KBC Group
Company presentation
1Q 2022

More infomation: www.kbc.com

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

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1Q 2022 key takeaways

- **Commercial bank-insurance franchises** in core markets performed excellently
- **Customer loans** and **customer deposits** increased y-o-y in most of our core countries (on a comparable basis)
- We have now realised our goal to systematically roll out **Responsible Investing** in all our core markets
- Higher **net interest income** and net interest margin
- Slightly higher **net fee and commission income**
- Significant increase of **net result from financial instruments at fair value**
- Very strong **non-life** insurance performance and higher sales of **life** insurance y-o-y
- **Costs in 1Q** include bulk of full-year bank taxes; costs excl. bank taxes down q-o-q (notwithstanding extraordinary staff bonus[1])
- Net **impairment release,** notwithstanding creation of geopolitical & emerging risks reserve (largely offset by partial release of Covid reserves)
- Solid **solvency** and **liquidity**

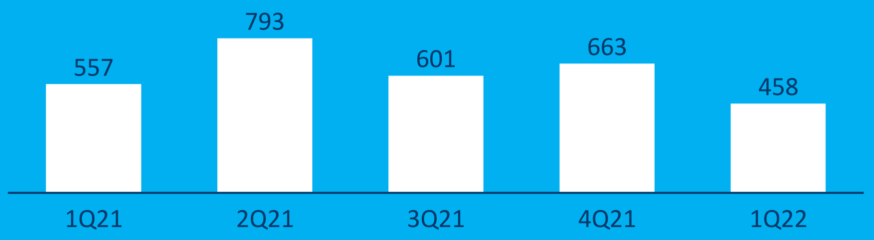
Excellent net result of 458m EUR in 1Q22

1Q22

- ROE **14%**[2]
- Cost-income ratio excluding bank taxes **48%**
- Combined ratio **83%**
- Credit cost ratio **-0.03%**
- Common equity ratio **15.3%** (B3, DC, fully loaded)[3]
- Leverage ratio **5.0%** (fully loaded)
- NSFR **149%** & LCR **162%**

Net result

Amounts in m EUR



1. One-off bonus for our staff for their achievements in what was a challenging and difficult year (Covid)
2. When bank taxes are evenly spread throughout the year
3. As of 1Q22, interim profit recognition (based on 50% profit accrual)

Comparisons against the previous quarter unless otherwise stated

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

Limited impact on KBC

Provisions for direct exposure on credit portfolio	55m EUR*	**Direct loan exposure to Russia, Belarus & Ukraine** amounts to approx. **55m EUR**, mostly commercial exposure to Russian banks
Provisions for indirect impact on credit portfolio	33m EUR*	**Indirect credit exposure to Russia, Ukraine and Belarus**: • Corporate & SME clients with a **material activity in Russia, Ukraine and Belarus** or a material dependency on these markets for imports or exports • Corporate & SME clients **vulnerable to oil and/or gas disruption**
Provisions for emerging risks	135m EUR*	• Corporate & SME clients vulnerable to **supply chain issues** and **increasing commodity and energy prices** • Retail clients vulnerable to **higher cost of living** and/or **higher repayments** due to higher rates
Insurance exposure	No direct exposure	• **No direct insurance exposure** in Russia/Belarus/Ukraine • War-induced claims are excluded from policies
Asset management exposure	Very little exposure	• Exposure to Russian and Ukrainian assets amounts to **only 150k** EUR
Cyber risk	Addit. preventive measures taken	• No targeted cyber attacks towards KBC entities detected so far. All entities remain extremely vigilant of any suspicious events
Economic outlook (GDP outlook for euro area)	GDP 2.3%	• Fears of stagflation, but **KBC still assumes 2.3% GDP growth in the euro area** for **2022**, revised down from 3.5% pre-war
Increased Deposit Guarantee Fund contributions	+24m EUR	• **Extraordinary contribution** to the Deposit Guarantee Fund in **Hungary, as a result of the resolution of Sberbank Hungary**

* *See more detail on page 20*

KBC: the reference

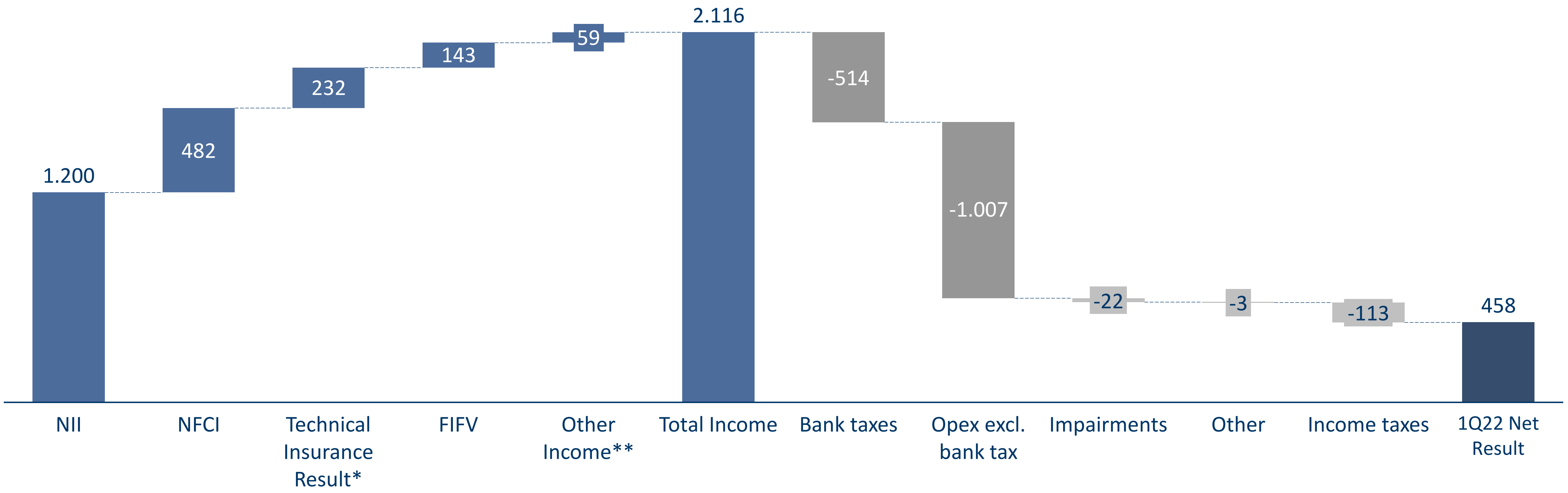
What?	Current relative ranking	Position versus industry average
Profitability (1Q22 ROE*)	KBC 14%	KBC amongst most profitable EU banks
Solvency (1Q22 CET1 ratio)**	KBC 15.3%	KBC amongst best capitalised EU banks
ESG / Sustainability SUSTAINALYTICS	KBC	KBC 9th of 413 diversified global banks
Digitalisation SIAPARTNERS	Conclusion of Sia Partners (independent research agency) is clear: 'KBC Mobile is a perfect and efficient banking app for everyday needs and one of the most innovative with some interesting extras. The app surprises customers with the wide range of functionalities and the virtual assistance by Kate.' KBC	KBC Mobile No 1 globally by Sia Partners

Differently **THE NEXT LEVEL**

* Evenly spreading the bank taxes throughout the year

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

Overview of building blocks of the 1Q22 net result



	NII	NFCI	Technical Insurance Result*	FIFV	Other Income**	Total Income	Bank taxes	Opex excl. bank tax	Impairments	Other	Income taxes	1Q22 Net Result
Q-o-Q	+2%	+1%	+13%			+12%		-2%				-31%
Y-o-Y	+12%	+9%	-2%			+9%		+12%				-18%

* Earned premiums – technical charges + ceded reinsurance
** Dividend income + net realised result from debt instruments FV through OCI + net other income

Main exceptional items

		1Q22	4Q21	1Q21
BE BU	Non-Life technical charges - flood impact above legal limit (solidarity contribution)		-7m EUR	
	OPEX - extraordinary staff bonus	-10m EUR		
	IMP – real estate	-11m EUR		
	Total Exceptional Items BE BU	***-21m EUR***	***-7m EUR***	***0m EUR***
CZ BU	NOI - Legacy legal files	+7m EUR		
	OPEX - extraordinary staff bonus	-12m EUR		
	Total Exceptional Items CZ BU	***-5m EUR***	***0m EUR***	***0m EUR***
IM BU	IRL - NOI - Additional impact for the tracker mortgage review		-4m EUR	
	IRL - Sales transactions (NOI -3, Opex -16, Impairm. -25)		-44m EUR	
	HU - Impairments - Modification losses		-1m EUR	
	OPEX - extraordinary staff bonus	-12m EUR		
	HU - BK TAX - extraordinary amount Dep. Guarantee Fund	-24m EUR		
	Total Exceptional Items IM BU	***-37m EUR***	***-49m EUR***	***0m EUR***
GC	NOI - Badwill on OTP SK		+28m EUR	
	NOI - Legacy legal file		+6m EUR	
	OPEX - extraordinary staff bonus	-6m EUR		
	IRL - Sales transactions (NII +3, NFCI +3, Opex -11, Impairm. -27)	-32m EUR		
	Total Exceptional Items GC	***-38m EUR***	***+34m EUR***	***0m EUR***
Total Exceptional Items		-101m EUR	-22m EUR	0m EUR
Total Exceptional Items (post-tax)		-90m EUR	-21m EUR	0m EUR

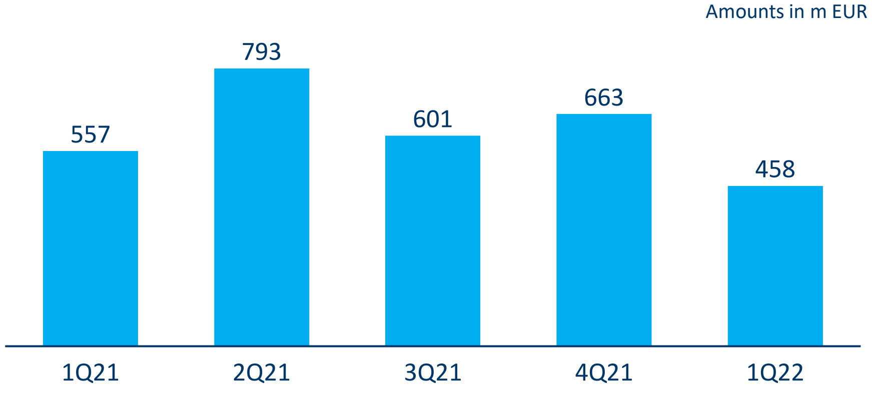
Contents

Section 1

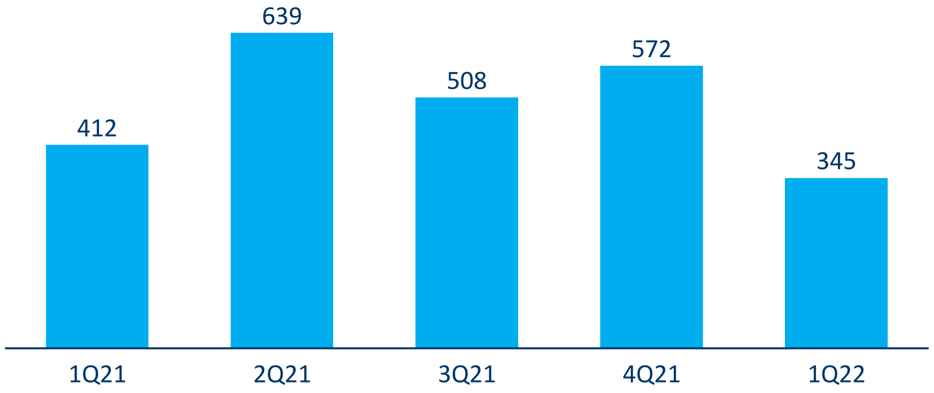
1Q 2022 performance of KBC Group

Net result at KBC Group

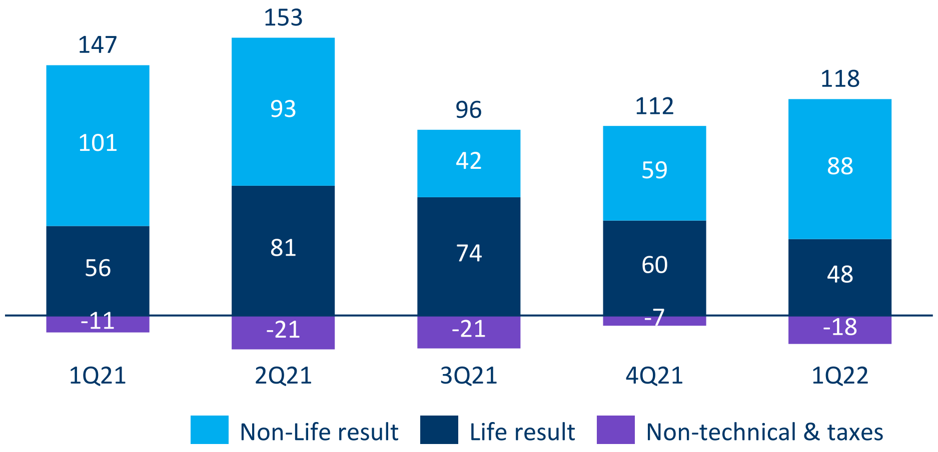
NET RESULT AT KBC GROUP*



CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP NET RESULT*

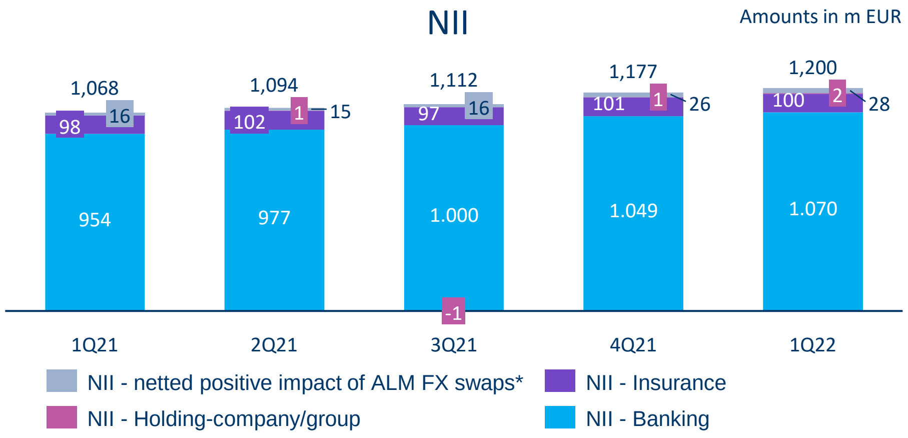


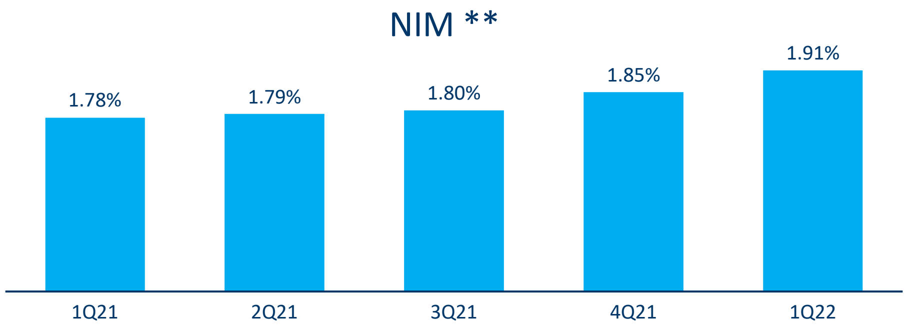
CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP NET RESULT*



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

Higher net interest income and net interest margin





* From all ALM FX swap desks

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

- **Net interest income (1 200m EUR)**
  - NII increased by 2% q-o-q and 12% y-o-y, driven primarily by:
    - organic loan volume growth
    - rate hikes in the Czech Republic (and to a lesser extent also in Hungary)
    - extensive charging of negative interest rates on more current accounts held by corporate entities and SMEs
    - positive forex effect (appreciation of Czech koruna against the euro)
    - higher netted positive impact of ALM FX swaps (mainly y-o-y)

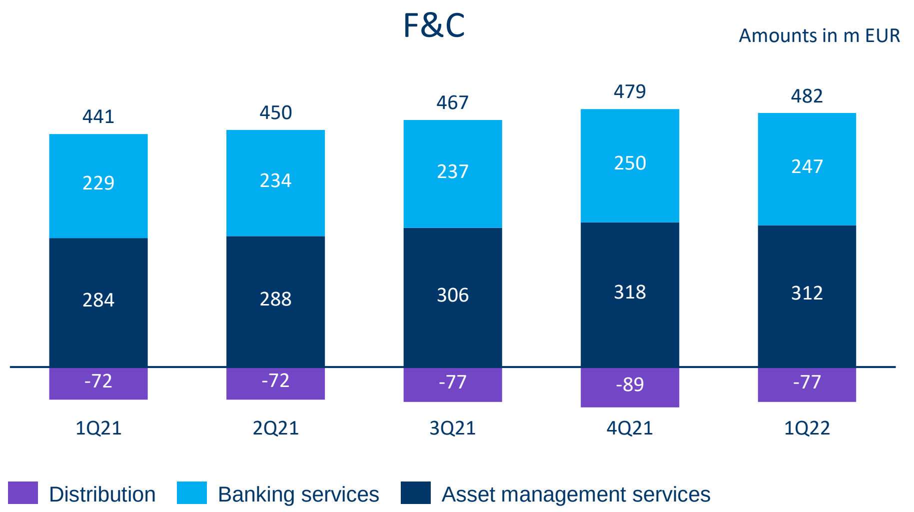
    These elements more than offset :
    - the negative effect of lower loan margins in most markets
    - decreasing reinvestment yield in euro-denominated countries
    - lower number of days (quarter-on-quarter)
- **Net interest margin (1.91%)**
  - Increased by 6 bps q-o-q and by 13 bps y-o-y for the reasons mentioned above
  - despite an increase of the interest-bearing assets (denominator)

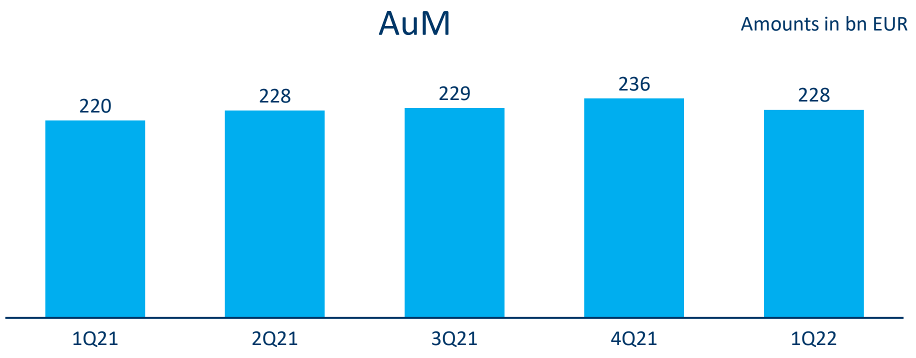
ORGANIC VOLUME TREND	Total loans**	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	174bn	79bn	210bn	228bn	28bn
Growth q-o-q*	+2%	+2%	+3%	-3%	-2%
Growth y-o-y	+7%	+7%	+5%	+3%	+0%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds), including Ireland (under IFRS 5) . Growth figures are excluding FX, consolidation adjustments and reclassifications.

*** Customer deposits, excluding debt certificates and repos, including Ireland (under IFRS 5).

Higher net fee and commission income

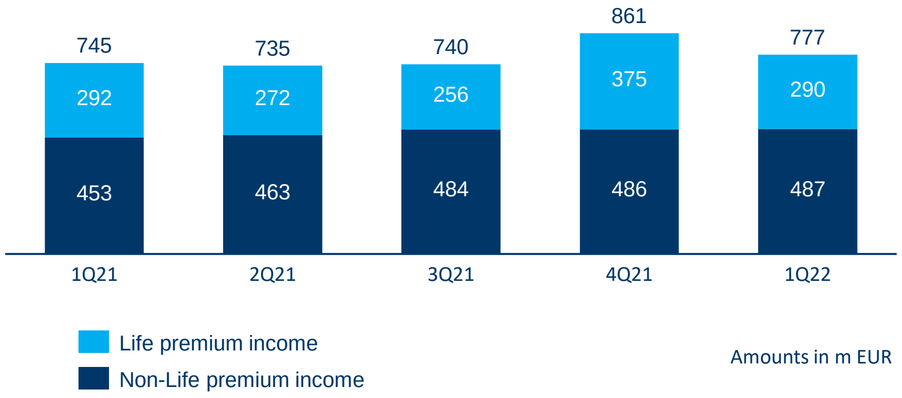




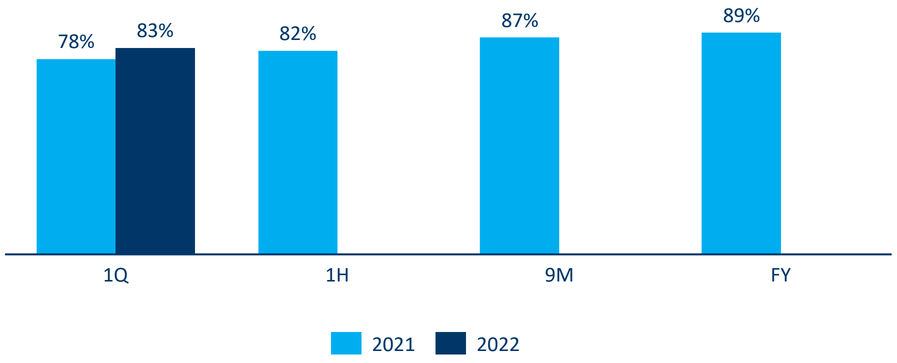
- **Net fee and commission income (482m EUR)**
  - Up by 1% q-o-q and by 9% y-o-y
  - Q-o-q increase was mainly the result of the following:
    - Net F&C income from Asset Management Services decreased by 2% q-o-q (a drop in management fees due to lower AuM, only partially offset by higher entry fees due to strong gross sales)
    - Net F&C income from banking services decreased by 1% q-o-q (a drop in payment fees only partially offset by higher credit/guarantee-related fees and securities-related fees)
    - Paid distribution costs went down by 14% q-o-q (seasonally lower commissions paid linked to banking and insurance products)
  - Y-o-y increase was mainly the result of the following:
    - Net F&C income from Asset Management Services rose by 10% y-o-y (higher management fees, despite lower entry fees)
    - Net F&C income from banking services increased by 8% y-o-y (mainly higher fees from payment services)
    - Paid distribution costs rose by 6% y-o-y (mainly higher commissions paid linked to strong sales of non-life insurance products)
- **Assets under management (228bn EUR)**
  - Decreased by 3% q-o-q (extremely strong net inflows more than offset by negative price effect)
  - Increased by 3% y-o-y (extremely strong net inflows and small positive price effect)

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

PREMIUM INCOME (GROSS EARNED PREMIUMS)



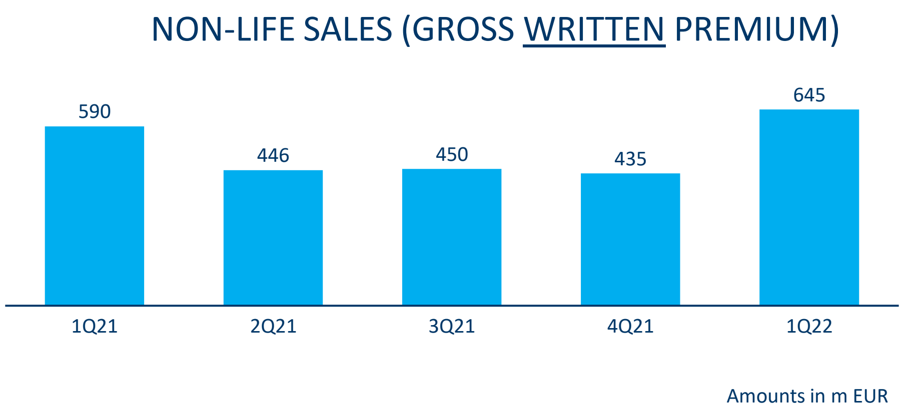
COMBINED RATIO (NON-LIFE)



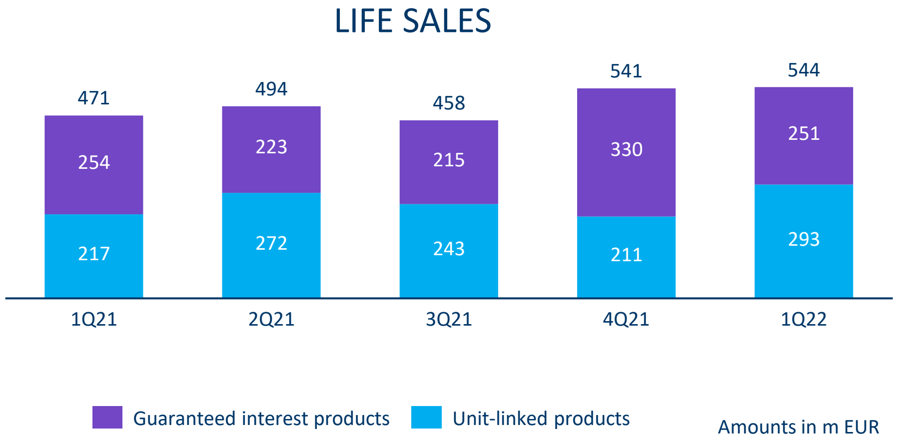
- **Insurance premium income** (gross earned premiums) **at 777m EUR**
  - Non-life premium income (487m EUR) increased by 8% y-o-y
  - Life premium income (290m EUR) decreased by 23% q-o-q and by 1% y-o-y

