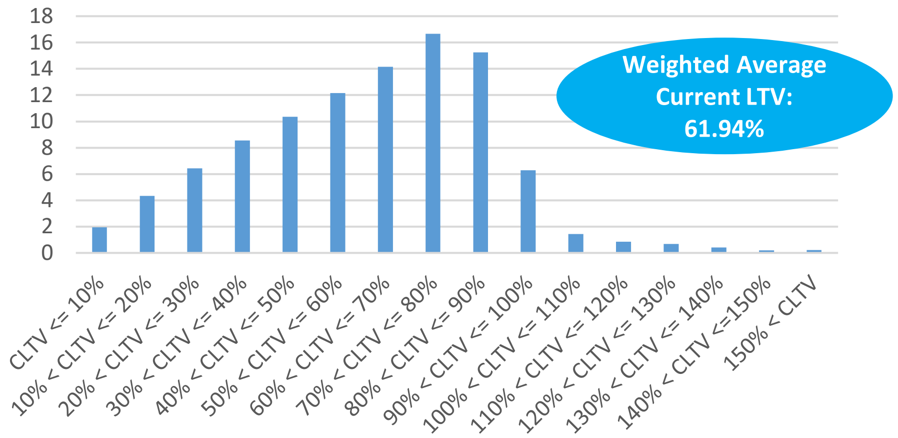
SEASONING



INTEREST RATE



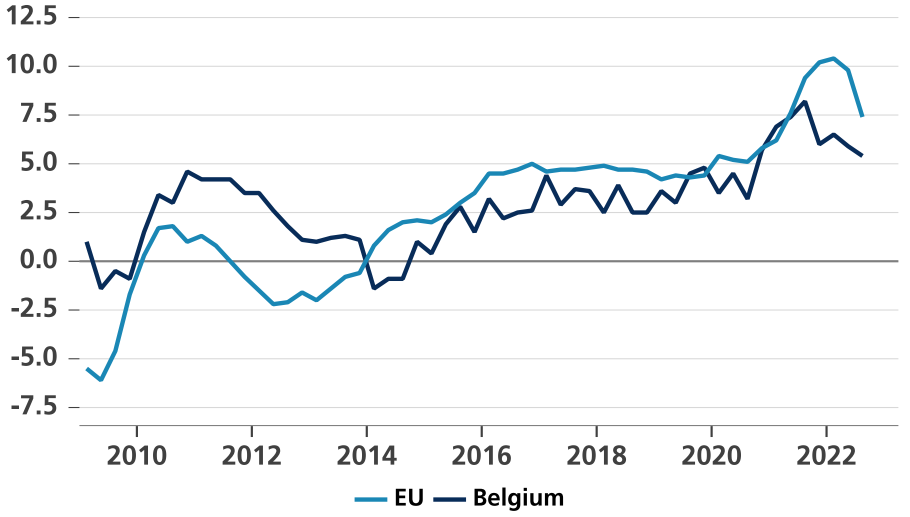
CURRENT LTV



House price dynamics in Belgium are slowing down

The y-o-y house price increase slowed to 5.4% in Q3 2022, down from 8.2% in Q3 2021

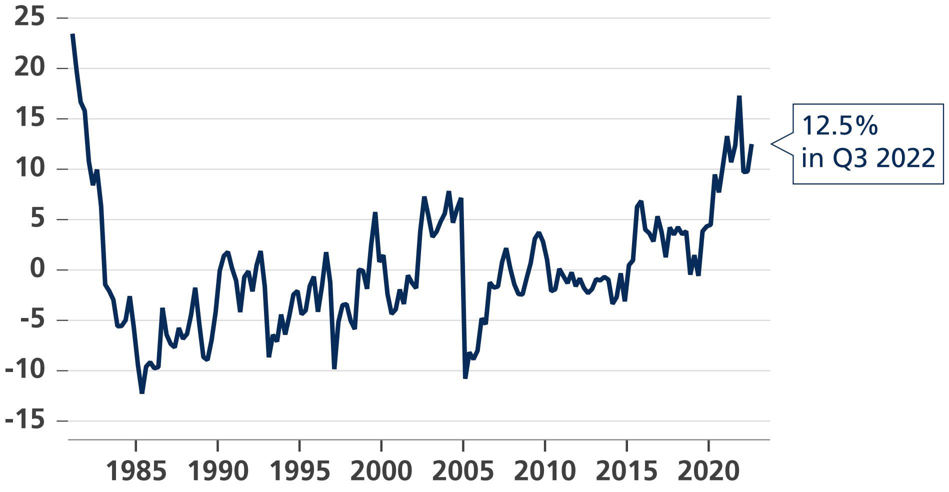
Eurostat house price index
(total dwellings, year-on-year change, in %)



Source: KBC Economics based on Eurostat

The overvaluation of Belgian real estate is estimated at some 12% in Q3 2022

Belgium - Under-/overvaluation housing market
(in %, KBC econometric model) (*)



Source: own calculation KBC Economics
(*) Deviation from the 'fundamental price' as determined by household disposable income, mortgage interest rate, number of families and real estate taxation.

Glossary

B3 / B4	Basel III / Basel IV
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

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More information

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

Upcoming 2023 events

10 February	Equity roadshow, London
16 February	Credit update, Paris
2 March	Credit update, Luxemburg
…	
3 April	Annual report 2022
21 April	ESG, virtual roadshow
24 April	1Q23 black out period
4 May	Annual General Meeting
16 May	1Q23 Publication of Results
17 May	Equity roadshow, London

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