- Non-life **combined ratio** for 1Q22 amounted to an excellent **83%** (78% in 1Q21). This is the result of:
  - 8% y-o-y higher earned premiums
  - 35% y-o-y higher technical charges
    (due mainly to significantly higher storm impact in BE, only partly offset by lower major claims)
  - Significantly higher ceded reinsurance result
    (up 37m EUR y-o-y, cf. storm recoveries)

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

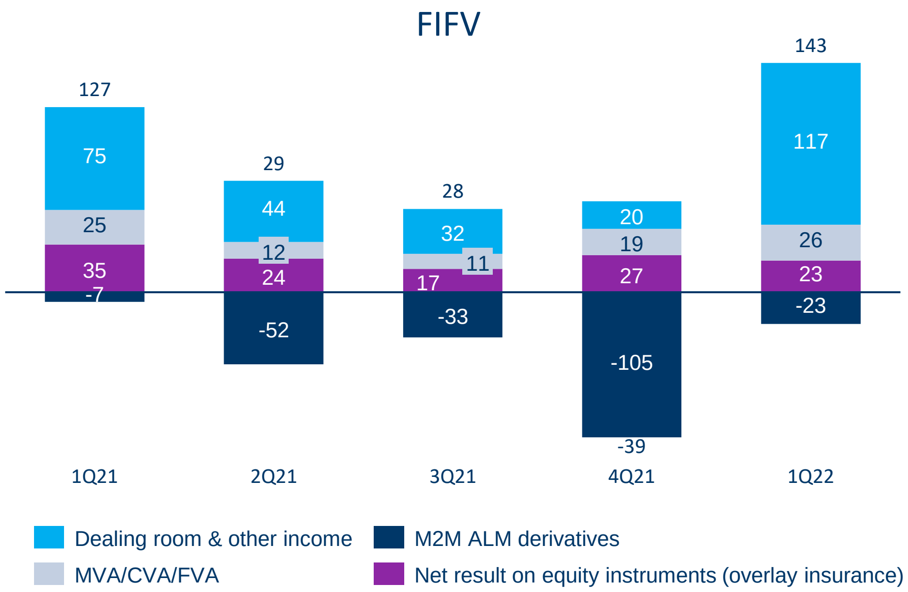


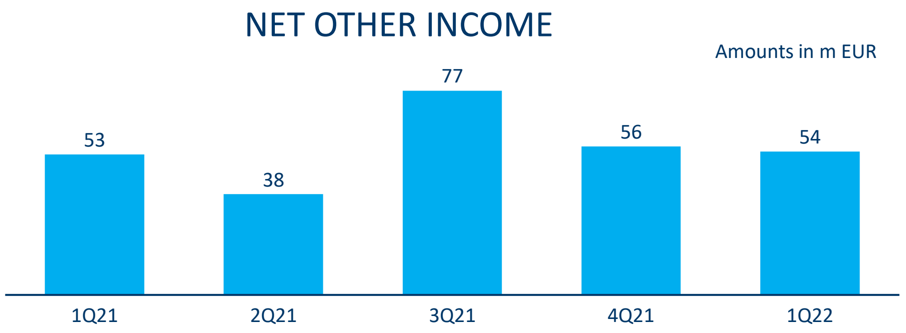
- **Sales of non-life insurance products**
  - Up by 9% y-o-y
    (growth in almost all classes, but chiefly in the classes 'Motor Comprehensive Cover' and 'Property'; volume and tariff increases)



- **Sales of life insurance products**
  - Increased by 1% q-o-q
    (higher sales of unit-linked products in Belgium partly offset by decrease of sale of guaranteed interest products (partly due to traditionally higher volumes in tax incentivised pension savings products in 4Q21)
  - Increased by 16% y-o-y
    (strong increase of sale of unit-linked products in Belgium and Bulgaria (partly due to the consolidation of the NN Bulgaria's life insurance activities))
  - Sales of unit-linked products accounted for 54% of total life insurance sales in 1Q22

Strong increase of net result from financial instruments at fair value
Net other income slightly above normal run rate



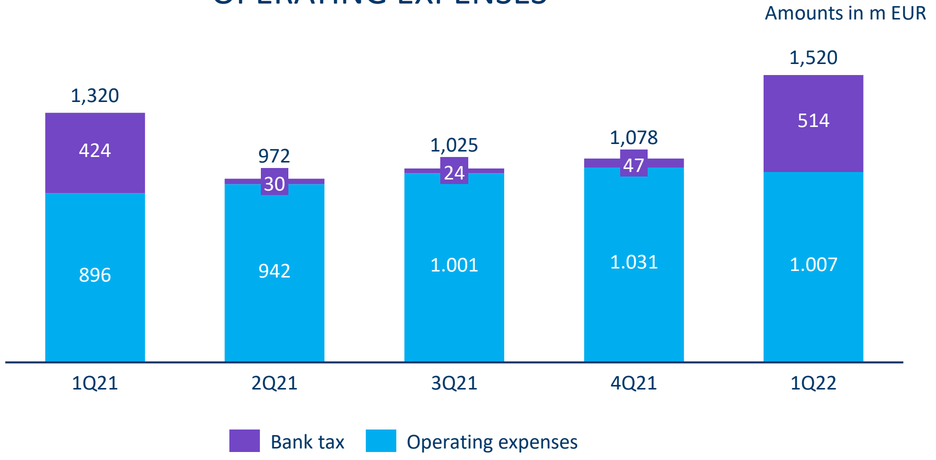


- The 182m EUR q-o-q increase in **FIFV** was attributable mainly to:
  - Significantly higher dealing room and other income (higher trading and sales desks revenues due to upward shifts of IR yield curves and widening of cross-currency spreads, in combination with high volatility on the market leading to increased client activity)
  - Significantly less negative change in ALM derivatives (previous quarter negatively impacted by increase in HUF interest rates, not in hedge accounting, whereas as of 1 January 2022 hedge accounting was applied on these positions to reduce volatility)
  - More positive market value adjustments (uptrending yield curves and decreased KBC funding exposure, partly compensated by increased counterparty credit spreads due to geopolitical risk and decrease of equity markets)
  - Slightly lower net result on equity instruments (insurance)

- **Net other income** amounted to 54 EUR
  - Slightly higher than the normal run rate of around 50m EUR per quarter
  - Includes some one-offs (such as a positive 7m EUR related to a legal file in the Czech Republic)

Costs excluding bank taxes and one-off items decreased q-o-q

OPERATING EXPENSES



BANK TAX SPREAD IN 2022 (preliminary)

Amounts in m EUR

	TOTAL	Upfront	Spread out over the year			
	1Q22	1Q22	1Q22	2Q22	3Q22	4Q22
BE BU	**354**	354	0	0	0	0
CZ BU	**60**	60	0	1	1	1
Hungary	**78**	56	21	23	23	25
Slovakia	**6**	6	0	0	0	0
Bulgaria	**12**	12	0	0	0	0
Ireland & Group Centre	**4**	3	1	1	1	0
TOTAL	**514**	**492**	**23**	**25**	**25**	**26**

- **Operating expenses** in 1Q22 at first sight increased by 41% q-o-q and by 15% y-o-y, strongly influenced by the following:
  - **Extraordinary staff bonus of 41m EUR** in 1Q22
  - 1Q includes bulk of the **bank taxes** for the full year (514m EUR), increased by 21% y-o-y driven by:
    - an extraordinary charge of 24m EUR related to Sberbank Hungary wind down, without this one-off the bank taxes rose 16% y-o-y
    - the remainder of the increase is linked to balance sheet growth and SRF contribution percentage increase

- **Operating expenses excluding bank taxes** went down by 2% q-o-q and increased by 12% y-o-y
  - The q-o-q decrease is due, among other things, to lower one-off charges related to the Irish sale transactions, lower ICT, facility and marketing expenses (partly seasonal effect) as well as lower professional fee expense, partly offset by the extraordinary staff bonus, the impact of inflation/wage indexation, and a negative forex effect
  - The y-o-y increase is due, among other things, to the above-mentioned extraordinary staff bonus, one-off charges related to the Irish sale transactions, higher ICT expenses, inflation/wage indexation and a negative forex effect
  - Operating expenses excluding bank taxes and one-offs decreased 6% q-o-q and increased by 7% y-o-y (1Q21 very low due to Covid)

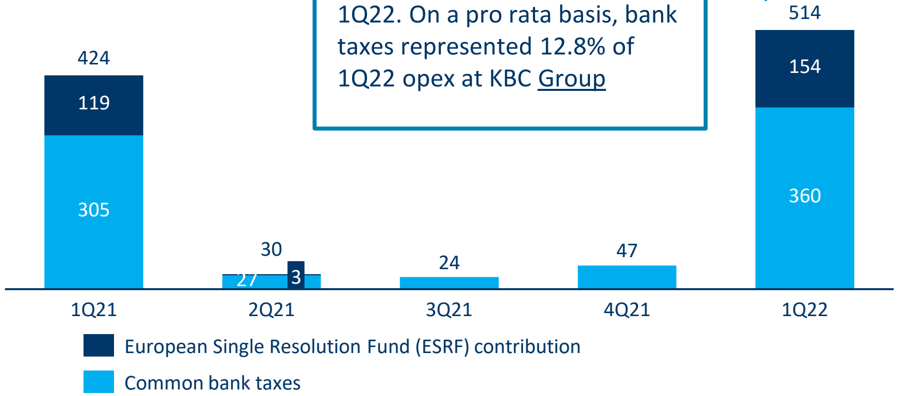
- **Cost/income ratio**
  - 53% when evenly spreading the bank taxes over the year and excluding certain non-operating items* (55% in FY21)
  - 48% excluding all bank taxes (51% in FY21)

* See glossary for the exact definition

Overview of bank taxes*

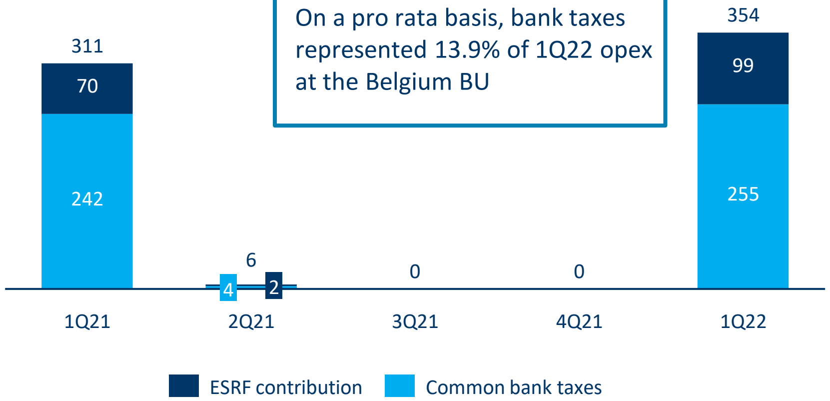
KBC GROUP

Bank taxes of 514m EUR in 1Q22. On a pro rata basis, bank taxes represented 12.8% of 1Q22 opex at KBC Group



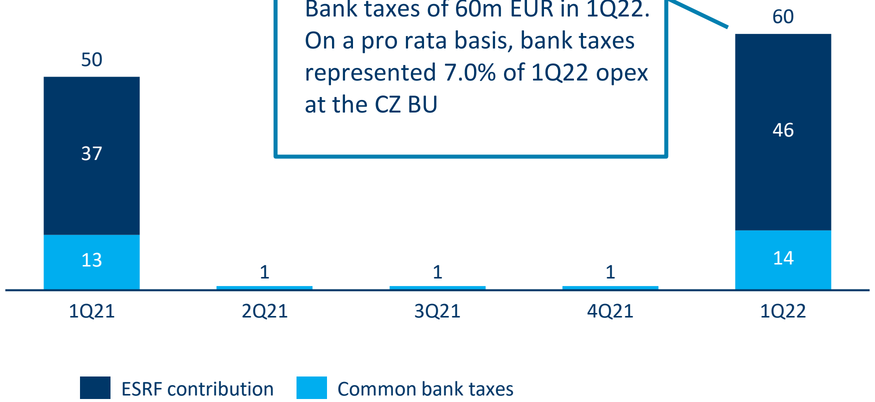
BELGIUM BU

Bank taxes of 354m EUR in 1Q22. On a pro rata basis, bank taxes represented 13.9% of 1Q22 opex at the Belgium BU



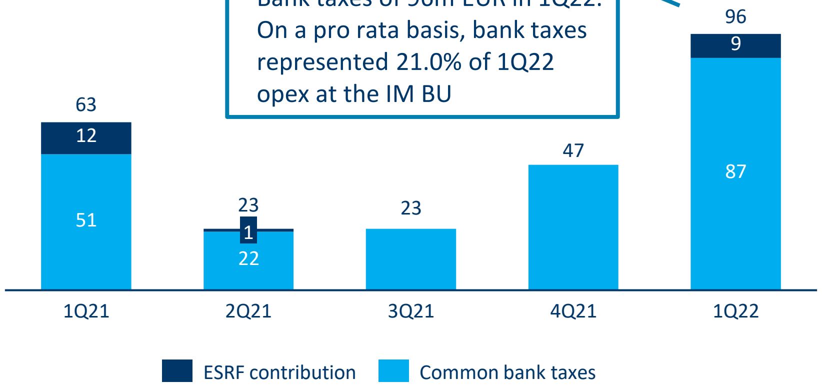
CZECH REPUBLIC BU

Bank taxes of 60m EUR in 1Q22. On a pro rata basis, bank taxes represented 7.0% of 1Q22 opex at the CZ BU



INTERNATIONAL MARKETS BU**

Bank taxes of 96m EUR in 1Q22. On a pro rata basis, bank taxes represented 21.0% of 1Q22 opex at the IM BU

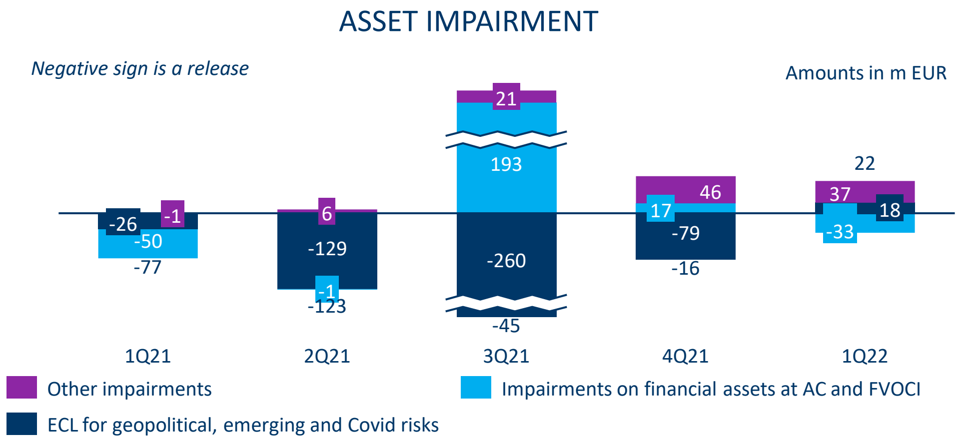


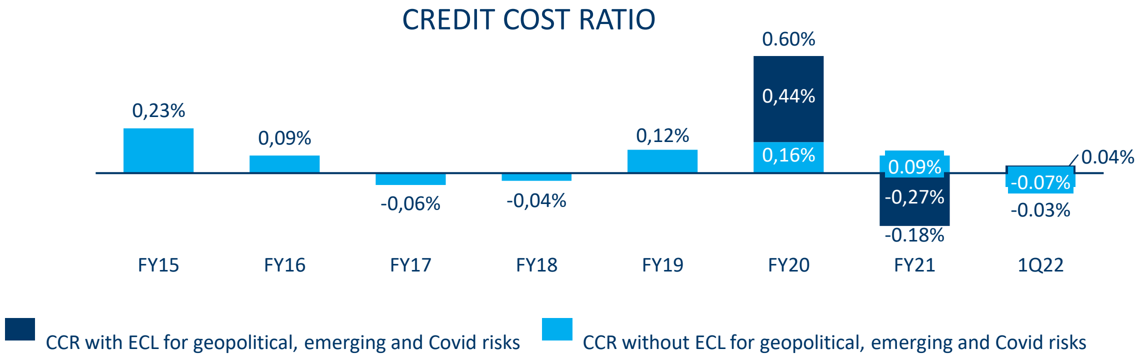
- This refers solely to the bank taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

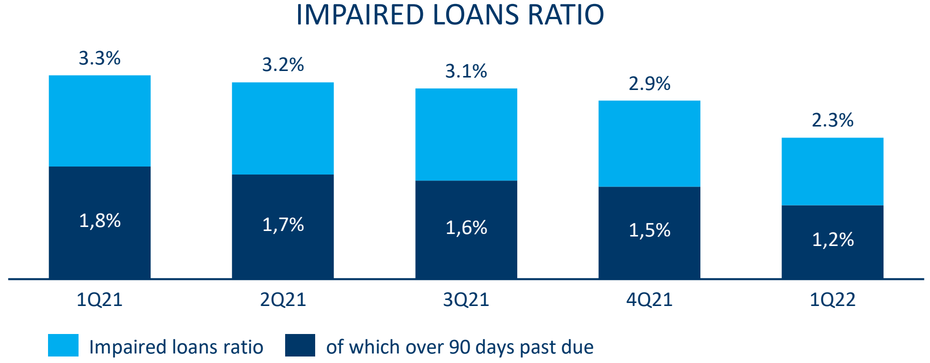
** As of 1Q 2022, KBC Ireland has been shifted from International Markets Business Unit to Group Centre. No restatements have been made

Amounts in m EUR

Net loan loss impairment releases and excellent credit cost ratio





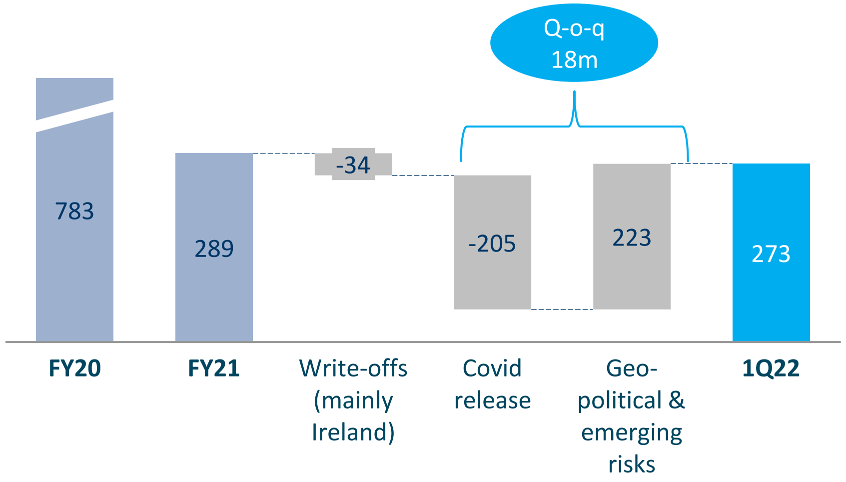


- **Net loan loss impairment releases**
  - **Loan loss impairment releases of 15m EUR in 1Q22** (compared with 62m EUR in 4Q21) due to:
    - 33m EUR loan impairment releases
    - a reduction of 205m EUR of the outstanding ECL for Covid
    - partly offset by an increase of 223m EUR due to the uncertainties surrounding geopolitical and emerging risks
    - total ECL for geopolitical, emerging and Covid risks now stands at 273m EUR (see details on next slides)
  - **37m EUR impairment on 'other', due mainly to**:
    - a 24m EUR impairment related to the sale agreements in Ireland
    - a 11m EUR impairment one-off on real estate in BE
- The **credit cost ratio in 1Q22** amounted to:
  - -7 bps (9 bps in FY20) without ECL for geopolitical, emerging and Covid risks
  - -3 bps (-18 bps in FY21) with ECL for geopolitical, emerging and Covid risks
- The impaired loans ratio improved to 2.3% (1.2% of which over 90 days past due), driven by the sale of the bulk of the non-performing portfolio of Ireland in February

Outstanding ECL for geopolitical, emerging and Covid risks

q-o-q release for Covid risk offset by geopolitical & emerging risks

Q-o-q change in the outstanding ECL for geopolitical, emerging and Covid risks



Outstanding ECL by country

Geopolitical, emerging and Covid risks				
			P&L changes:	
Eur m	YE21	1Q22	*Covid*	*Geopolitical & emerging risks*
KBC Group	**289**	**273**	*-205*	*223*
By country:				
Belgium	100	**122**	*-95*	*117*
Czech Republic	69	**70**	*-61*	*64*
Slovakia	20	**22**	*-17*	*21*
Hungary	37	**41**	*0*	*4*
Bulgaria	12	**12**	*-10*	*11*
Ireland	51	**6**	*-22*	*6*

- During 1Q 2022, we updated the impact assessment of risks that could adversely affect our loan portfolio. As a result, the **outstanding ECL for Covid was supplemented with the outcome of the impact assessments of geopolitical and emerging risks** *(see next slides)*

- At the end of 1Q 2022, the outstanding ECL for geopolitical, emerging and Covid risks included an impairment charge of 18m EUR, driven by:
  - **a reduction of 205m EUR in the outstanding ECL for Covid,** due to the impairment release in the retail portfolio and almost the entire SME & Corporate portfolio *(remaining 50m EUR Covid ECL for highly vulnerable sectors - which represent just 4% of the total SME & Corporate loan portfolio of KBC Group - and for the Hungarian retail and non-retail portfolio)*

  but offset by:
  - **an increase** in the outstanding ECL **of 223m EUR, due to the uncertainties surrounding geopolitical & emerging risks** *(see next slides)*
  - **a write-off of 34m EUR**, mainly as a result of the completion of the sale of the Irish NPL portfolio to CarVal *(only balance sheet movement)*

  and resulted in an **outstanding ECL for geopolitical, emerging and Covid risks of 273m EUR**

Amounts in m EUR

Update on the Russia/Ukraine conflict (including emerging risks) (1/2)

Estimated impact on credit exposure

A	**No direct subsidiaries**	KBC has **no direct subsidiaries** in Russia (R), Belarus (B) or Ukraine (U)
B	**Very limited direct credit exposure**	**Direct credit exposure amounts to approx. 55m EUR** Of which 49m EUR transfer risk exposure on Russia, mainly concentrated in commercial exposure on Russian banks (this exposure cannot increase any further). **No exposure on Russian sovereigns.**
C	**Indirect credit impact: Counterparties***	**Counterparties-at-risk:** (total client credit exposure on group level): Corp & SME counterparties with a material activity in/dependence towards R,B or U (i.e.,>20% of either sales, cost or profit), either directly or indirectly through a client/supplier and Corp & SME counterparts that are directly impacted by a possible disruption in oil and gas supplies **➔ Outstanding exposure**: 2.0bn EUR ➔ Total P&L charge*: 33m EUR**
D	**Emerging risks (Secondary Indirect credit impact): Portfolios/(Sub)sectors***	**Vulnerable clients in retail and non-retail Portfolios/(Sub)sectors impacted by newly emerging risk** (energy prices/supply bottlenecks/higher cost of living and rising interest rates) **➔ Outstanding exposure**: 5.9bn EUR ➔ Total P&L charge*: 135m EUR**
	Estimated total P&L charge (on credit exposure)	A + B + C + D = **223m EUR**

* Estimation of impairments (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 financials . To capture this impact (i.e., forward-looking IFRS 9), a collective stage 2 shift 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

Differently THE NEXT LEVEL

KBC

Update on the Russia/Ukraine conflict (including emerging risks) (2/2)

Macro economic impact of the Russia/Ukraine conflict

GDP Outlook downward revised
Rising commodity prices feed into inflation

Outlook	GDP Growth				Inflation			
Period avg in %	April 2022	Pre-war 2022	April 2023	Pre-war 2023	April 2022	Pre-war 2022	April 2023	Pre-war 2023
US	3.1	3.3	1.9	2.3	6.5	3.6	2.0	2.2
UK	4.0	4.4	1.8	2.1	7.5	4.6	4.5	2.5
Germany	1.5	2.7	1.1	2.2	7.4	4.0	4.2	2.0
France	2.6	3.7	1.3	2.2	6.0	3.4	3.8	1.4
Euro Area	2.3	3.5	1.4	2.4	7.3	3.6	4.0	1.6
Belgium	2.0	2.8	1.1	1.8	8.3	4.5	2.0	1.4
Czech Republic	1.8	4.3	3.1	3.7	10.1	5.3	4.5	2.2
Slovakia	2.5	4.5	3.4	4.5	7.9	6.5	8.0	3.5
Hungary	3.7	4.8	3.1	4.0	9.0	5.8	4.5	3.3
Bulgaria	2.5	4.0	3.0	3.0	11.1	5.5	5.3	2.5

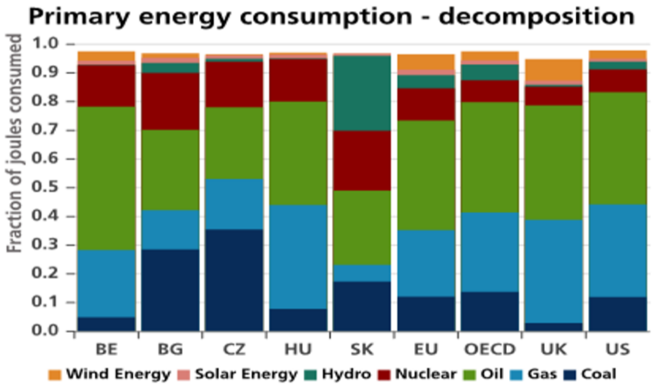
Source: KBC economics

Exports/imports to Russia/Ukraine: Impact limited

% of GDP 2019	Exports to Ukraine	Imports from Ukraine	Exports to Russia	Imports from Russia
US	0,0	0,0	0,0	0,1
UK	0,0	0,0	0,1	0,5
Germany	0,1	0,1	0,8	0,8
France	0,0	0,0	0,2	0,3
Belgium	0,1	0,1	0,9	1,7
Czech Republic	0,6	0,4	1,7	1,3
Slovakia	0,7	0,6	1,5	3,5
Hungary	1,8	1,1	1,2	3,1
Bulgaria	0,6	0,9	0,9	5,4

Source: KBC economics based on IMF, Eurostat, BEA

Primary energy consumption – Decomposition



Source: KBC economics based on BP

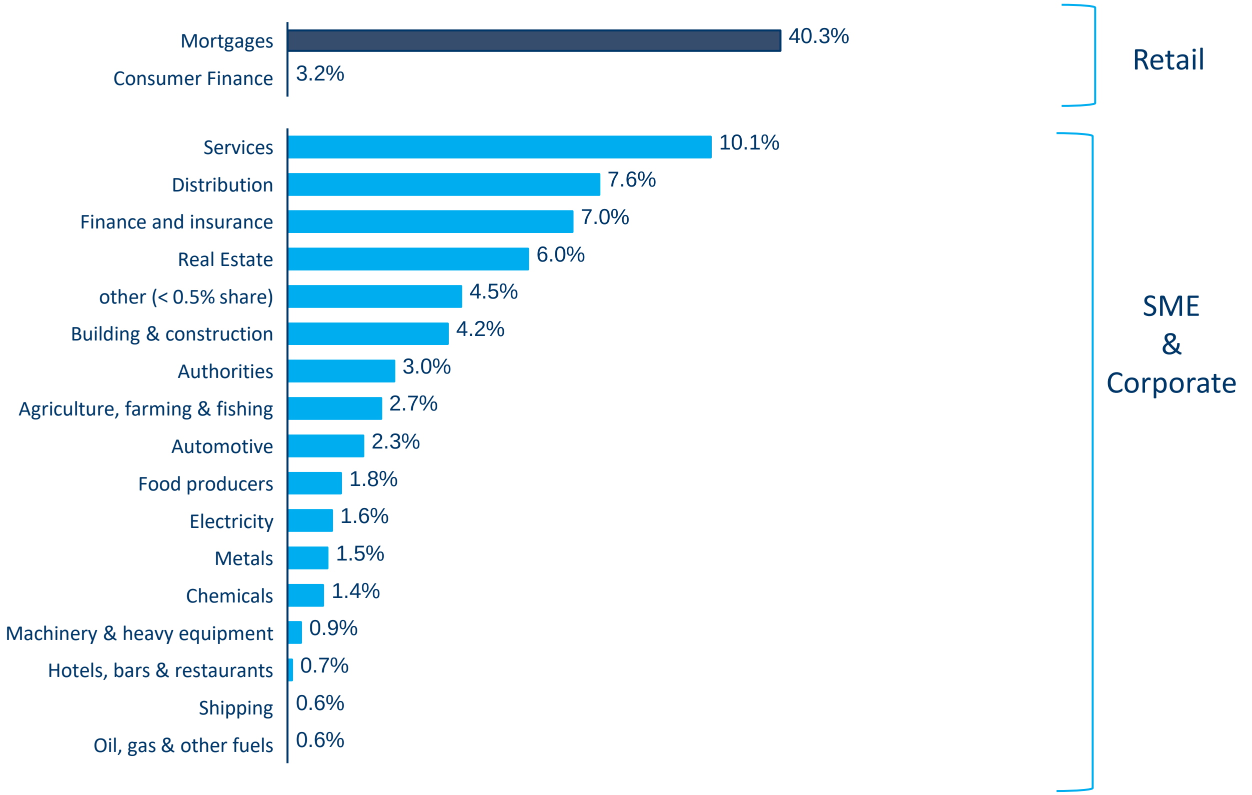
Markets have been very volatile

We see:
- Soaring commodity prices
- Policy normalisation track changes for FED and ECB
- CEE currencies facing pressure
- CZK and HUF interest rates increased significantly
- Closing of production facilities in Ukraine adding to the already existing supply issues
- Sharply increasing gas prices resulting in EU plans to build down gas dependency on Russia. Supply cuts could trigger further impact on economic growth

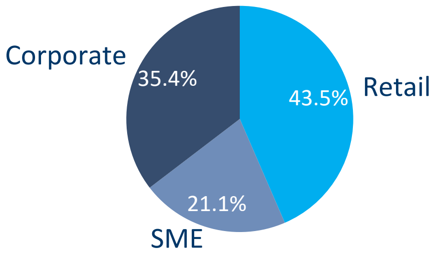
Diversified loan portfolio

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

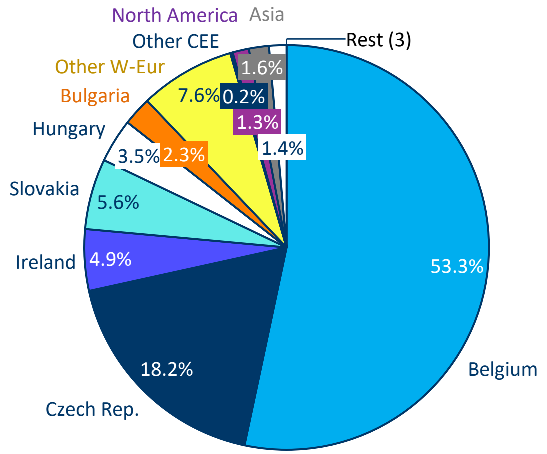
194bn EUR(2)



Total loan portfolio outstanding by segment(1)



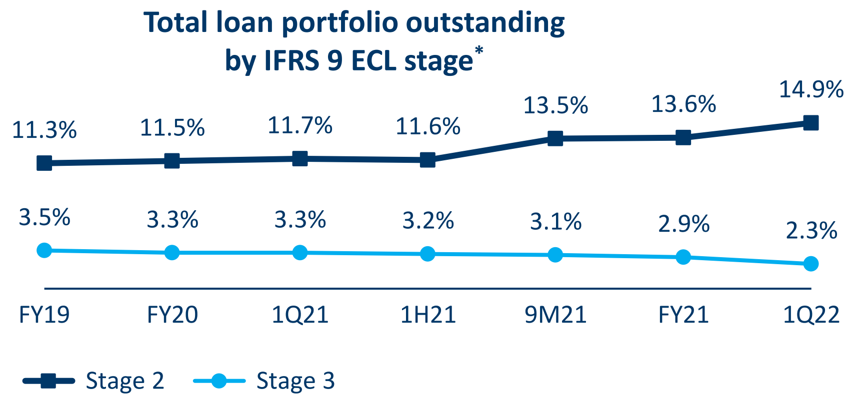
Total loan portfolio outstanding by geographical breakdown(1)



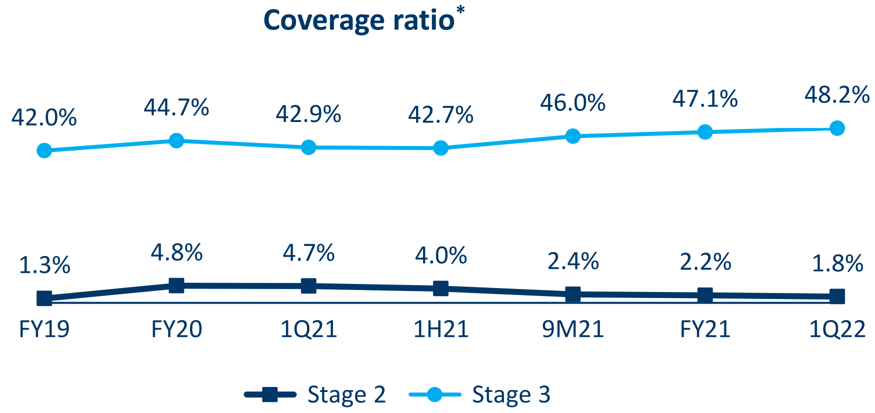
(1) Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements
(2) Including loan portfolio of KBC Bank Ireland, the pro-forma total loan portfolio outstanding without KBC Bank Ireland amounts to 185bn EUR
(3) The 'rest' part includes 0.03% of the outstanding portfolio to Russia and Ukraine

Quality of outstanding loan portfolio

Continue improvement of Stage 3



- 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 1Q22, an additional exposure was transferred to Stage 2 linked to the geopolitical and emerging risks
- Excluding this collective transfer, only minor PD shifts have been observed in our portfolio



- The increase of the Stage 3 coverage ratio is mainly driven by the sale of non-performing mortgage loans of Ireland
- From 2H21, the decline of the Stage 2 coverage ratio resulted mainly from collective shifts to Stage 2 (see above)

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

Section 2

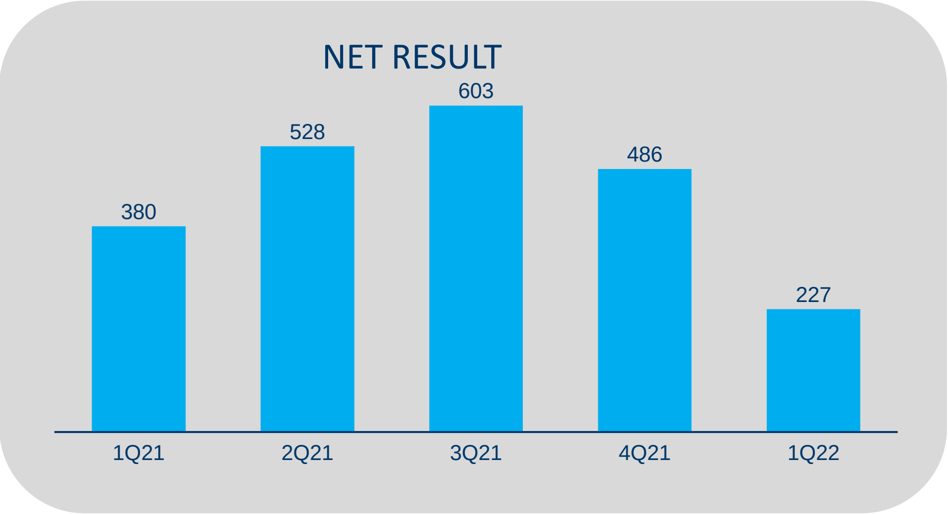
1Q 2022 performance of business units

Business profile

	BELGIUM	CZECH REPUBLIC	SLOVAKIA	HUNGARY	BULGARIA	GROUP CENTRE	Of which IRELAND
1Q22 NET RESULT (in million euros)	227m	207m	22m	35m	17m	-49m	-15m
ALLOCATED CAPITAL (in billion euros)	7.8bn	2.0bn	0.7bn	0.9bn	0.5bn	0.7bn	0.5bn
LOANS (in billion euros)	111bn	34bn	10bn	5bn	4bn		9bn
DEPOSITS* (in billion euros)	134bn	47bn	8bn	10bn	7bn		5bn
BRANCHES (end 1Q22)	430	204	122	198	161		12
Clients (end 1Q22)	3.8m	4.3m	0.8m	1.6m	1.8m		0.3m

* Customer deposits, excluding debt certificates and repos

Belgium BU (1): net result of 227m EUR



Amounts in m EUR

Net result at the Belgium Business Unit amounted to 227m EUR in 1Q22

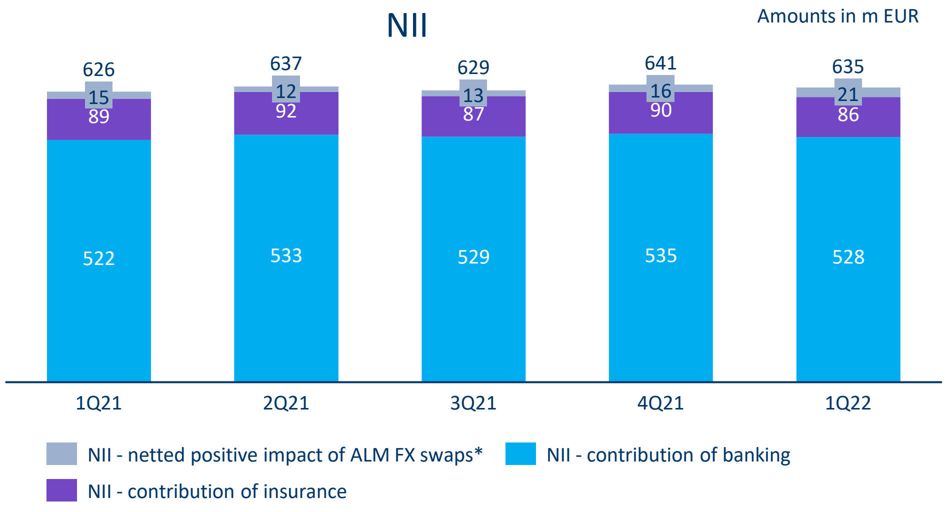
- The quarter was characterised by lower net interest income, higher net fee and commission income, higher trading and fair value income, higher net other income, an excellent combined ratio, higher sales of non-life and life insurance products, higher operating expenses (due entirely to seasonally higher bank taxes) and net impairment charges

- Customer deposits excluding debt certificates and repos rose by 4% y-o-y, while customer loans rose by 7% y-o-y

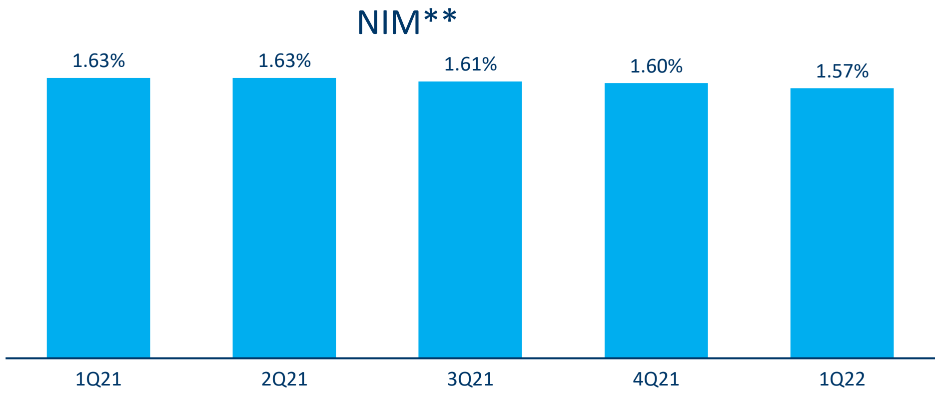
ORGANIC VOLUME TREND	Total loans**	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	111bn	42bn	134bn	206bn	26bn
Growth q-o-q*	+3%	+2%	+3%	-4%	-2%
Growth y-o-y	+7%	+8%	+4%	+2%	0%

* 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

Belgium BU (2): slightly lower NII and NIM



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

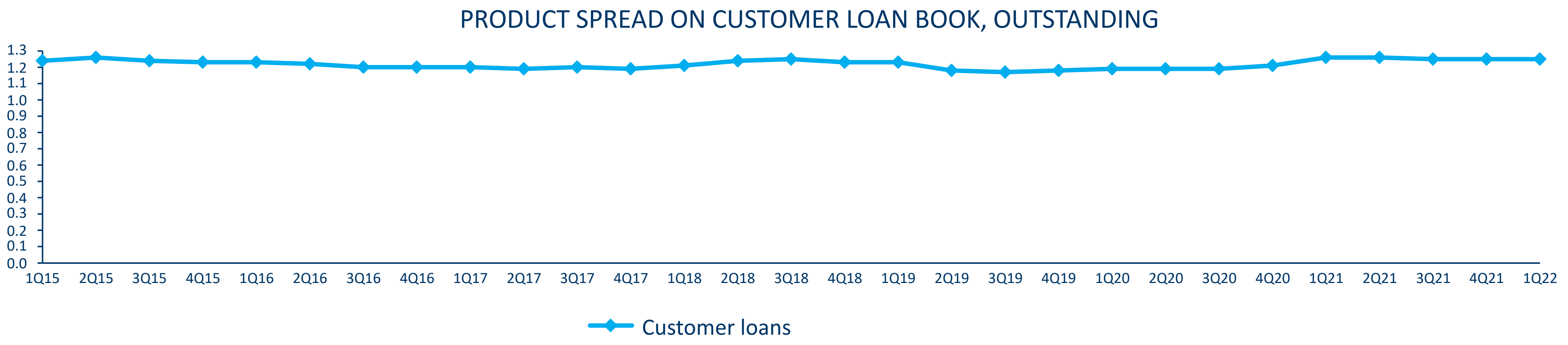


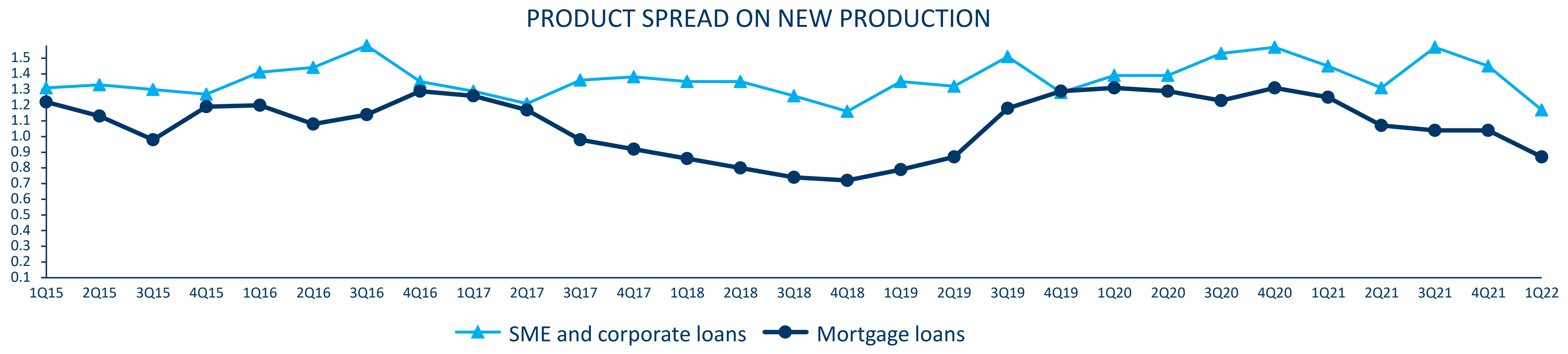
- **Net interest income (635m EUR)**
  - NII decreased by 1% q-o-q due mainly to:
    - lower reinvestment yields (both on banking and insurance)
    - lower number of days
    - margin pressure on the outstanding loan portfolio in almost all segments
    - higher funding cost due to first-time-application of down streaming MREL
    - lower result from ECB tiering driven by lower year-end balance

    partly offset by:
    - good loan volume growth in almost all segments
    - higher netted positive impact of ALM FX swaps
    - charging of negative interest rates on more current accounts to corporates and SMEs
  - NII increased by 1% y-o-y as:
    - higher NII on lending (volume driven)
    - charging of negative interest rates on more current accounts to corporates and SMEs
    - higher netted positive impact of ALM FX swaps

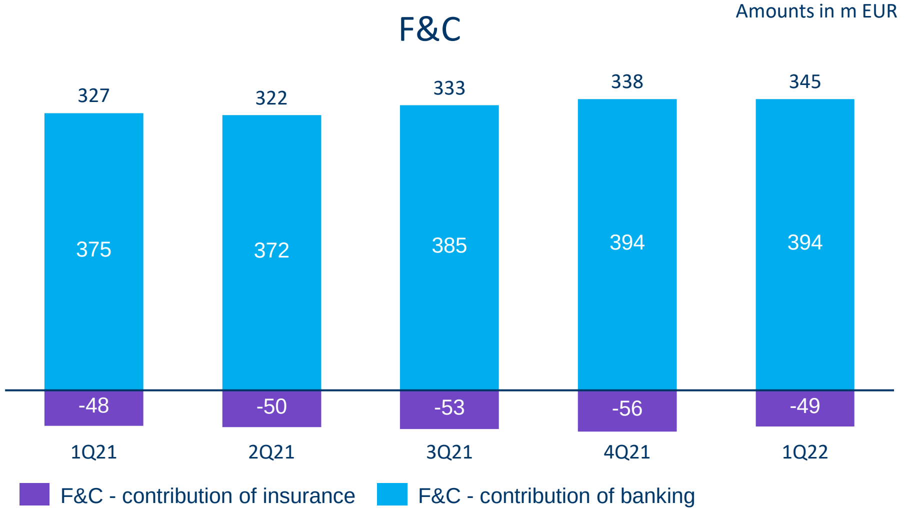
    were partly offset by:
    - the negative impact of lower reinvestment yields (both on banking and insurance)
    - lower result from ECB tiering
    - higher funding cost due to first-time-application of down streaming MREL
- **Net interest margin (1.57%)**
  - Decreased by 3 bps q-o-q and by 6 bps y-o-y for the reasons mentioned above and an increase of the interest-bearing assets (denominator)

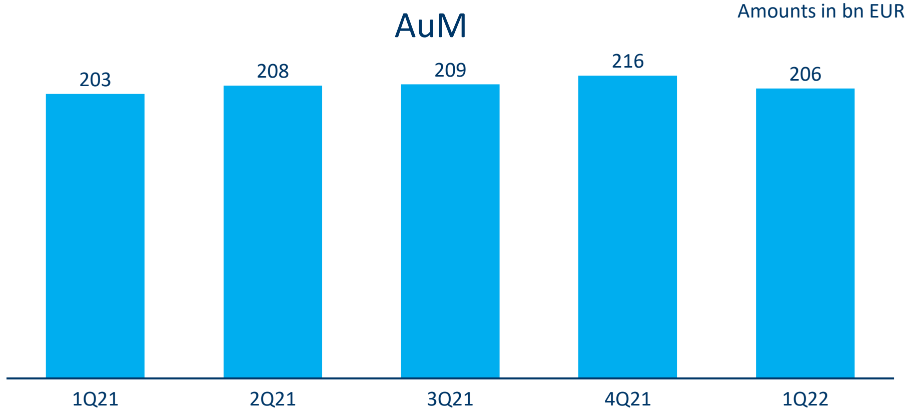
Credit margins in Belgium





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





- **Net fee and commission income (345m EUR)**
  - Increased by 2% q-o-q due mainly to:
    - higher entry fees from mutual funds and unit-linked life insurance products
    - higher securities-related fees
    - higher network income
    - lower distribution commissions paid

    partly offset by:
    - lower management fees
    - lower fees from payment services
    - lower fees from credit files & bank guarantees
  - Rose by 5% y-o-y driven chiefly by:
    - significantly higher management fees
    - higher fees from payment services

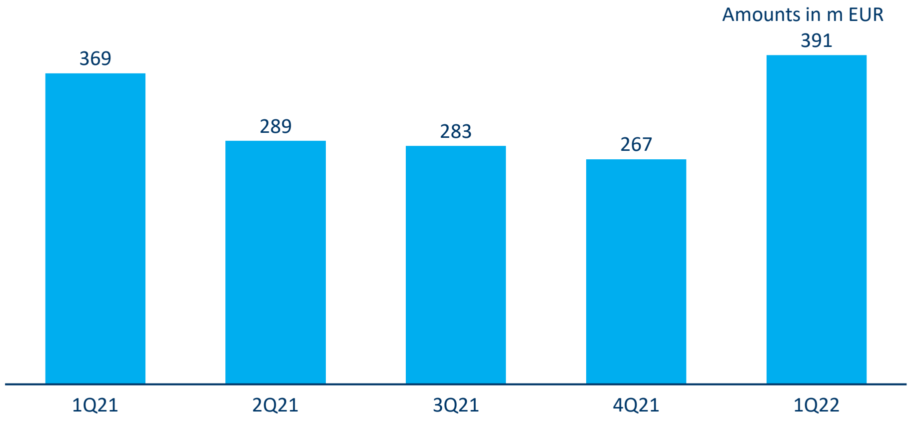
    partly offset by:
    - lower entry fees
    - lower securities related fees (down from a very high 1Q21)
    - lower network income
    - higher distribution commissions paid

- **Assets under management (206bn EUR)**
  - Decreased by 4% q-o-q due to a combination of positive net inflows and a negative price effect
  - Increased by 2% y-o-y due to net inflows and a positive price effect

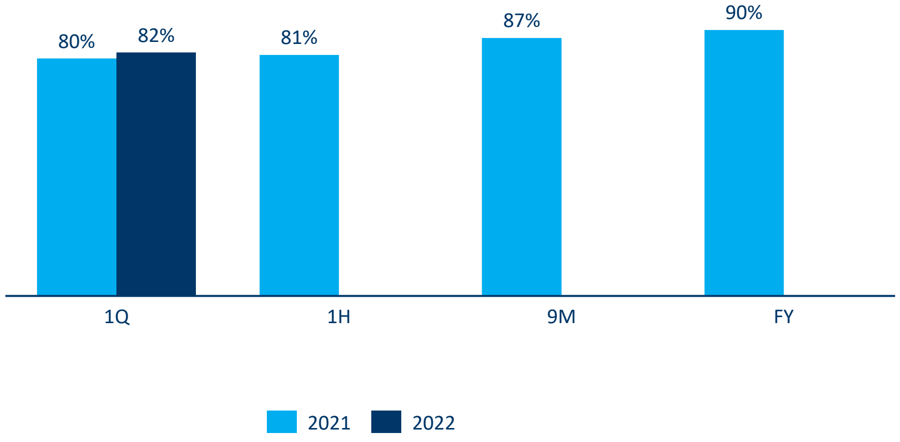
Differently THE NEXT LEVEL

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

NON-LIFE SALES (GROSS WRITTEN PREMIUM)



COMBINED RATIO (NON-LIFE)

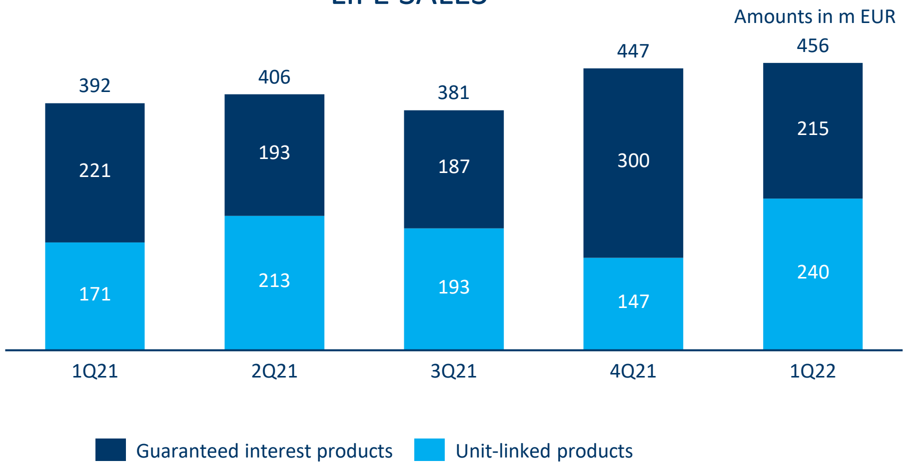


- **Sales of non-life insurance products**
  - Rose by 6% y-o-y in 1Q22
  - Premium growth in all classes, but chiefly in the classes 'Motor Comprehensive Cover', 'Property' and 'General third-party liability', as a combination of volume and tariff increases

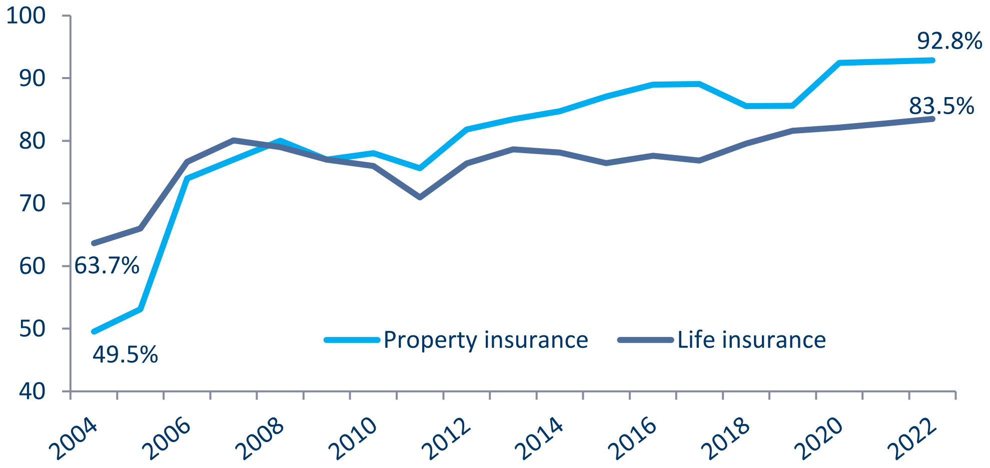
- **Combined ratio** amounted to an excellent **82%** in 1Q22 (80% in 1Q21). This is the result of:
  - 6% y-o-y earned premium growth in 1Q22
  - 37% y-o-y higher technical charges in 1Q22 due mainly to:
    - higher storm claims (87m EUR in 1Q22, mainly due to February storms, compared with 6m EUR in 1Q21)
    - higher normal claims (mainly in 'Motor', primarily due to semi-lockdown in 1Q21)
    - partly offset by lower major claims
  - ceded reinsurance result, which amounted to +38m EUR in 1Q22 (versus 0m EUR in 1Q21) due to higher recoveries for storms

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

LIFE SALES



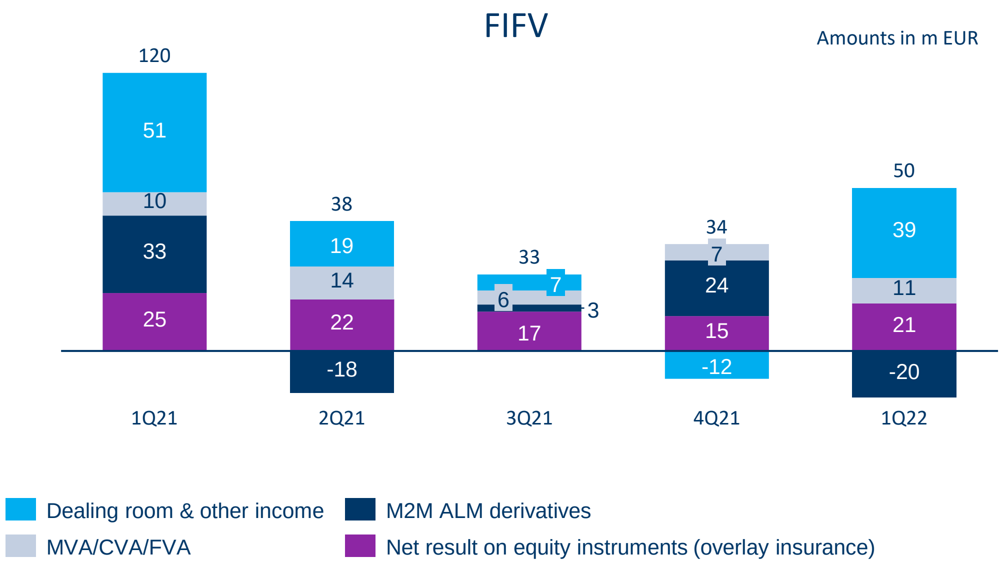
MORTGAGE-RELATED CROSS-SELLING RATIOS



- **Sales of life insurance products**
  - Increased by 2% q-o-q and by 16% y-o-y
  - The q-o-q increase was driven entirely by higher sales of unit-linked products (supported by commercial actions), partly offset by lower sales of guaranteed interest products (attributable chiefly to traditionally higher volumes in tax incentivised pension savings products in 4Q21)
  - The y-o-y increase was driven fully by higher sales of unit-linked products as the sales of unit-linked products in 1Q22 were supported by commercial actions
  - Guaranteed interest products and unit-linked products accounted for 47% and 53%, respectively, of life insurance sales in 1Q22

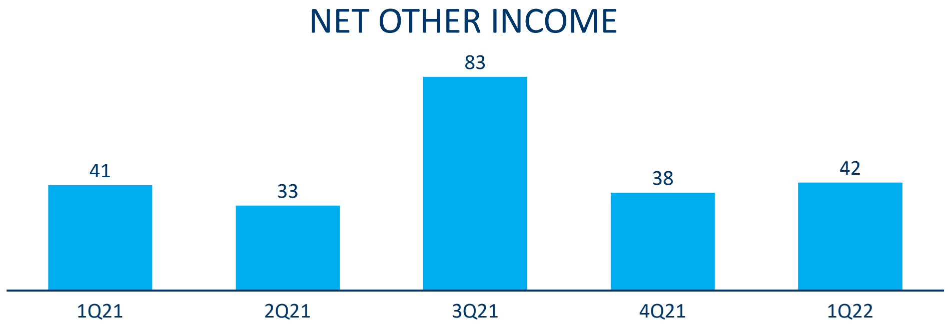
- **Mortgage-related cross-selling ratios**
  - 92.8% for property insurance
  - 83.5% for life insurance

Belgium BU (6): higher FIFV and higher net other income



- The q-o-q increase in **net gains from financial instruments at fair value** was attributable mainly to:
  - higher dealing room & other income
  - higher net result on equity instruments (insurance)
  - more positive credit and funding value adjustments, mainly due to lower derivative exposures (increasing yield curve), despite higher credit spreads

  partly offset by:
  - a negative change in ALM derivatives

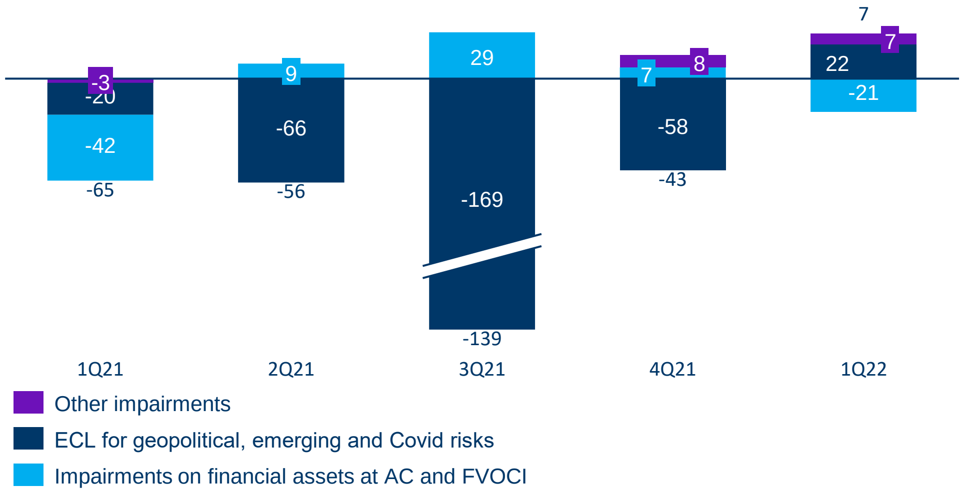


- **Net other income** increased q-o-q to 42m EUR in 1Q22, more or less in line with the normal run rate

Belgium BU (7): higher opex entirely due to higher bank taxes and net impairment charges

OPERATING EXPENSES

ASSET IMPAIRMENT



- **Opex without bank taxes**: -2% q-o-q and +7% y-o-y
  - Operating expenses without bank taxes decreased by 2% q-o-q due mainly to:
    - seasonally lower marketing costs & professional fees
    - lower ICT costs
    - lower facilities costs

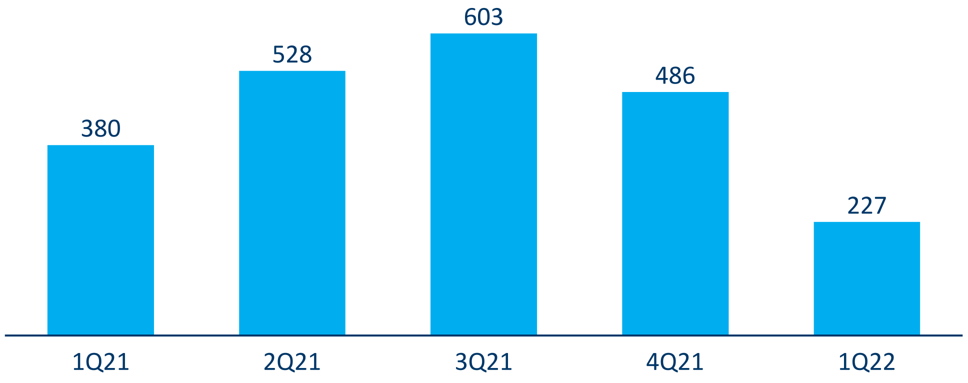
    partly offset by:
    - higher staff expenses due entirely to an extraordinary staff bonus of 10m EUR in 1Q22
  - Operating expenses without bank taxes rose by 7% y-o-y due chiefly to higher staff expenses (due largely to the extraordinary profit bonus in 1Q22 and wage indexation, partly offset by less FTEs) and higher ICT costs
  - **Cost/income ratio** adjusted for specific items and evenly spreading the bank tax throughout the year: 51% in 1Q22 (51% in FY21)

- **Loan loss impairment charges** of 1m EUR compared with releases of 51m EUR in 4Q21. A 22m EUR impairment for geopolitical, emerging and Covid risks, was almost fully offset by loan loss impairment releases mainly for a few SME and corporate files. **Credit cost ratio** amounted to 0 bps in 1Q22 (-26 bps in FY21)
- 7m EUR impairment on 'other', due mainly to impairment on real estate
- **Impaired loans ratio** improved to 2.1%, 0.9% of which over 90 days past due

Net result at the Belgium BU

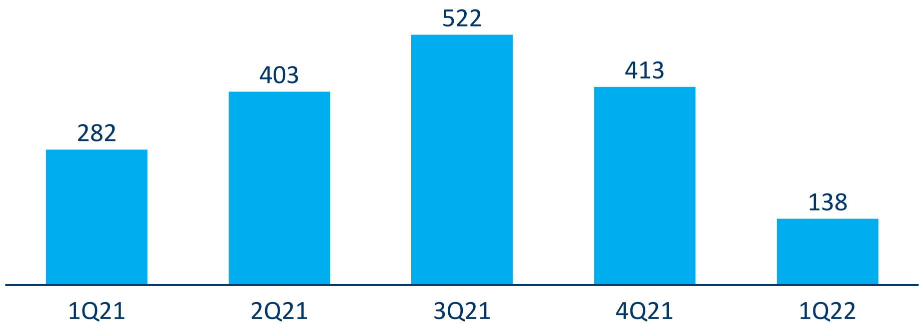
NET RESULT AT THE BELGIUM BU*

Amounts in m EUR

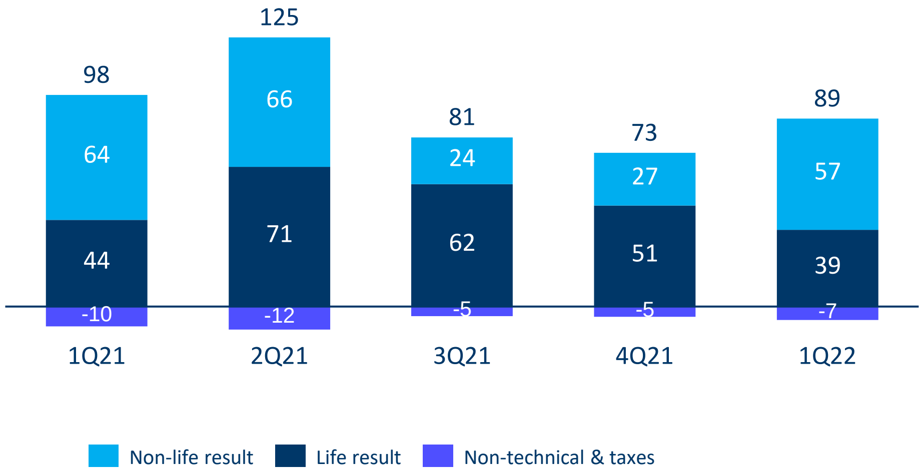


* Difference between net profit at the Belgium Business Unit and the sum of the banking and insurance contribution is accounted for by the rounding up or down of figures

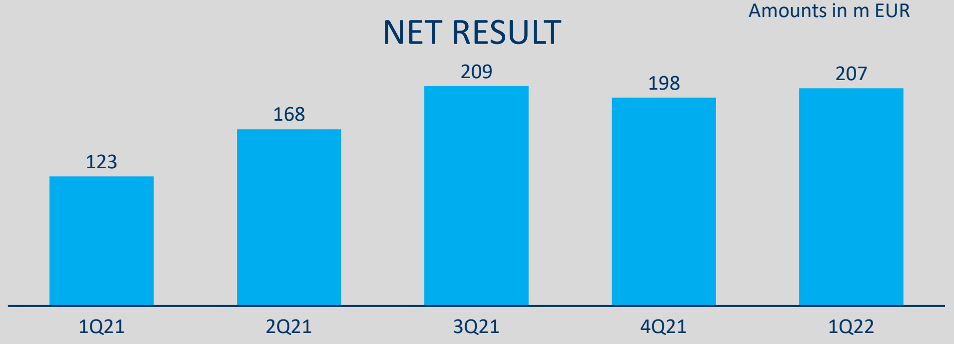
CONTRIBUTION OF BANKING ACTIVITIES TO NET RESULT OF THE BELGIUM BU*

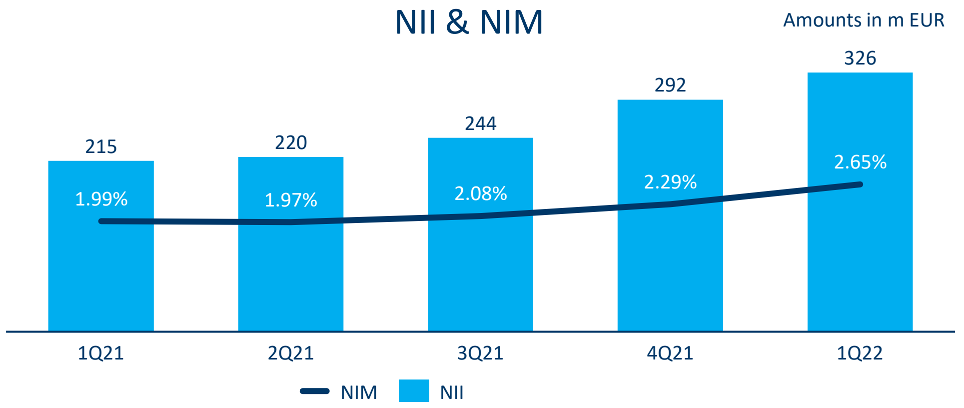


CONTRIBUTION OF INSURANCE ACTIVITIES TO NET RESULT OF THE BELGIUM BU*



Czech Republic BU (1)





Net result of 207m EUR in 1Q22

- +1% q-o-q excluding FX effect due mainly to higher net interest income, higher net fee & commission income, higher net result from financial instruments at fair value, higher net other income, an excellent combined ratio and higher sales of non-life products, partly offset by higher costs (due entirely to higher bank taxes) and lower net impairment releases
- Customer deposits (excluding debt certificates and repos) rose by 6% y-o-y, while customer loans rose by 8% y-o-y

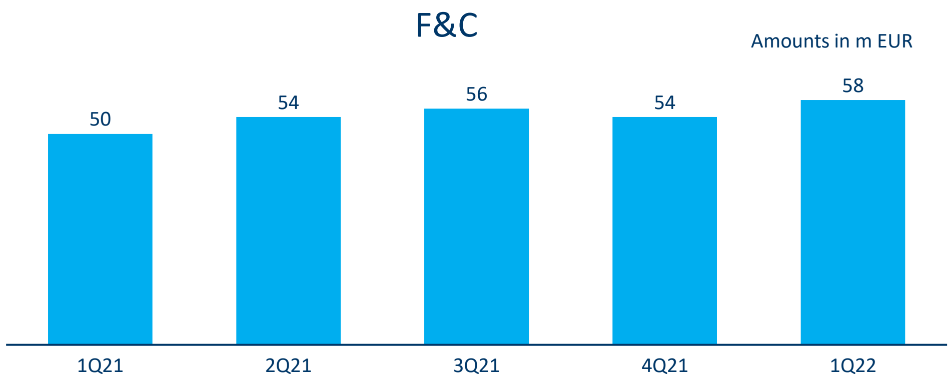
Highlights

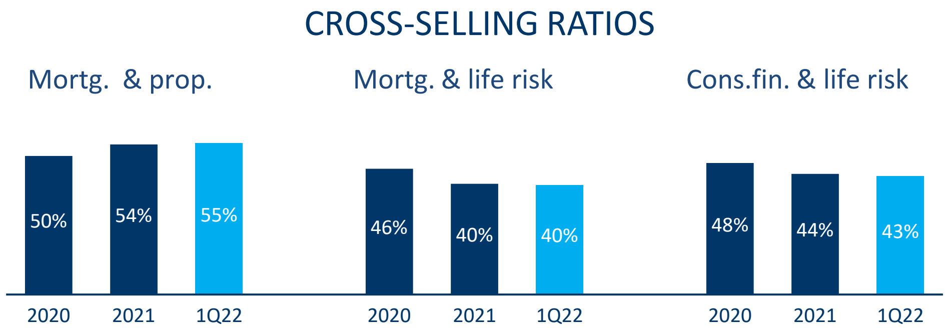
- **Net interest income**
  - +8% q-o-q and +43% y-o-y (both excl. FX effect)
  - Q-o-q and y-o-y increase primarily due to short- & long-term increasing interest rates and growth in loan and deposit volumes, despite pressure on commercial loan margins
- **Net interest margin**
  - Rose by 36 bps q-o-q and by 66 bps y-o-y for the reasons mentioned above, despite an increase of the interest-bearing assets (denominator), driven by higher volume of mortgages

ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	34bn	19bn	47bn	14.2bn	1.2bn
Growth q-o-q*	+2%	+2%	+3%	+1%	0%
Growth y-o-y	+8%	+8%	+6%	+19%	-2%

* 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)





Net F&C income

- +4% q-o-q and +8% y-o-y (both excl. FX effect)
- The higher q-o-q net F&C income was mainly the result of lower distribution commissions paid linked to banking products and higher securities related fees, partly offset by lower management fees and lower fees from payment services (seasonal effect)
- The higher y-o-y net F&C income was driven chiefly by higher management fees, higher fees from payment services, higher network income, higher securities related fees and slightly lower distribution costs

Assets under management

- 14.2bn EUR
- +1% q-o-q due to net inflows and a negative price effect
- +19% y-o-y due to net inflows and a positive price effect

Trading and fair value income

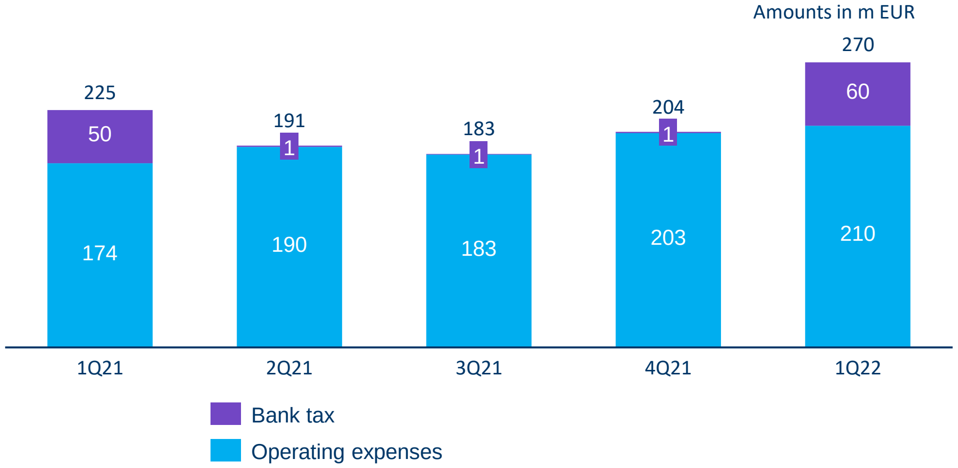
- 32m EUR higher q-o-q net results from financial instruments at fair value (FIFV) due mainly to higher dealing room income results and a positive q-o-q change in market, credit and funding value adjustments (due to a further increase of the CZK interest rate curve)

Insurance

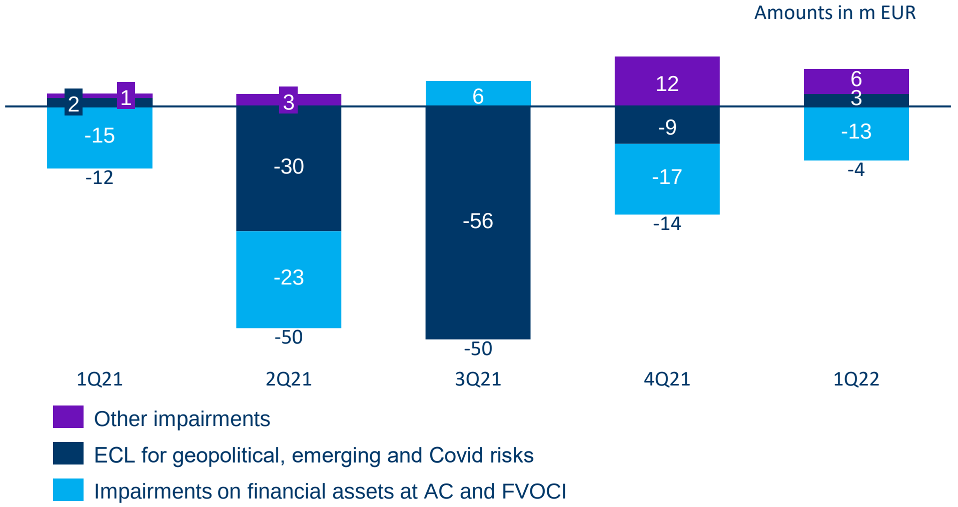
- Insurance premium income (gross earned premium): 135m EUR
  - Non-life premium income (92m EUR) +11% y-o-y excluding FX effect, due to growth in all products
  - Life premium income (43m EUR) -11% q-o-q and -4% y-o-y, excluding FX effect. The q-o-q decrease was mainly the result of lower sales of unit-linked products
- An excellent combined ratio of 83% in 1Q22 (87% in FY21)

Czech Republic BU (3)

OPERATING EXPENSES



ASSET IMPAIRMENT

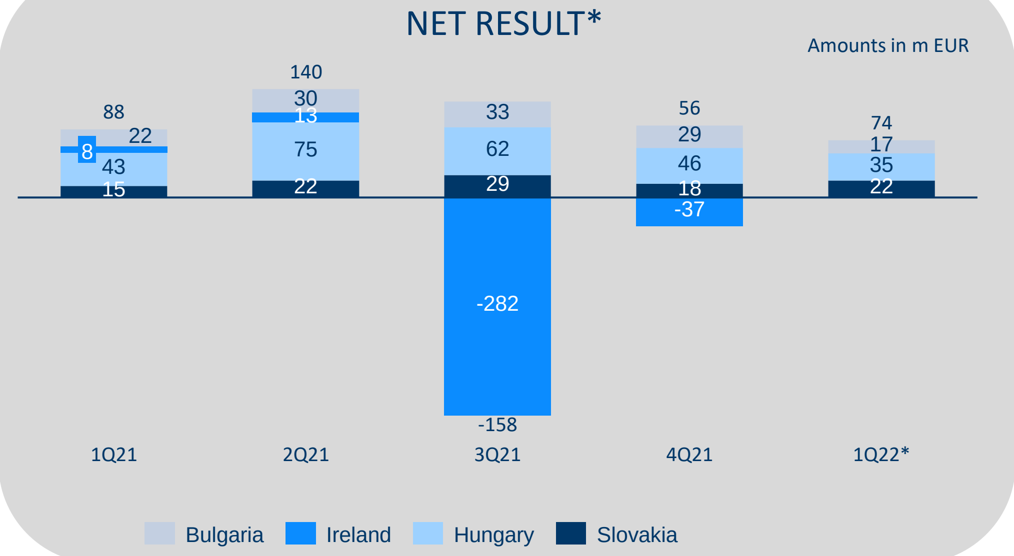


- **Operating expenses**
  - 270m EUR; stable q-o-q and +13% y-o-y, both excluding FX effect and bank taxes
    - Q-o-q stable evolution was due mainly to:
      - lower staff expenses (due largely to a higher accrual of variable compensation in 4Q21, partly offset by an extraordinary staff bonus of 12m EUR in 1Q22)
      - lower ICT costs

      offset by:
      - higher marketing costs
    - Y-o-y increase was chiefly the result of higher staff expenses (partly due to an extraordinary staff bonus in 1Q22), higher marketing and facilities costs, higher professional fees and higher depreciations
  - Adjusted for specific items and spreading the bank tax throughout the year, C/I ratio amounted to roughly 42% in 1Q22 (53% in FY21)

- **Loan loss and other impairment**
  - Loan loss impairment releases of 10m EUR compared with 26m EUR in 4Q21. A 3m EUR net impairment charge for geopolitical, emerging and Covid risks was more than offset by loan loss impairment releases on some corporate and retail files in 1Q22
  - Credit cost ratio amounted to -0.11% in 1Q22 (-0.42% in FY21)
  - 6m EUR impairment on other assets
  - Impaired loans ratio slightly increased to 1.9%, 0.7% of which over 90 days past due

International Markets BU



**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 74m EUR

- Slovakia 22m EUR, Hungary 35m EUR and Bulgaria 17m EUR

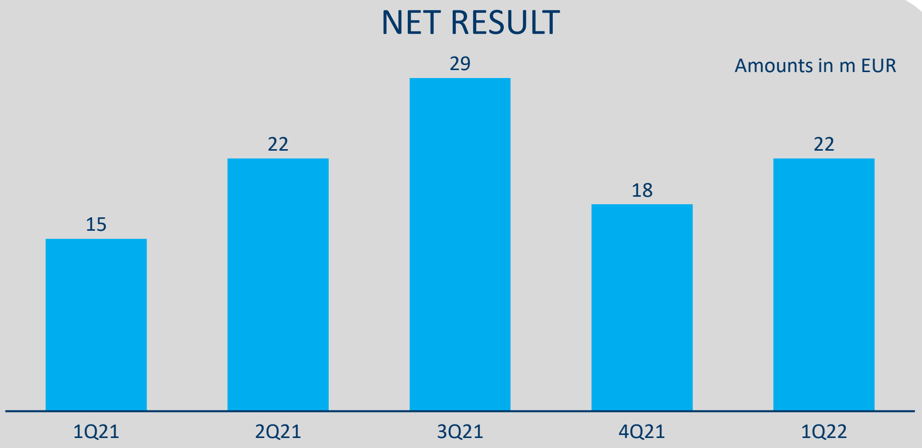
Highlights (q-o-q results excl. Ireland)

- Higher net interest income. NIM 2.81% in 1Q22 (+9 bps q-o-q and +21 bps y-o-y)
- Lower net fee and commission income
- Higher result from financial instruments at fair value
- Slightly lower net other income
- An excellent combined ratio of 83% (86% in FY21)
- Higher non-life insurance sales and lower life insurance sales
- Higher operating expenses due mainly to higher bank taxes and higher staff expenses (extraordinary staff bonus of -12m EUR in 1Q22)
- Lower net impairment charges

ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	19bn	8bn	24bn	7.3bn	0.7bn
Growth q-o-q*	+3%	+3%	+2%	+12%	-3%
Growth y-o-y	+10%	+11%	+8%	+22%	+14%

* 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

International Markets BU - Slovakia



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	10bn	5bn	8bn
Growth q-o-q*	+4%	+4%	-1%
Growth y-o-y	+8%	+11%	-7%

* 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 of 22m EUR

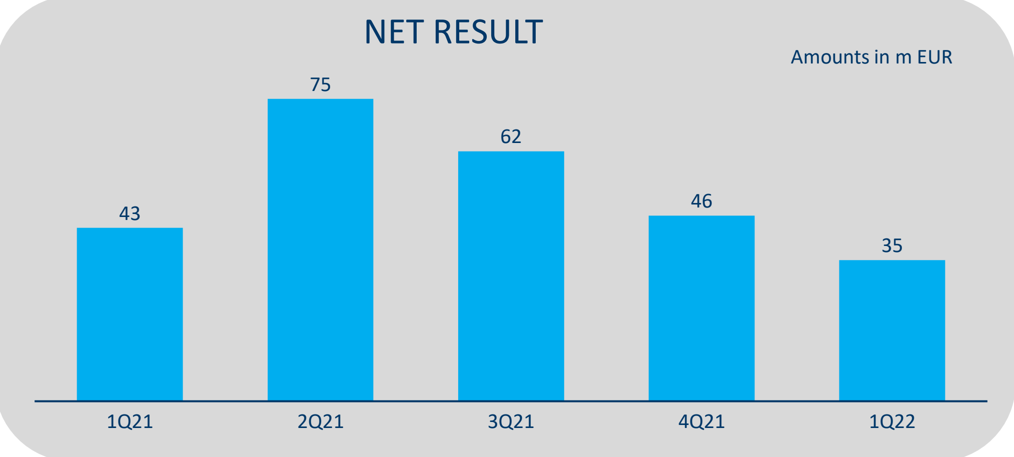
Highlights (q-o-q results)

- Higher net interest income due to lower funding costs and loan volume growth, partly offset by pressure on mortgage margins and lower number of days
- Lower net fee & commission income due chiefly to lower payment related fees and higher distribution costs (growth non-life insurance)
- Higher result from financial instruments at fair value
- An excellent combined ratio of 90% in 1Q22 (92% in FY21)
- Higher non-life insurance sales and slightly lower life insurance sales
- Lower net other income
- Higher operating expenses due entirely to higher bank taxes (+6m EUR). Offset by lower staff expenses (despite a 4.5m EUR extraordinary staff bonus in 1Q22), marketing costs and depreciation
- Lower net impairment charges including a 4m EUR impairment for geopolitical, emerging and Covid risks. Credit cost ratio of 0.05% (-0.16% in FY21)

Volume trend

- Total customer loans rose by 4% q-o-q and by 8% y-o-y, with strong growth in mortgages and SMEs
- Total customer deposits fell by 1% q-o-q and by 7% y-o-y (the latter as the increase in retail & SME deposits was more than offset by managed outflow of corporate and financial institutions deposits as a result of charging negative external rates and as corporates are spending cash build up during Covid)

International Markets BU - Hungary



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	5bn	2bn	10bn
Growth q-o-q*	+1%	0%	+2%
Growth y-o-y	+10%	+11%	+15%

- 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 of 35m EUR

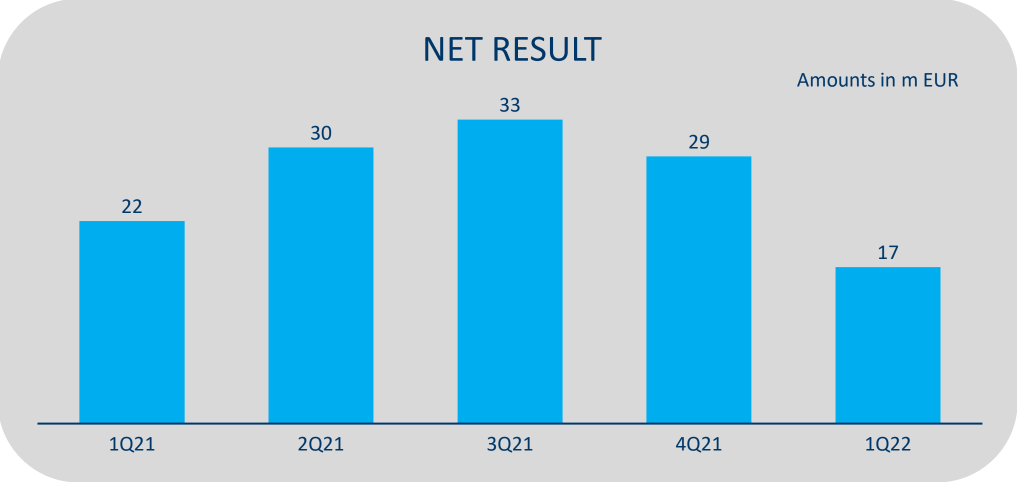
Highlights (q-o-q results)

- Higher net interest income excluding FX effect due chiefly to increasing interest rates and loan & deposit volume growth, partly offset by pressure on commercial loan margins
- Lower net fee and commission income excluding FX effect, due mainly to seasonally lower fees from payment services and lower asset management fees
- Higher net results from financial instruments at fair value, due mainly to higher dealing room income and a positive change in ALM derivatives
- Higher non-life insurance sales and slightly lower life insurance sales
- An excellent combined ratio of 85% (87% in FY21)
- Higher operating expenses due to an extraordinary staff bonus of 4m EUR in 1Q22 and higher bank taxes, including an extraordinary Deposit Guarantee Fund fee of 24m EUR related to the Sberbank Hungary wind down
- Lower net impairment charges despite a 4m EUR impairment for geopolitical, emerging and Covid risks. Credit cost ratio of 0.22% (-0.34% in FY21)

Volume trend

- Total customer loans rose by 1% q-o-q (due mainly to consumer finance (baby boom) loans) and by 10% y-o-y (due to growth in all segments)
- Total customer deposits rose by 2% q-o-q and by 15% y-o-y (the latter due to growth in all segments)

International Markets BU - Bulgaria



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	4bn	1bn	7bn
Growth q-o-q*	+4%	+3%	+5%
Growth y-o-y	+17%	+13%	+18%

* 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 of 17m EUR

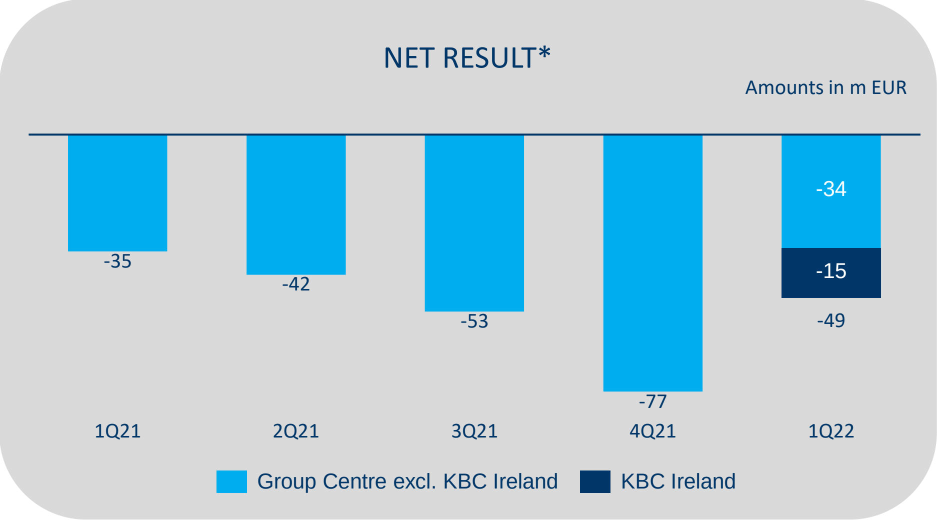
Highlights (q-o-q results)

- Stable net interest income driven mainly by strong loan volume growth in all segments and intensified charging of negative interest rates on more current accounts to corporates and SMEs, largely offset by lower reinvestment yields and pressure on commercial margins
- Lower net fee and commission income due mainly to lower management & entry fees, lower fees from credit files & bank guarantees and lower payment related fees, partly offset by lower distribution costs (lower commissions paid linked to mutual funds and lower insurance sales volumes)
- An excellent combined ratio of 81% (82% in FY21)
- Lower non-life and life insurance sales volumes
- Higher operating expenses driven mainly by higher bank taxes and higher staff expenses (due largely to an extraordinary staff bonus of 4m in 1Q22)
- Slightly higher net loan loss impairment charges, including a 1m EUR impairment for geopolitical, emerging and Covid risks. Credit cost ratio of 0.31% (-0.06% in FY21)

Volume trend:

- Total customer loans rose by 4% q-o-q and by 17% y-o-y (due to growth in all segments)
- Total customer deposits rose by 5% q-o-q and by 18% y-o-y (due to growth in all segments)

Group Centre



**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 -49m EUR, of which -15m 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 results)

Excluding Ireland (see next slide), the q-o-q improving result of Group Centre was attributable mainly to:

- higher net result from financial instruments at fair value, as previous quarter was negatively impacted by substantial increase in HUF rates, whereas as of 1 January 2022 hedge accounting was applied on these HUF positions
- lower costs despite extraordinary staff bonus of 5.5m EUR in 1Q22

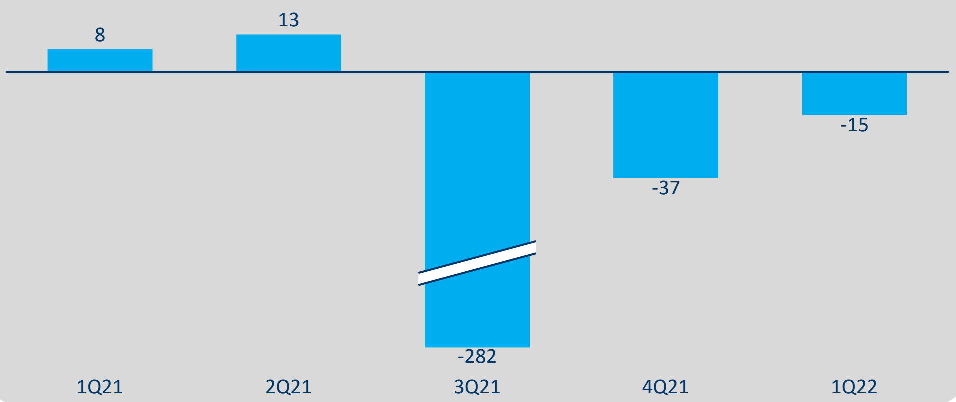
partly offset by

- lower net interest income, lower non-life (incl. ceded reinsurance) result due to the February storms and lower net other income (4Q21 included a 28m positive one-off related to badwill on OTP SK)

Amounts in m EUR

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

Group Centre - Ireland



ORGANIC VOLUME TREND	Total loans **	o/w retail mortgages	Customer deposits***
Volume	9bn	9bn	5bn
Growth q-o-q*	-1%	-1%	-4%
Growth y-o-y	0%	0%	-4%

* 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 of -15m EUR

Highlights (q-o-q results)

- Lower net interest income given decrease of lending income due mainly to the sale of the majority of non-performing loan portfolio to CarVal in February 2022
- Higher net fee and commission income due to a one-off +3m EUR impact from the sales transactions in Ireland
- Lower net results from financial instruments at fair value
- Less negative net other income (4Q21 included an additional impact for the tracker mortgage review in Ireland of -4m EUR)
- Lower expenses due mainly to lower bank taxes, partly offset by higher staff expenses (including a 1m EUR extraordinary staff bonus and a 11m EUR negative one-off in 1Q22 as a result of the sales transactions in Ireland) and higher ICT costs
- Net loan loss impairment releases of 14m EUR in 1Q22 (versus 0m EUR in 4Q21), mainly due to a 16m EUR reversal of ECL for geopolitical, emerging and Covid risks. Credit cost ratio of -0.56% (1.43% in FY21)
- Impairment charges on 'other' were higher due to a 24m EUR one-off as a result of the two sales transactions in Ireland

Volume trend

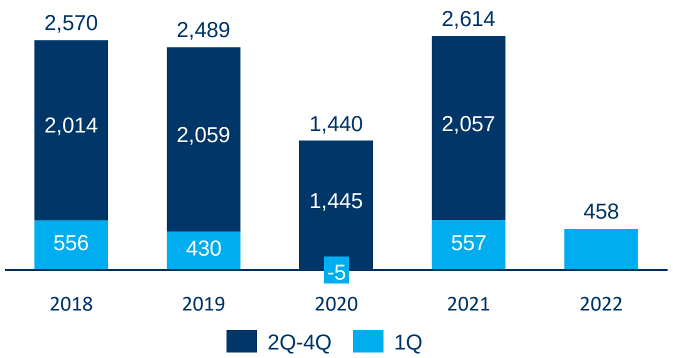
- Total customer loans fell by 1% q-o-q and stabilised y-o-y
- Total customer deposits decreased by 4% q-o-q and by 4% y-o-y

Overview of contribution of business units to 1Q22 result

Amounts in m EUR

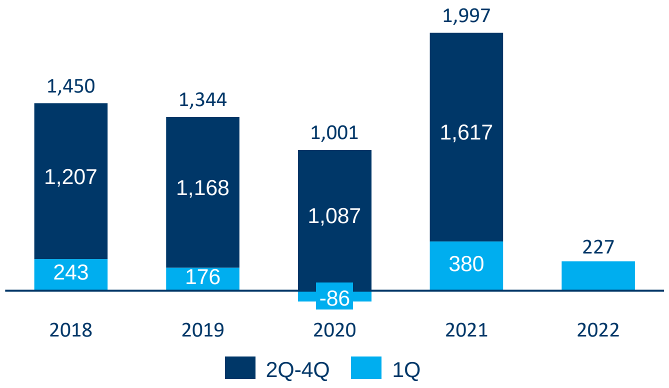
NET PROFIT – **KBC GROUP**

1Q22 ROAC: 15%



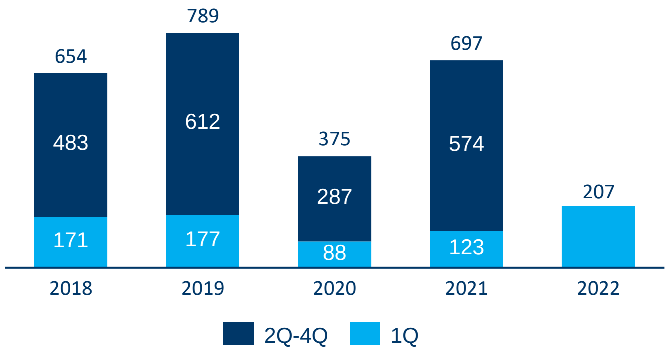
NET PROFIT – **BELGIUM**

1Q22 ROAC: 12%



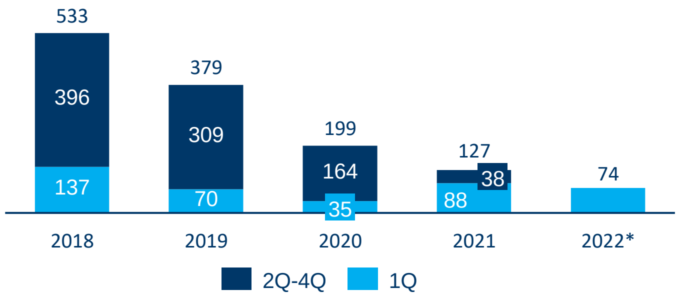
NET PROFIT – **CZECH REPUBLIC**

1Q22 ROAC: 42%



NET PROFIT – **INTERNATIONAL MARKETS**

1Q22 ROAC: 13%

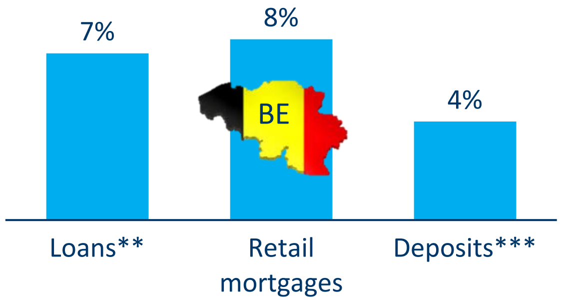


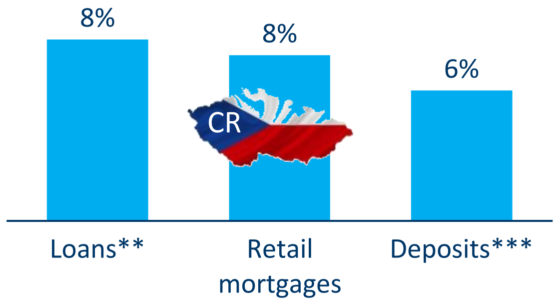
**As of 1Q 2022, KBC Ireland has been shifted from Business Unit International Markets to Group Centre. No restatements have been made.*

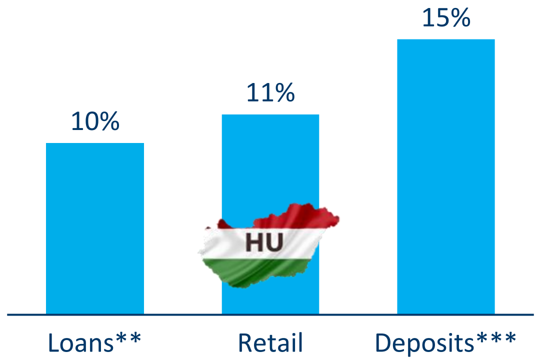
Balance sheet:

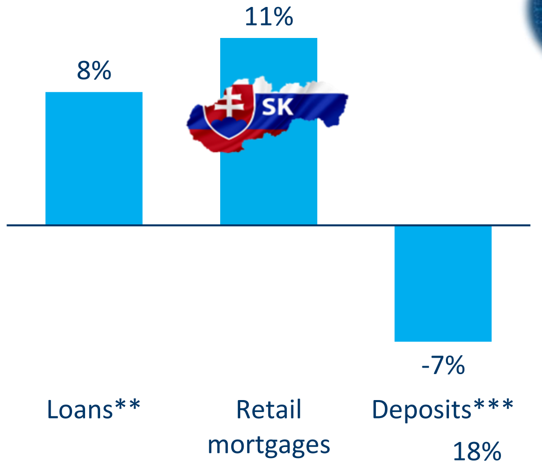
Loans and deposits continue to grow in most countries

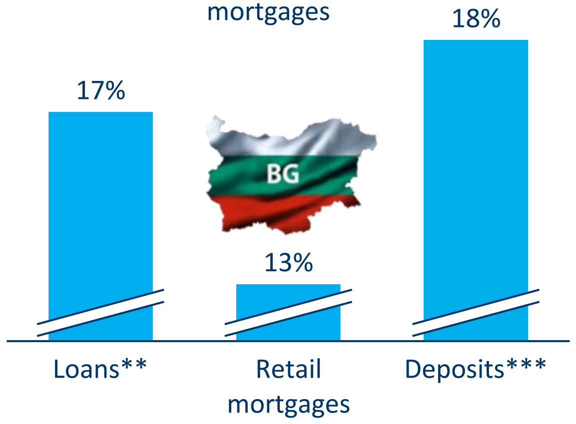
Y-O-Y ORGANIC* VOLUME GROWTH

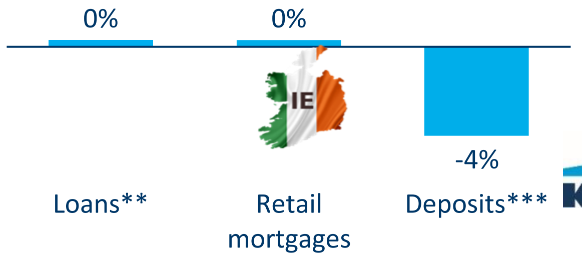












* Volume growth excluding FX effects, divestments/acquisitions and reclassifications
** Loans to customers, excluding reverse repos (and bonds)
*** Customer deposits, excluding debt certificates and repos

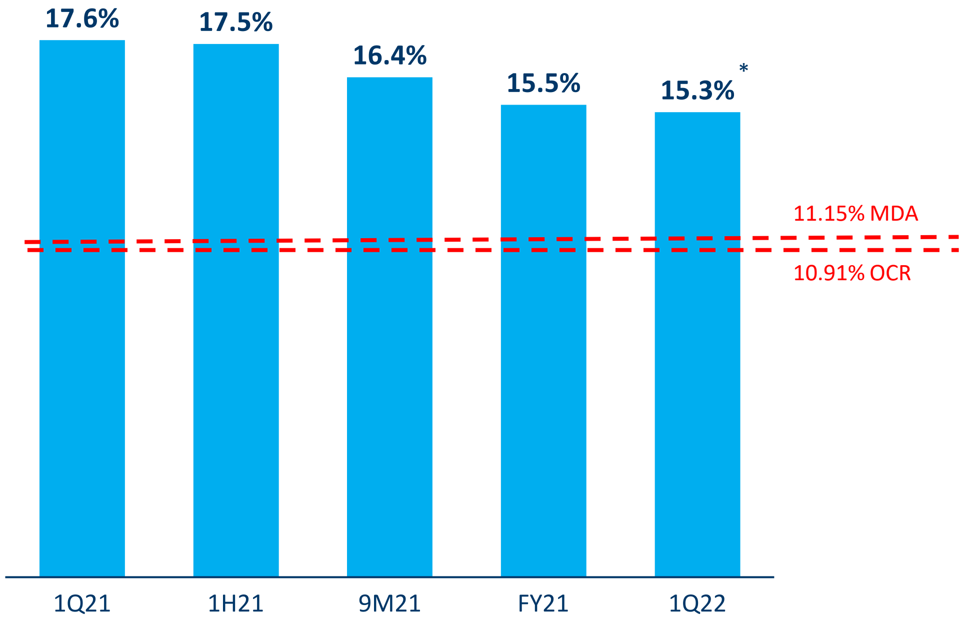
Differently THE NEXT LEVEL

Section 3

Strong solvency and solid liquidity

Strong capital position (1)

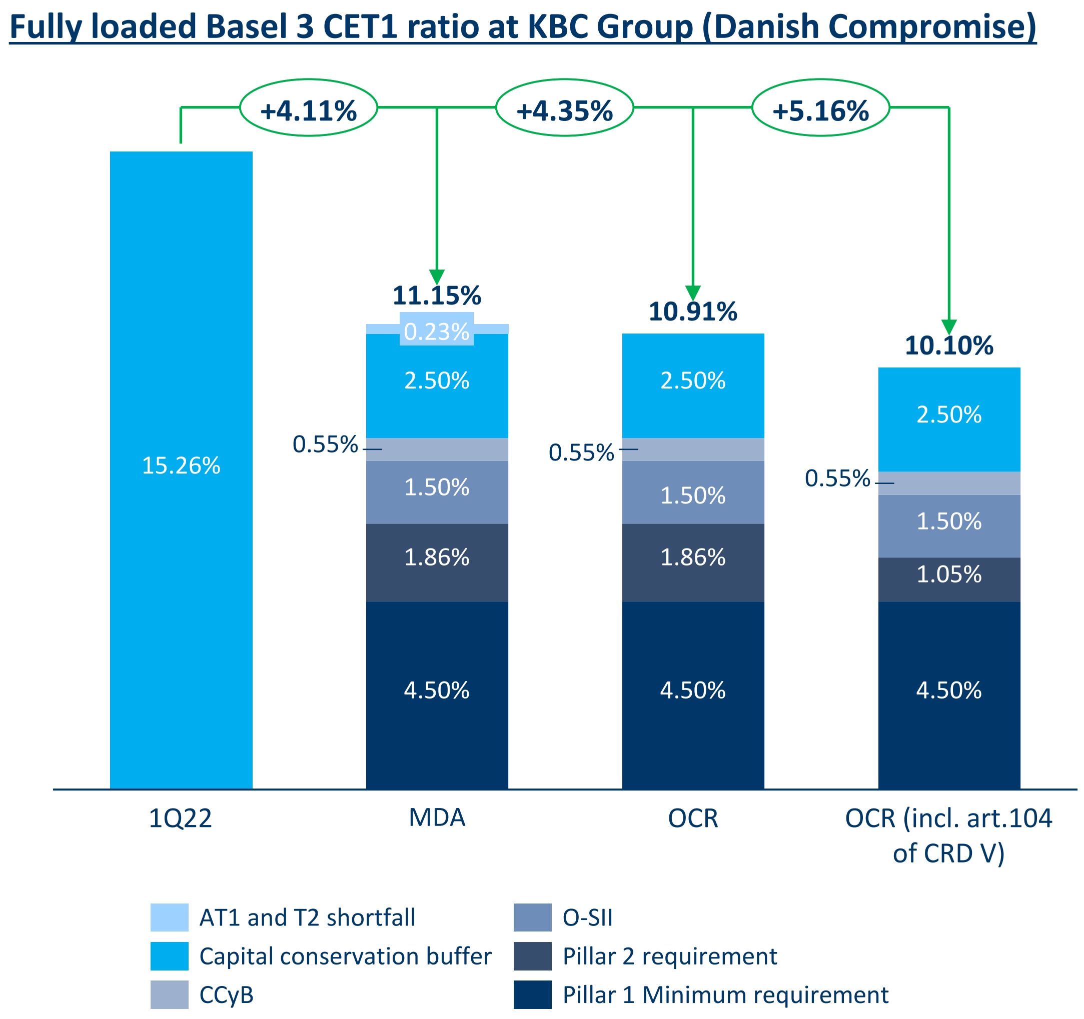
Fully loaded Basel 3 CET1 ratio at KBC Group (Danish Compromise)



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

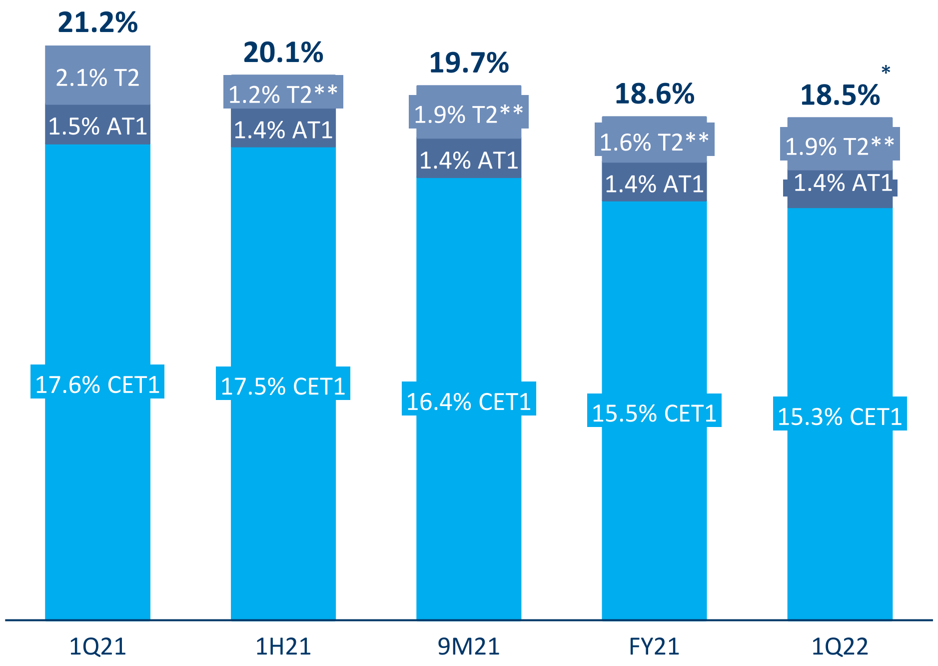
- **The fully loaded common equity ratio amounted to 15.3%** at the end of 1Q22 based on the Danish Compromise.
  - The q-o-q decrease in 1Q22 is mainly related to increase of the risk weighted assets (mainly volume driven)
  - The q-o-q decrease in 4Q21 was the result of the payout of a 7.6 EUR gross dividend per share (of which 3.0 EUR final ordinary dividend per share related to the accounting year 2021 and 4.6 EUR extraordinary dividend per share)
  - This came on top of the 3.0 EUR interim dividend per share (2.0 EUR over the accounting year 2020 and 1.0 EUR as an advance payment of the total dividend for the accounting year 2021) already paid in November 2021. This explained the q-o-q CET1 ratio decrease in 3Q21
- KBC's CET1 ratio of 15.3% at the end of 1Q22 represents a solid capital buffer:
  - **4.35% capital buffer compared with the Overall Capital Requirement (OCR) of 10.91%**
  - **4.11% capital buffer compared with the Maximum Distributable Amount (MDA) of 11.15%** (given small shortfall in AT1 and T2 bucket)
- At the end of 1Q22, the transitional CET1 ratio amounted to 15.2%

Strong capital position (2)



Strong capital position (3)

Fully loaded Basel 3 total capital ratio (Danish Compromise)

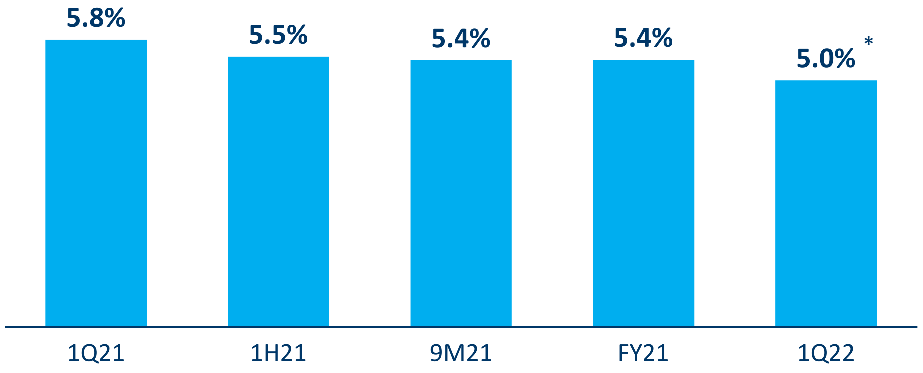


* As of 1Q22, interim profit recognition (based on 50% profit accrual)
** As of 2Q21, the fully loaded T2 capital excludes the T2 instruments grandfathered under CRR2. These T2 instruments are however included in the actual (transitional) T2 capital for the period of grandfathering, in line with CRR2 and the COREP 3.0 reporting framework

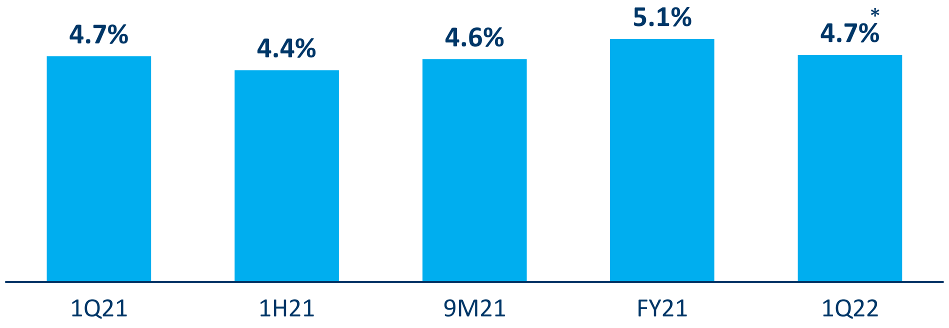
- **The fully loaded total capital ratio amounted to 18.5% at the end of 1Q22**
- The q-o-q decrease in 4Q21 was mainly the result of the payout of a final 7.6 EUR gross dividend per share

Fully loaded Basel 3 leverage ratio and Solvency II ratio

Fully loaded Basel 3 leverage ratio at KBC Group



Fully loaded Basel 3 leverage ratio at KBC Bank



- The decrease of the leverage ratio at KBC Group was mainly the result of increased short-term money market and repo opportunities as of 1Q21

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

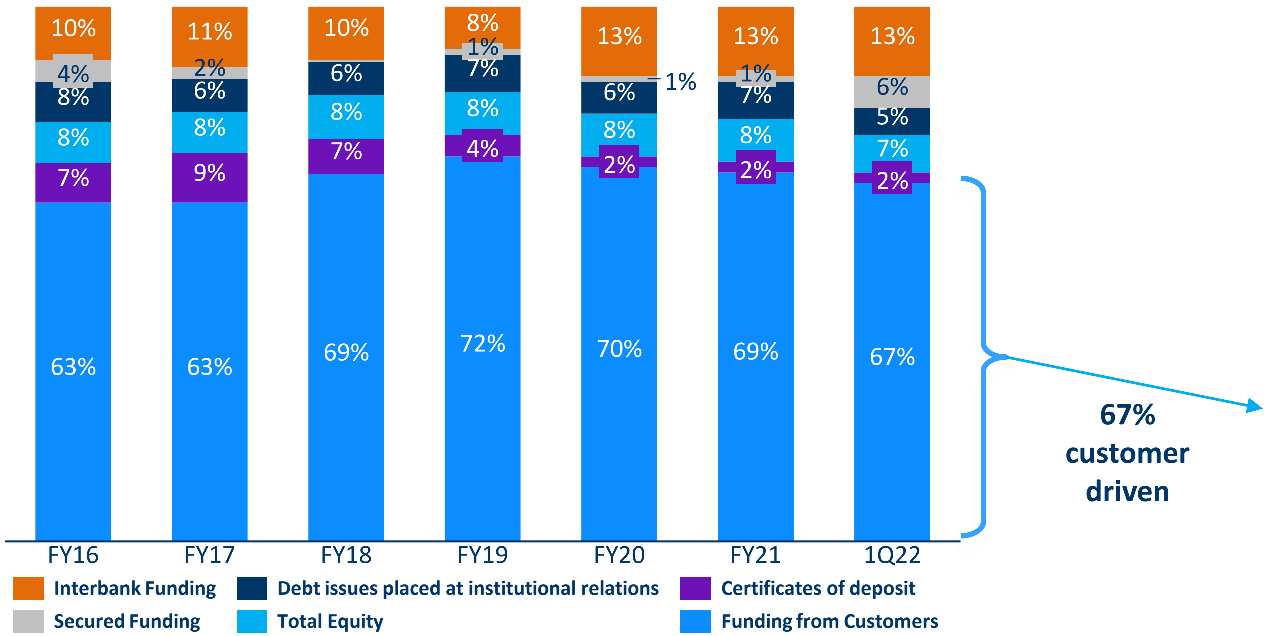
Solvency II ratio

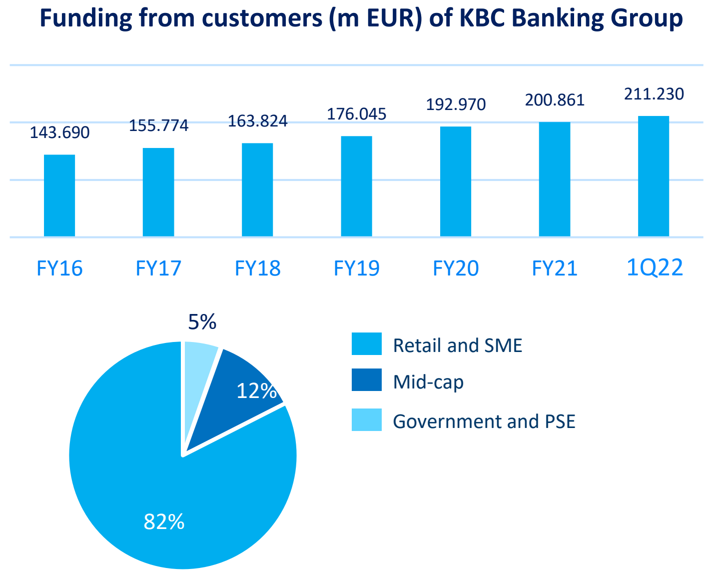
	FY21	1Q22
Solvency II ratio	201%	217%

- The q-o-q delta (+16pp) in the Solvency II ratio was driven mainly by the higher interest rates

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

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





Ratios	FY21	1Q22	Regulatory requirement
NSFR*	148%	149%	≥100%
LCR**	167%	162%	≥100%

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

- **NSFR is at 149% and LCR is at 162% by the end of 1Q22**
  - Both ratios were well above the regulatory requirement of 100% due to a strong growth in customer funding and the participation to TLTRO III

Section 4

Wrap up

Wrap up 1Q22

Excellent performance: KBCs engine firing on all its cylinders

Excellent net result of 458m EUR

- NII up 2% q-o-q to 1 200m EUR, boosted by rate hikes in CZ and HU
- Higher fee income (+1% q-o-q, +9% y-o-y)
- Strong non-life insurance result
- Significantly higher FIFV q-o-q
- Costs under control
- Net loan loss impairment release
- **ROE in 1Q22: 14%***

Franchise performing very well

- **Strong loan production (+7% y-o-y)** due to **strong growth in mortgages, corporates and SME loans**
- Margins under pressure in almost all countries
- Customer deposits up 5% y-o-y
- Sale of non-life insurance products +9% y-o-y, with growth in all classes, but chiefly in Motor and Property
- Sale of life insurance products: +16% y-o-y with strong UL sales in BE and BG

KBC amongst best performing financial institutions

- **CET1 15.3%**,** which means a buffer of 4.35% versus OCR of 10.91%
- **Solvency II ratio: 217%**
- **Strong liquidity:** NSFR 149% - LCR 162%

Kate is convincing customers

- 2m users of Kate completed 2.9m interactions in 1Q22, up 170% y-o-y. Out of these 2.9m interactions 950k customers went at least one step further (+221% y-o-y)
- Growing number of cases: > 240 combined in BE & CZ
- Digital sales are clearly further increasing (65% current acc. and 84% of consumer loans sold digitally)
- Kate autonomy already up to 43% in BE and 40% in CZ
- **KBC Mobile named best mobile banking app worldwide by independent research agency Sia Partners**

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

Section 5

Looking forward

Looking forward

Economic outlook 2022

- Repercussions of the Russian invasion of Ukraine hit the global economy at a time that it had still not fully recovered from the pandemic crisis
- High-for-longer energy prices imply lower growth and significantly higher inflation in 2022
- European economy is hit more severely than US due to its dependency on energy imports from Russia. Central European economies are most exposed
- Fed expected to continue its front-loaded rate tightening cycle and to start reducing the size of its balance sheet
- ECB set to end net asset purchases and to make first steps towards normalising its policy rate bringing policy rates back into positive territory
- More dovish ECB (compared to Fed) weighs on euro/dollar exchange rate
- Shifting ECB policy stance leads to moderately higher intra-EMU sovereign spreads
- Global bond yields rising further in line with monetary tightening cycle but yields still at moderate levels. Real bond yields in the euro area will remain negative
- Czech National Bank and National Bank of Hungary are already close to reaching the peak of their front-loaded rate tightening cycle
- Main economic risks include a further escalation of the war, more severe adverse commodity price shocks and supply chain disruptions and remaining pandemic risks (e.g. Chinese lockdowns)

Group guidance for 2022

- Last quarter, we provided the market with a clear FY22 guidance based upon a set of macroeconomic and business assumptions. Subsequently, the invasion of Russia in Ukraine is causing major macroeconomic and financial shocks, and very volatile markets. This is clearly going to have an impact on our financial performance. Starting from a base scenario whereby the war in Ukraine will continue for at least several months but will not escalate, we see our cost growth this year somewhat higher than previously guided, driven by the strong increase in inflation and the one-off extraordinary staff bonus for our employees*. On the other hand, however, we expect our total income (including NII) to be increasingly supported by a further improving interest rate climate and an already excellent first quarter result. Combined - under the base scenario - the jaws (income growth versus costs growth) for this year should be at least at the same level we envisaged in our earlier FY22 guidance.
- Due to the creation of a provision for geopolitical and emerging risks (EUR 223 million), the credit cost ratio for 2022 is also likely to be higher than 10 bps but below 25 bps (25-30 bps = through-the-cycle CCR guidance).
- We continue to monitor and analyse the situation and will provide further guidance for 2022 and long-term guidance for 2024 with the second quarter results publication.

* One-off bonus for our staff for their achievements in what was a challenging and difficult year (Covid)

Annex 1

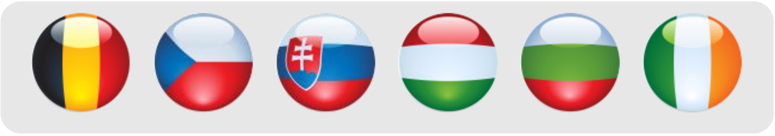
Company profile

KBC Group in a nutshell (1)

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

- We are a leading European financial group with a focus on providing bank-insurance products and services to retail, SME and mid-cap clients, in our core countries: Belgium, Czech Republic, Slovakia, Hungary, Bulgaria; for Ireland, sale agreements were signed (not yet completed).
- As a result of the (potential) withdrawal from Ireland, arising M&A opportunities beyond our core markets may be assessed (for approval of the Board of Directors) taking into account very strict strategic, financial, operational & risk criteria

✓ Diversified and strong business performance

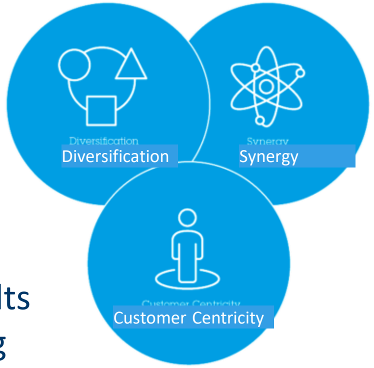


… geographically

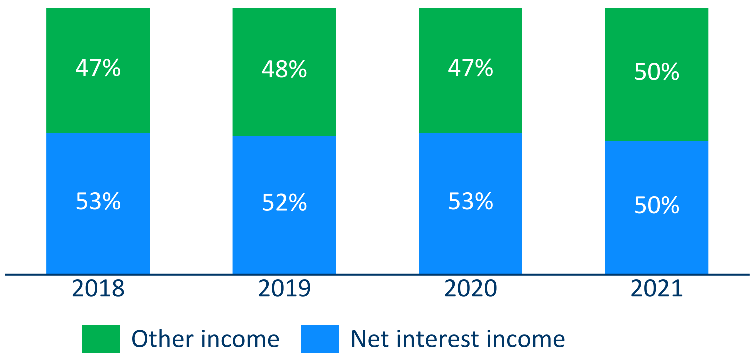
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Robust market position in all key markets & strong trends in loan and deposit growth

… and from a business point of view

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

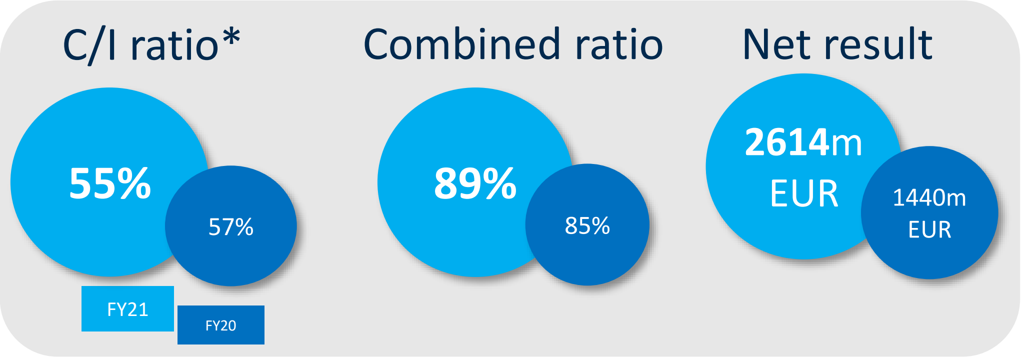


KBC Group: topline diversification 2018-2021 (in %)



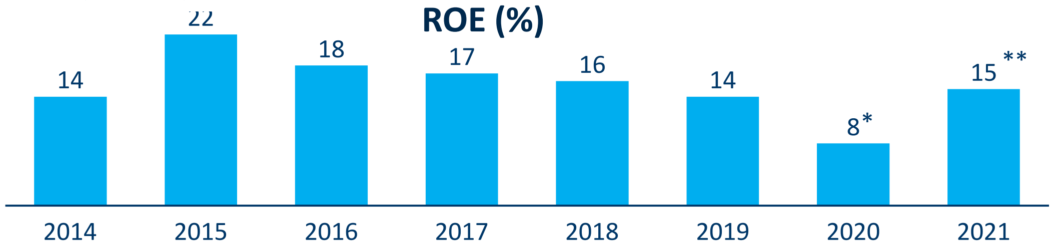
KBC Group in a nutshell (2)

High profitability



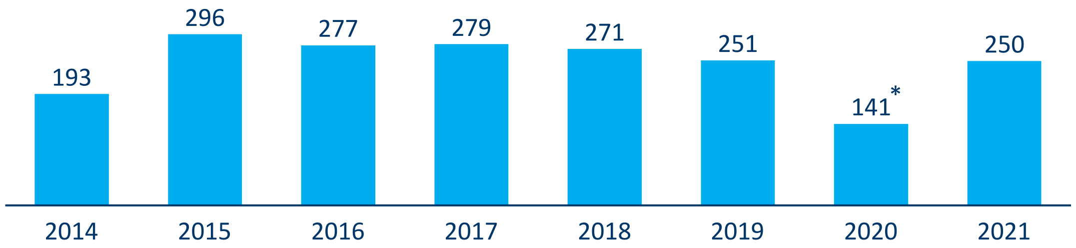
* Adjusted for specific items

ROE (%)



* 11% when adjusted for the collective covid impairments
** when excluding the one-off items due to the pending sales transactions in Ireland

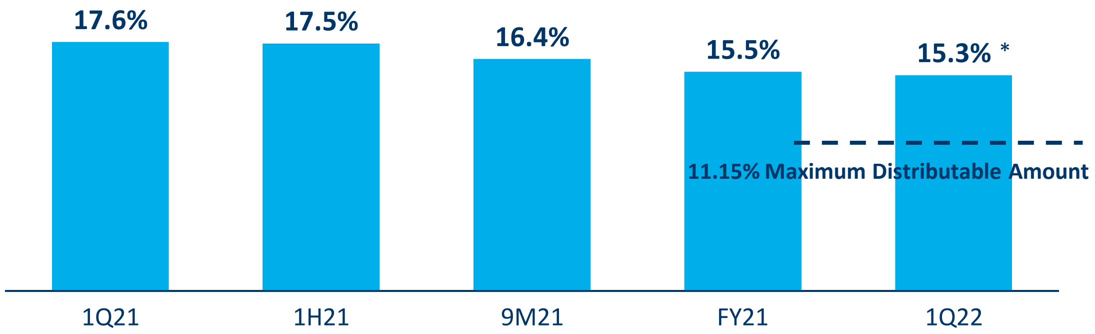
CET1 generation (in bps) before any deployment



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

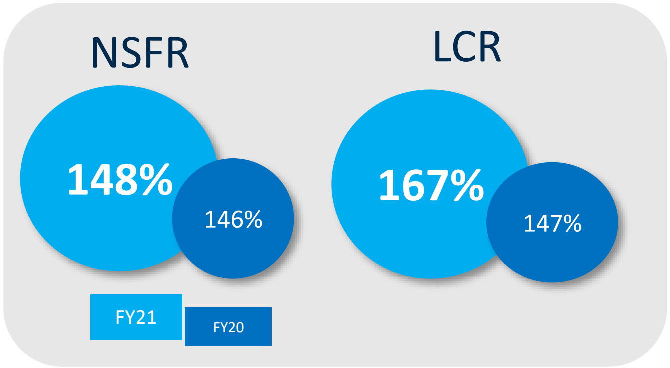
Solid capital position...

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

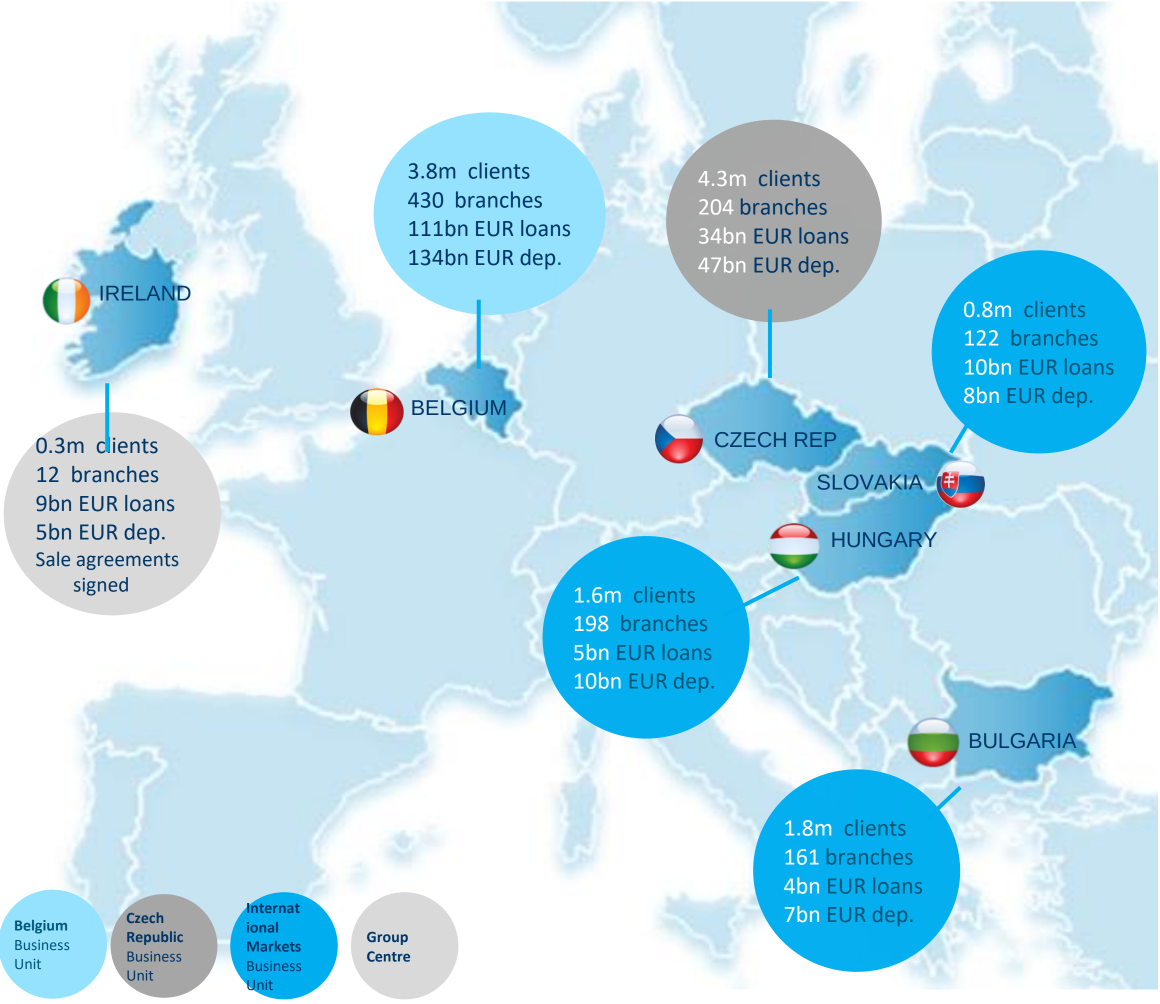


* As of 1Q22, interim profit recognition (based on 50% profit accrual)

... and robust liquidity positions



Well-defined core markets



Market share (end 2021)	BE	CZ	SK	HU	BG	IRL
Loans and deposits	19%	20%	11%	11%	11%	9%*
Investment funds	28%	23%	7%	12%	10%	
Life insurance	13%	8%	3%	3%	22%	
Non-life insurance	9%	9%	5%	7%	12%	

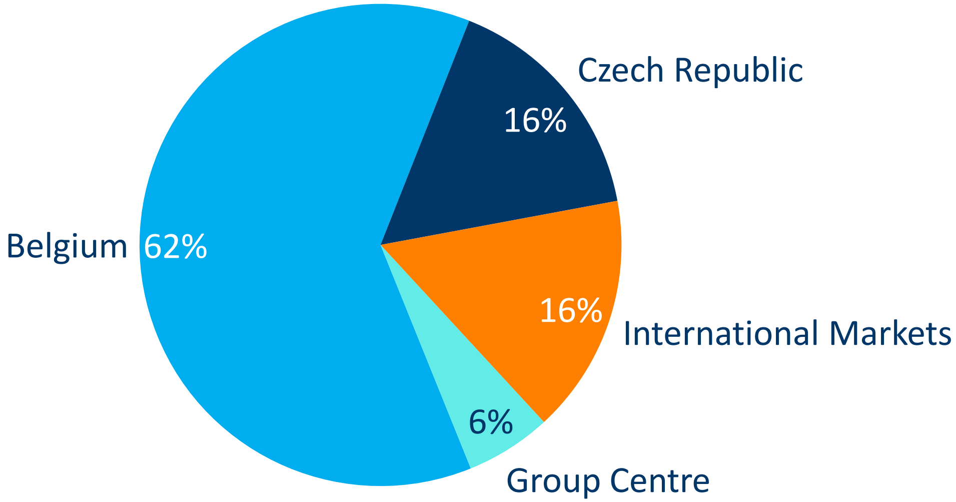
Real GDP growth	BE	CZ	SK	HU	BG	IRL
% of Assets	61%	25%	4%	4%	2%	3%
2021	6,1%	3,3%	3,0%	7,1%	3,8%	13,5%
2022e	2.0%	1.8%	2.5%	3.7%	2.5%	5.0%
2023e	1.1%	3.1%	3.4%	3.1%	3.0%	3.5%

GDP growth: KBC data, April ‘22
* Retail segment

KBC

Business profile

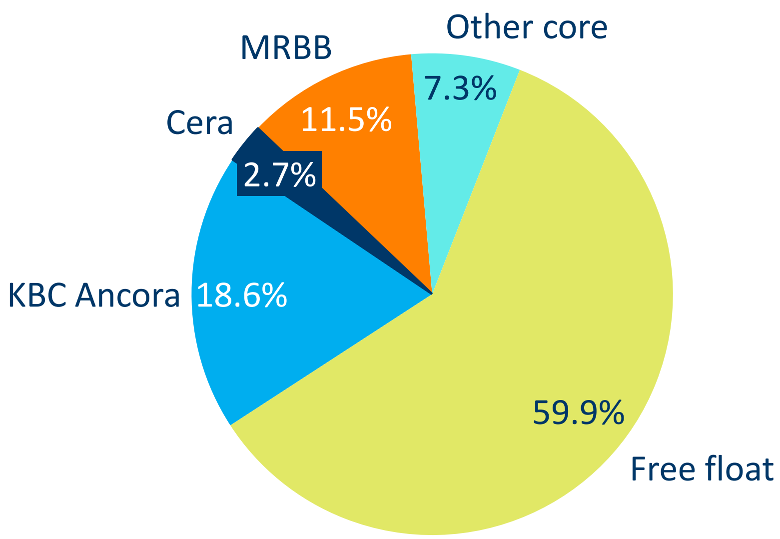
BREAKDOWN OF ALLOCATED CAPITAL (FULLY LOADED) BY BUSINESS UNIT AS AT 31 MARCH 2022



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

Shareholder structure

SHAREHOLDER STRUCTURE AT END 1Q2022



- 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

Guidance as provided on February 10th
3-year and long-term financial guidance

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

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

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

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

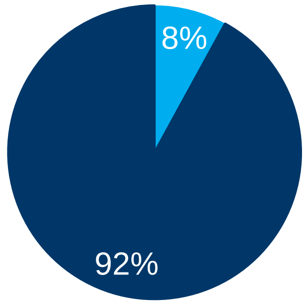
Regulatory requirements		
Overall capital requirement (OCR)*	≥ 10.91%	by 2022
MREL as a % of RWA**	≥ 26.68%	by 2024
MREL as a % of LRE**	≥ 7.34%	by 2022
NSFR	≥ 100%	as of now
LCR	≥ 100%	as of now

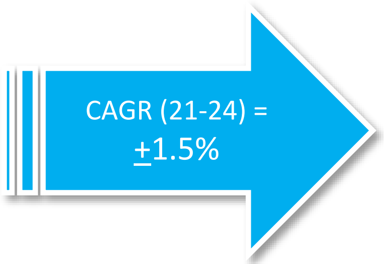
* Excluding Pillar 2 guidance of 100 bps
** The SRB communicated the final MREL targets (under BRRD2) in % of RWA and in % of LRE to KBC. Regarding MREL as a % of RWA; (i) an intermediate MREL target of 25.98% as from 01-01-2022 and (ii) a final MREL target of 26.68% as from 01-01-2024

Differently: the next level
Digital investment 2022-2024

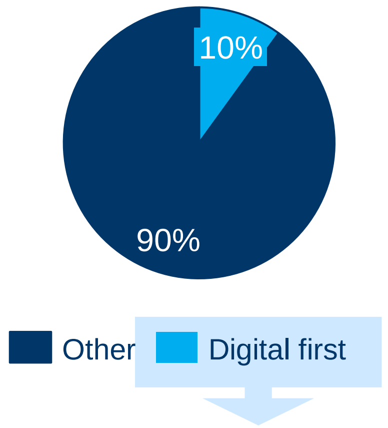
OPEX excl. bank taxes

2021





2024



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

Amounts in m EUR

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

Differently: the next level

Dividend policy & capital distribution as of 2022

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

- Payout ratio policy (i.e. dividend + AT1 coupon) of at least 50% of consolidated profit of the accounting year

- Interim dividend of 1 EUR per share in November of each accounting year as an advance on the total dividend

- On top of the payout ratio of at least 50% of consolidated profit, each year (when announcing the full year results*), the Board of Directors will take a decision, at its discretion, on the distribution of the capital above 15.0% fully loaded CET1 ratio, so-called surplus capital. The distribution of this surplus capital can be in the form of a cash dividend, a share buy-back or a combination of both

- From the moment Basel IV will apply (as from 1 January 2025 at the earliest), the capital deployment plan will be updated

* next FY results on 9 February 2023

KBC Group

Annex 2

Kate, your digital assistant

Hyper personalised and trusted financial digital assistant

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

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

DIGITAL FIRST & E2E

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

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

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

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

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

KATE

Kate4MassRetail

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

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

Kate4Business

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

Already available in BE and CZ

Four flavors, one Kate

Growing number of **USE CASES: >240 in BE & CZ**

Kate AUTONOMY 43% in BE

12 use cases live for small SMEs in BE (11 more in pipeline for '22)

2 000 000 users completed 2 900 000 interactions with KATE (BE+CZ+BG)

'KATE IN A BOX' delivered to all core countries

+156 000 Kate tips processed by employees in CZ

Kate Group Platform

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

Kate4Employees

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

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

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

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

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

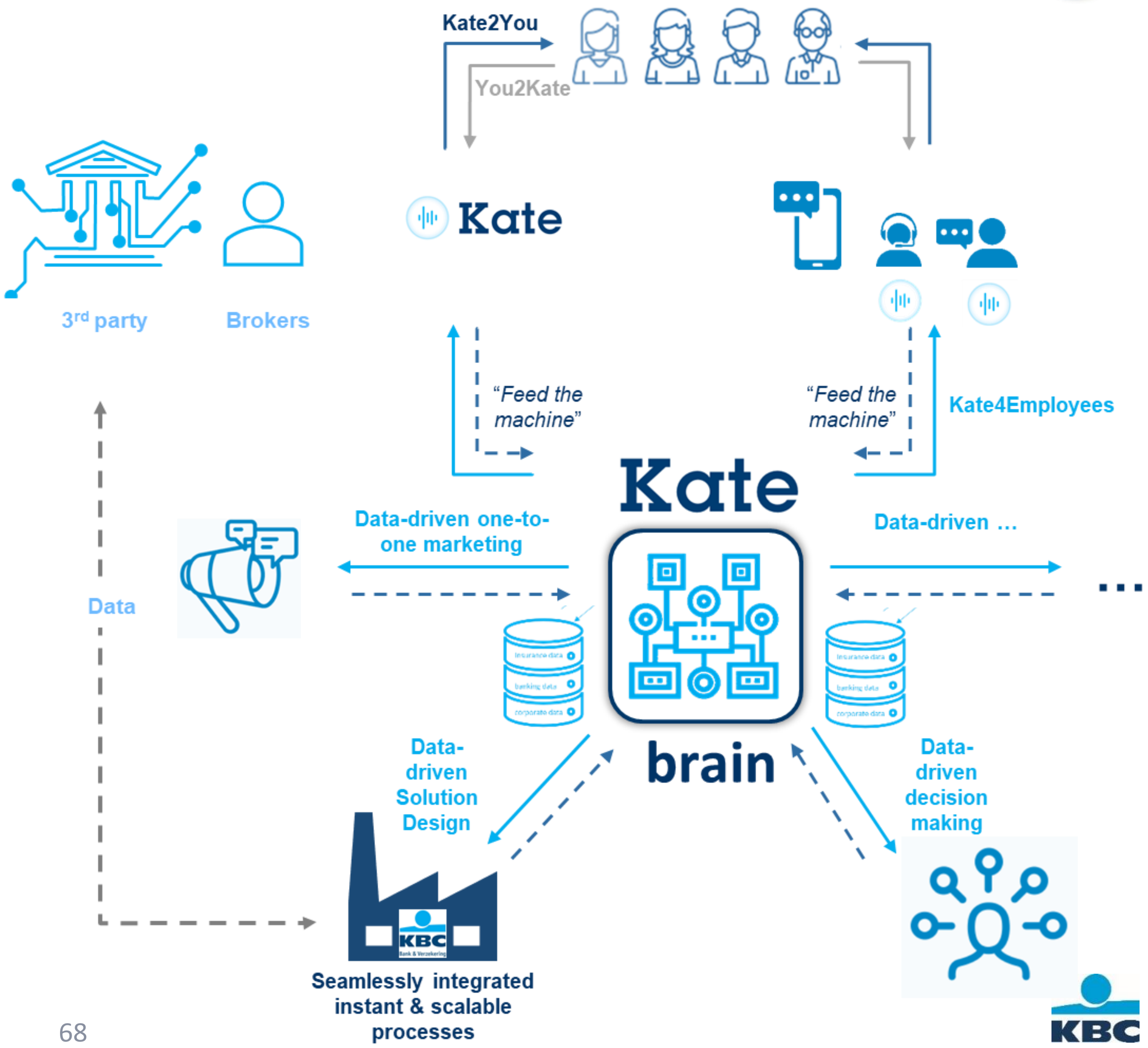
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by providing relevant insights.

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

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

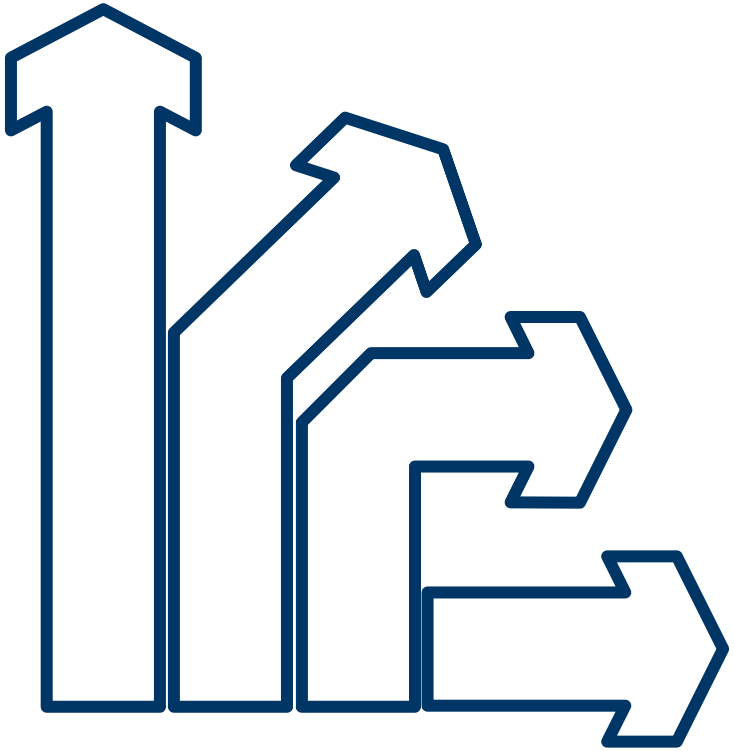
The main purpose remains the same: happy customers. As a data-driven company we remain guided by our **client-centric vision.**

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



Differently: THE NEXT level

Digital lead management: From data-driven to solution-driven



LEVEL 4: Fully automated lead life cycle management

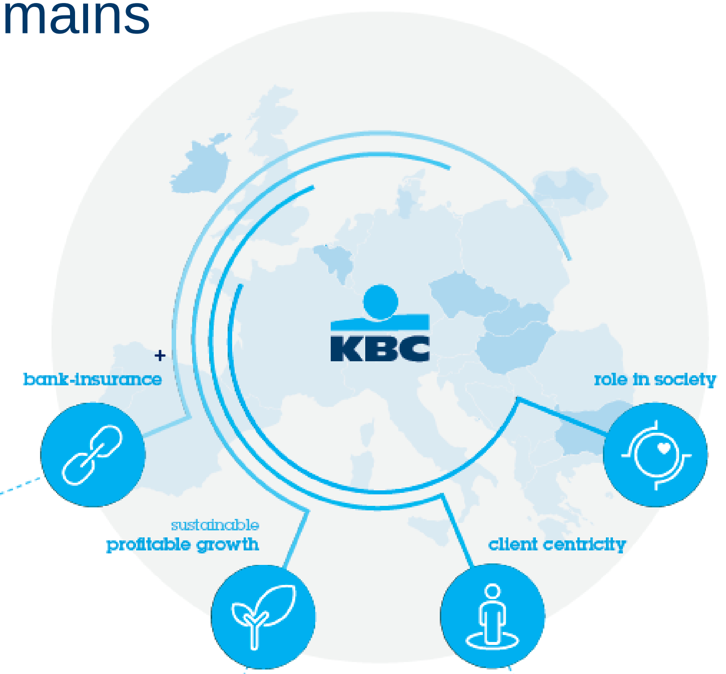
LEVEL 3: AI-powered lead life cycle management

LEVEL 2: Lead life cycle management

LEVEL 1: Basic lead management

Differently: THE NEXT level

The strong basis remains



pearl +

We diversify our income

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

We build our future capabilities

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

We think local. We create together

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

We embrace artificial intelligence

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

We partner

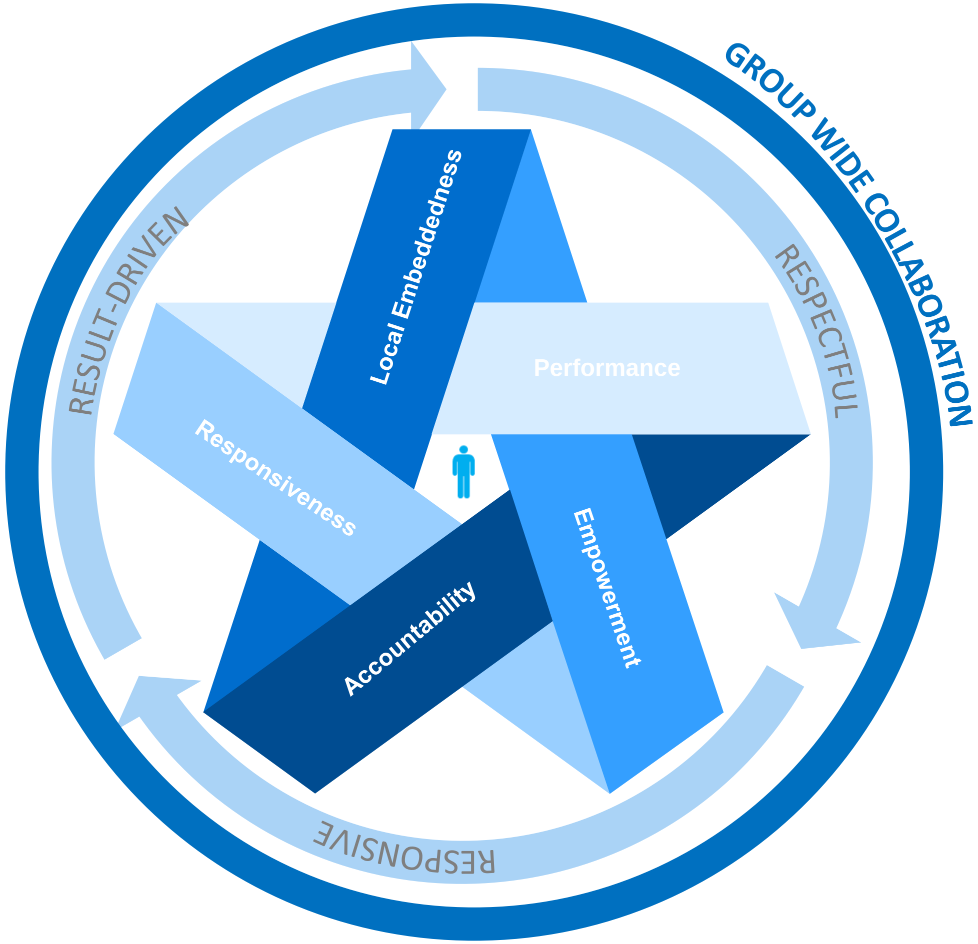
We improve our solutions to meet our clients' needs
by collaborating with partners, like fintechs and even competitors
and creating an IT environment partners can easily plug in and out of

We think client. We act digital

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

Differently: THE NEXT level

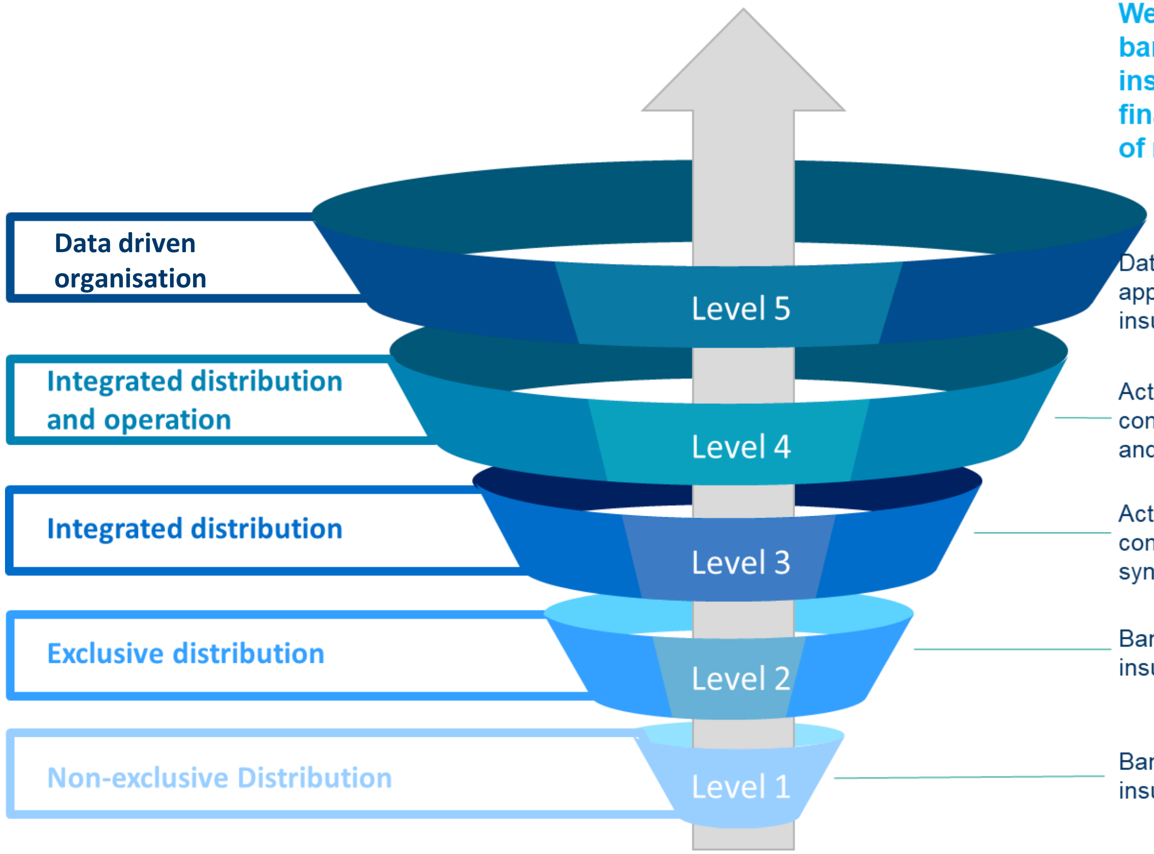
Powered by PEARL+



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

Differently: THE NEXT level

Bank-insurance+



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

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.

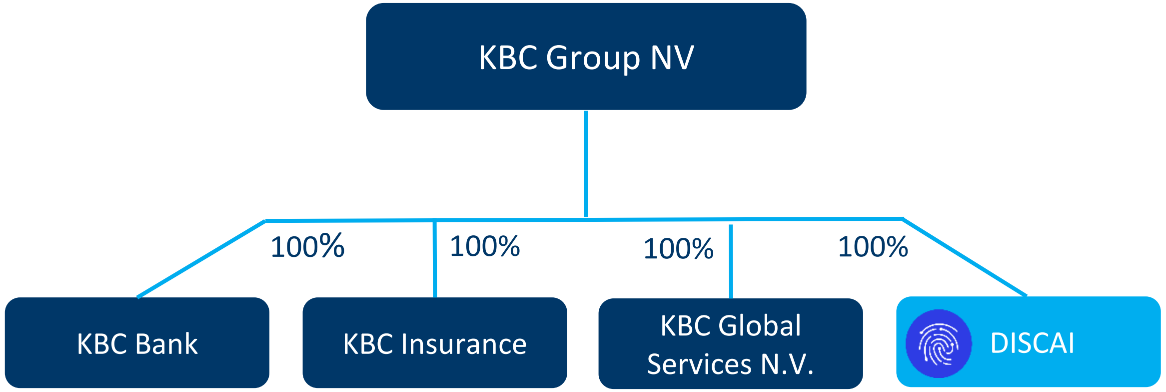
Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial synergies.

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.

DISCAI

KBC Group launched its own AI fintech, DISCAI, a separate legal entity as of 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:

✓ Starting with commercialisation of AML platform

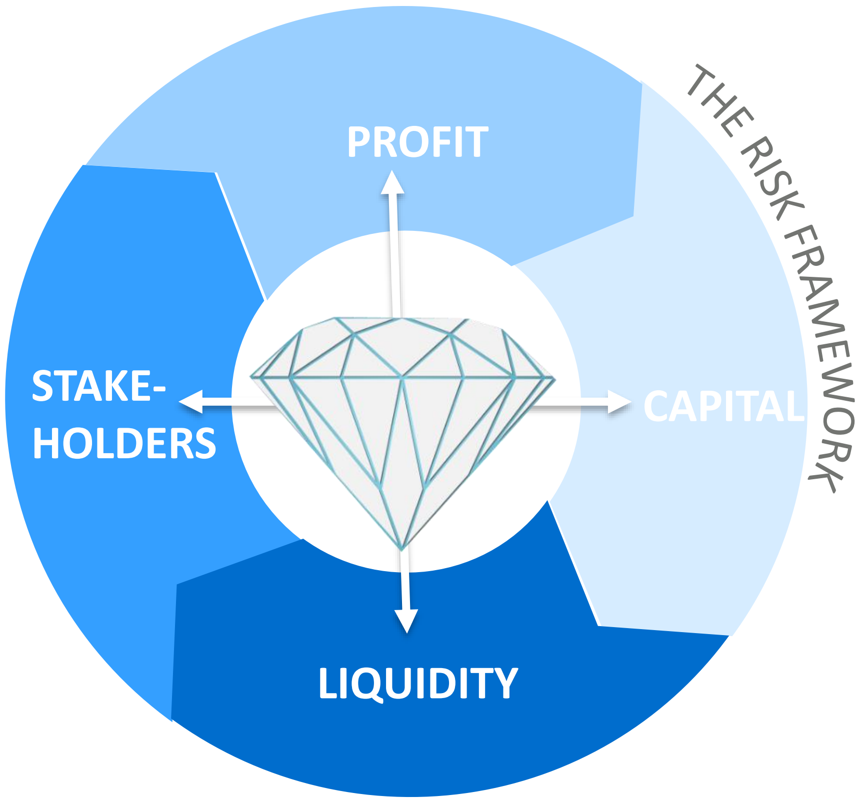
- Innovative and high-performance **AI-based solution** developed by KBC for **anti-money laundering** (AML), a global challenge for financial institutions
- Much **more effective** solution in detecting fraud cases ('know your transaction (**KYT**)' under AML regulations), trend-based instead of rule-based
- 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

Differently: THE NEXT level

Monitored through the KBC performance diamond



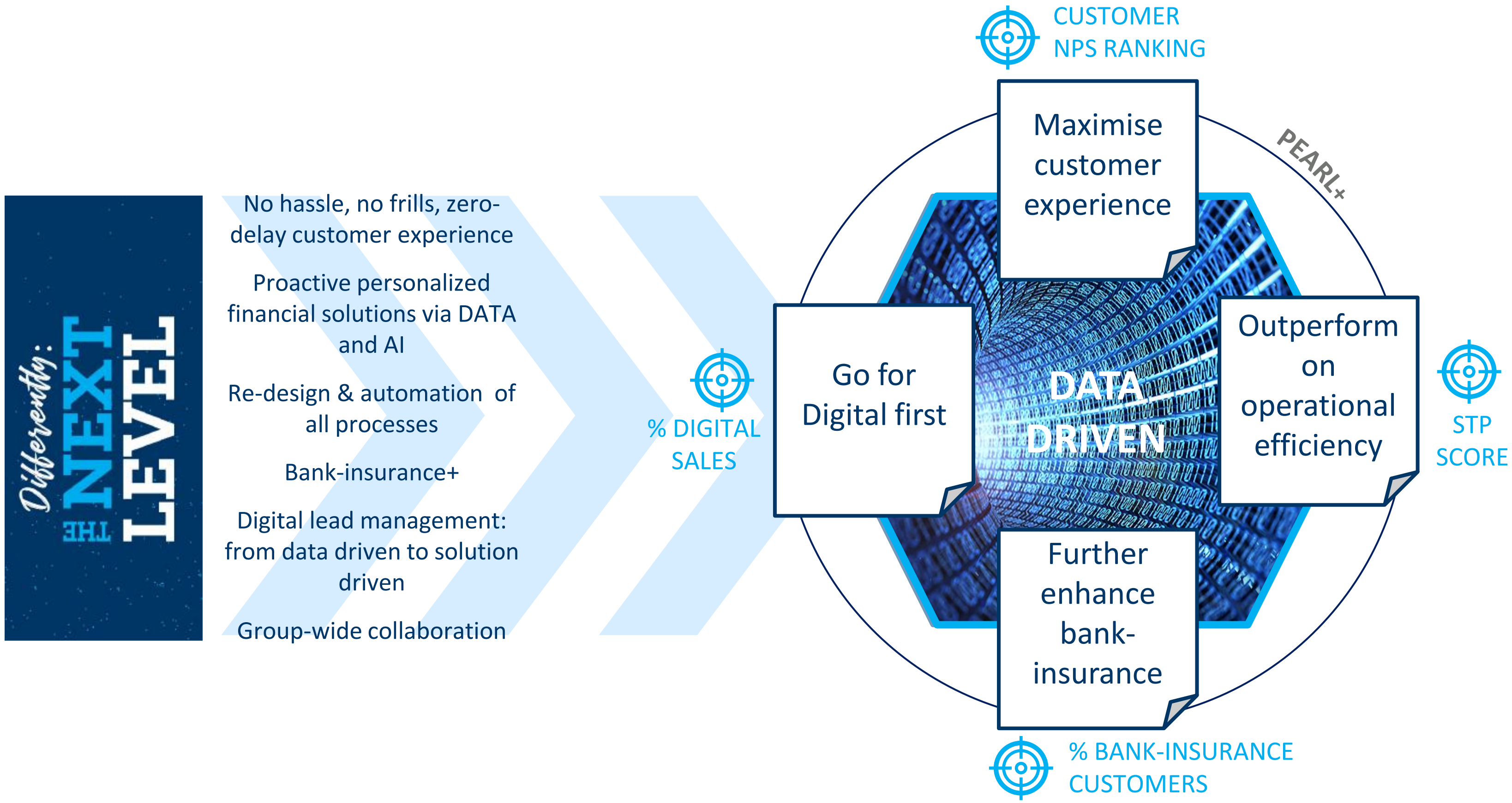
The performance diamond defines, within the limits of the risk management framework, the targets for KBC Group and for all the business units for 4 performance dimensions:

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

Differently: THE NEXT level

Translating strategy into non-financial targets

From key priorities to operational targets



Differently: THE NEXT level

Translating strategy into non-financial targets

Update on our 4 operational targets (1)

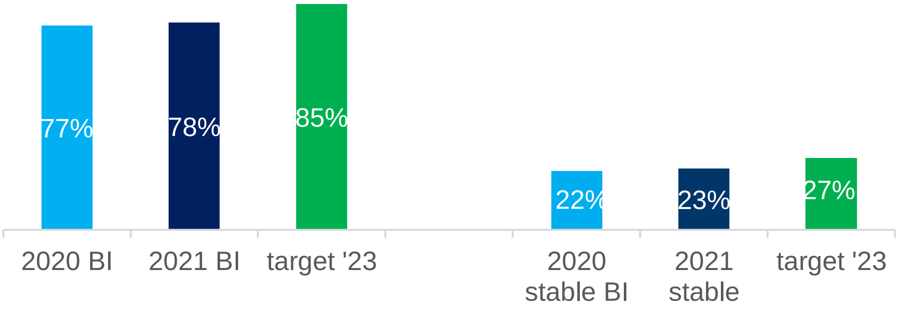
Customer NPS ranking

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

Based on weighted avg of ranking in six core countries

* Based on the latest available data.

% bank-insurance (BI) clients



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

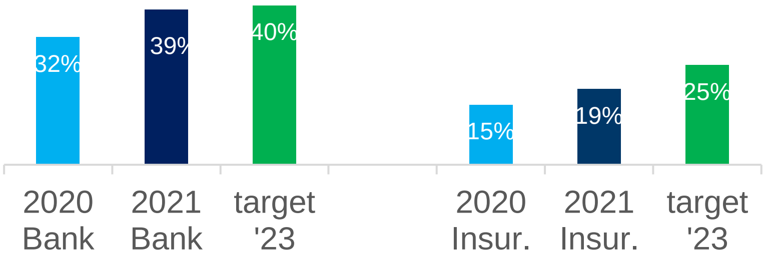
BI customers have at least 1 bank + 1 insurance product of our group.
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Differently: THE NEXT level

Translating strategy into non-financial targets

Update on our 4 operational targets (2)

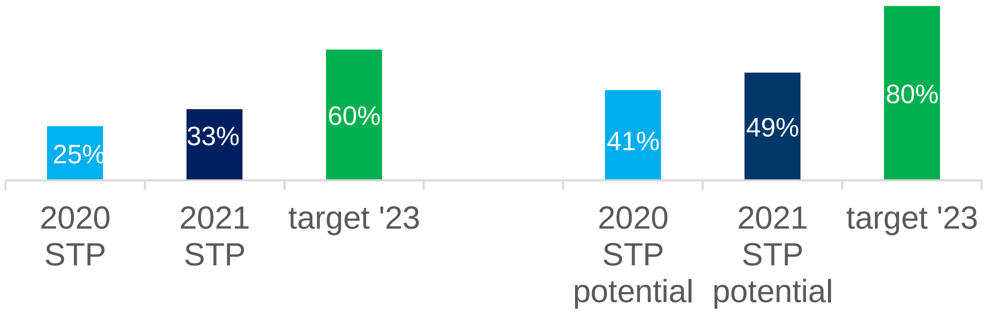
% digital sales
(bank / insurance)



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

Based on weighted avg of selected core products

STP score*
(straight through processing)



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

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

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

* Based on analysis of core commercial products.

ESG ratings and indices

Ahead of the curve

Agencies	ESG rating of 29th of April 2022 (previous score)	Position versus industry average
CDP (Driving Sustainable Economies)	Scale: D- … A **A-** (A-)	• Financial services average B
Sustainalytics	Scale: Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk **13.1** (13.5)	• 3rd percentile of 413 diversified banks assessed • 9th of 413 diversified banks
S&P Dow Jones Indices (A Division of S&P Global)	Scale: 0 … 100 **74** (73)	• Top 12% • (88th percentile of 242 banks assessed)
MSCI	Scale: C, B, BB, BBB, A, AA, AAA **AAA** (AAA)	• 3rd percentile of 189 banks assessed
Corporate ESG Performance Prime, rated by ISS ESG	Scale: D-, D, D+, C-, C, C+, … **C prime** (C prime)	• 1st decile rank of 299 Commercial Banks & Capital Markets assessed
FTSE4Good	Scale: 0, 1, 2, 3, 4, 5 **4.3** (4.7)	• Top 4% • (96th percentile of banks assessed)

Our sustainability roadmap

KBC milestones and initiatives

2004

Equator Principles

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

2006

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

2011

First report to society published

2016

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

2018

First Green Bond

The first Belgian financial institution that issued a green bond

2019

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

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

2020

KBC Asset Management signed Climate Action 100+

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

Continuous ESG actions…

2022

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

In 2022, KBC intends to launch its first KBC Social Bond

"We report on our GHG emissions of our entire loan and lease portfolios as well as our climate analysis by sector"

Johan Thijs

Strong progress on in Environmental, Social and Governance issues

Some latest highlights

ESG – Environmental

- All remaining direct coal exposure has been phased out in line with our commitment
- 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

- 31.7bn EUR in Responsible Investing funds
- 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 among our start-up community
- Promoting diversity and an inclusive culture and inclusion in the Bloomberg Gender-Equality Index

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 to our senior management as part of our leadership development programme
- Completion of responsible behaviour awareness training by the vast majority of staff in all core countries

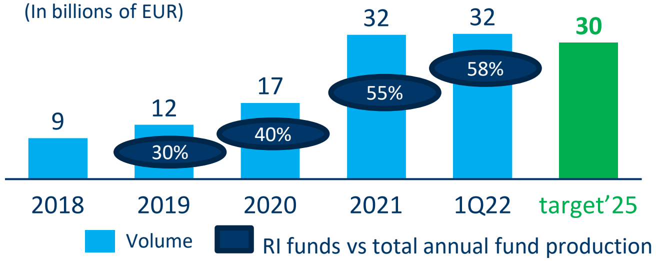
Our sustainability ambitions

We substantially raise the bar for our climate-related ambitions

Achieved

Volume of Responsible Investing Funds(*)

(In billions of EUR)

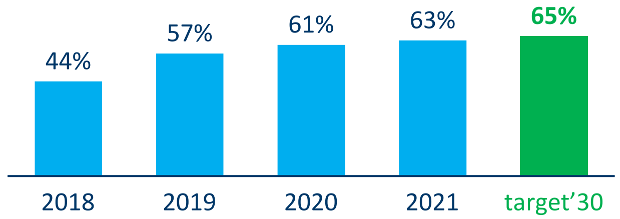


- End of 2021: volume of Responsible Investing funds includes all Belgian KBC pension savings funds (adding 6bn EUR)
- Responsible Investing funds ≥ 50% of annual fund production from 2021 onwards

Above track

Renewable energy loans

(In % of total energy sector loan portfolio)

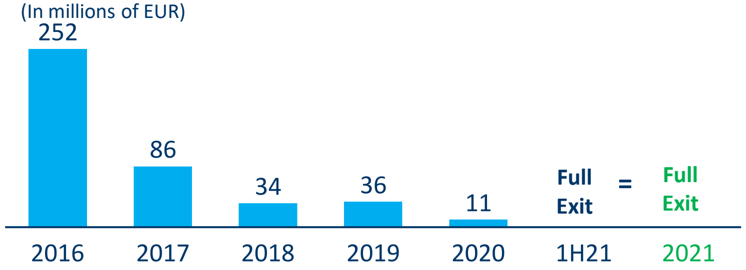


- Target set to 65% by '30
- During 2021, Project Finance Belgium concluded 7 new renewable energy transactions for a total amount of 195m EUR

Achieved

Direct coal-related finance

(In millions of EUR)

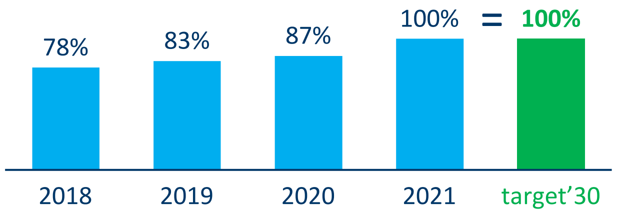


- All remaining direct coal exposure has been phased out in line with our commitment
- Firm commitment to exit indirect coal exposure, supporting existing clients in their transition. In order to remain eligible for any kind of financing, the related client must commit not to engage into any new coal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

Achieved

Renewable electricity

(In % of own electricity consumption)

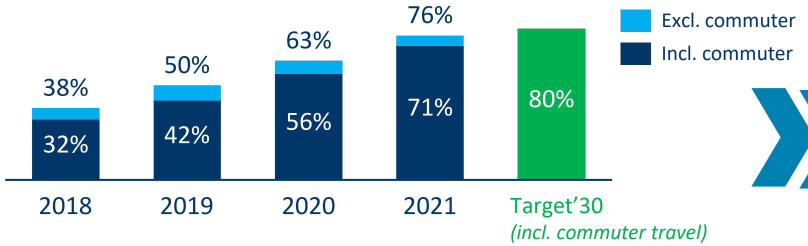


- Continued installation of photovoltaic panels on buildings we own and operate ourselves

Above track

Reduction own GHG emissions (incl. commuter travel)

(In % compared to 2015)



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

Achieved

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

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

Our environmental footprint

Measuring and reporting both our direct and indirect footprint scope

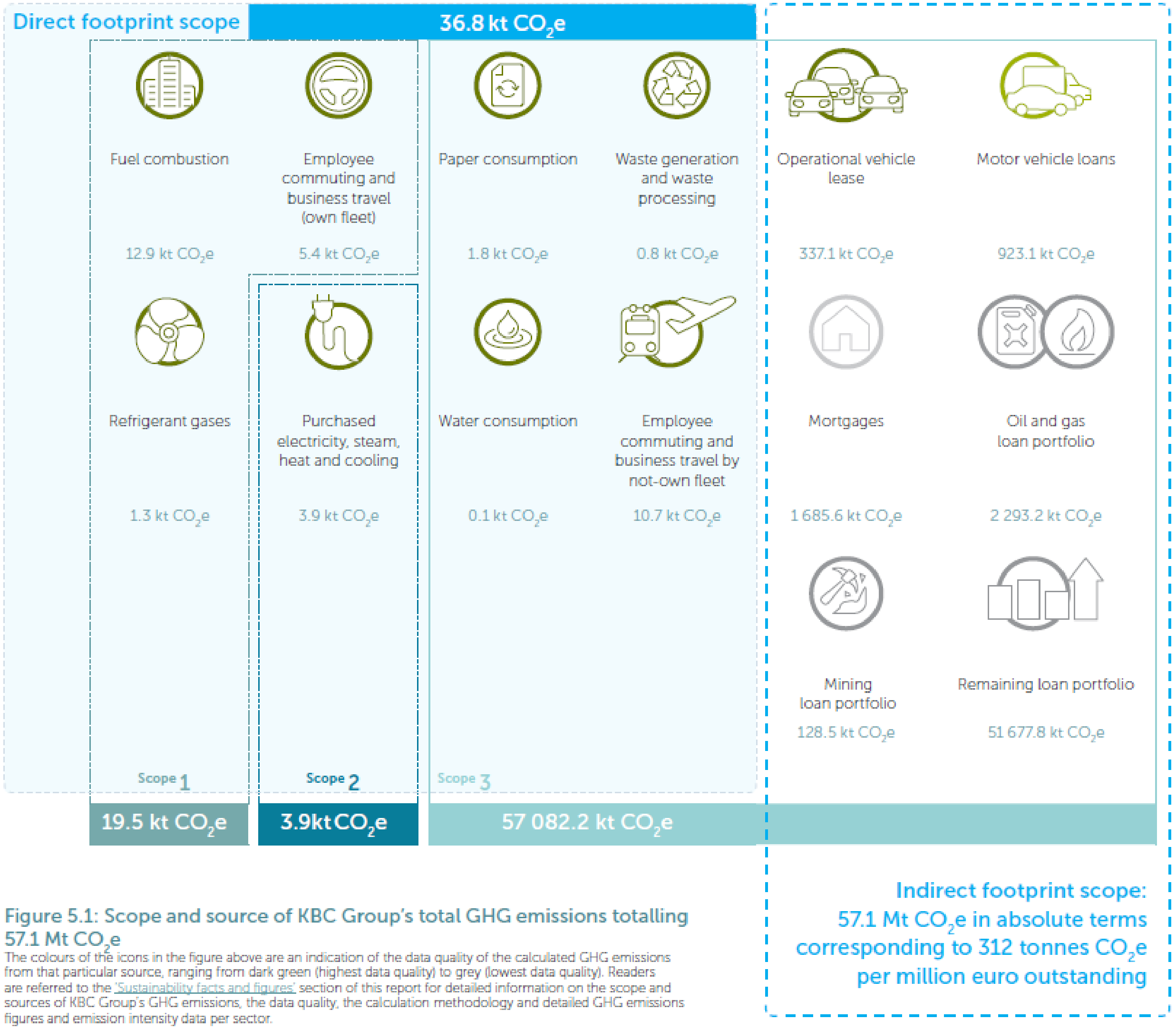


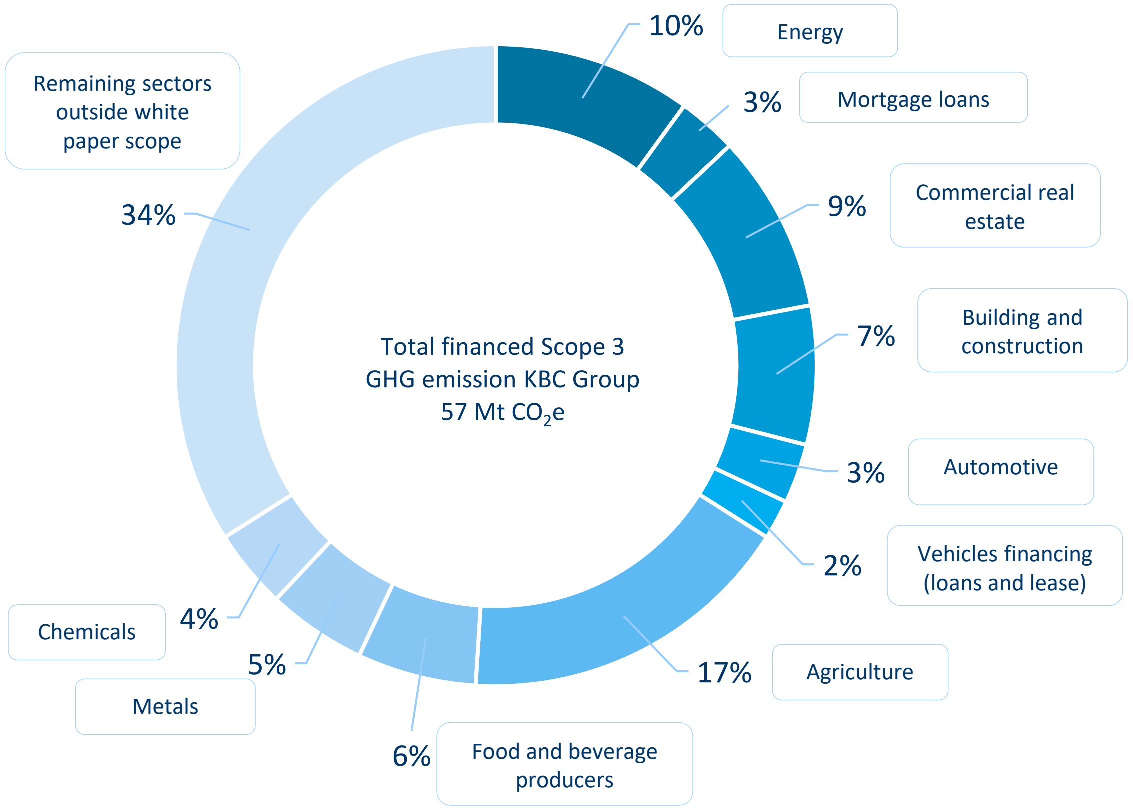
Figure 5.1: Scope and source of KBC Group's total GHG emissions totalling 57.1 Mt CO_2e

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.

- Measure, reduce and set clear targets on our **direct footprint scope** already since 2015.
  - We already substantially reduced our direct footprint by -71% in 2021.
  - In line with our commitment, we reached net-climate neutrality with respect to our direct footprint scope in 2021.
- Measure our **indirect footprint scope** as a first step to identify strategies to reduce this impact and set related targets.
  - In 2021, for the first time, we have calculated the Scope 3 financed emissions of KBC Group's total loan and lease portfolio.

Our environmental footprint

Measuring and reporting both our direct and indirect footprint scope



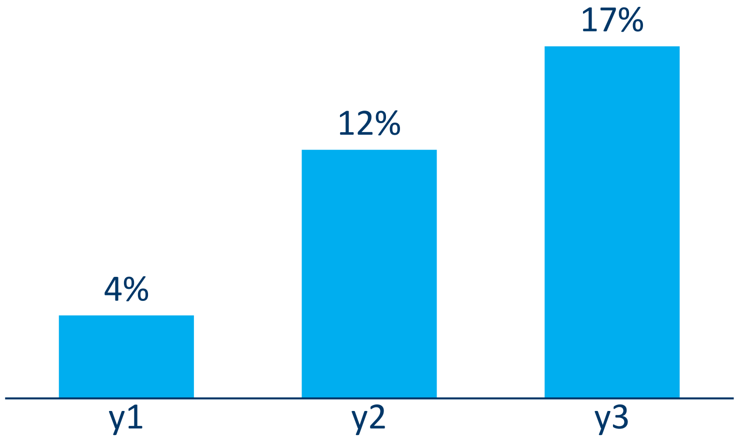
Most material climate-sensitive sectors and product lines and associated Scope 3 GHG emissions in % of total financed GHG emissions of KBC Group. For detailed emission figures per sector and more information on the calculation methodology, please refer the 2021 Sustainability Report of KBC Group, Facts and figures.

Annex 3

Other items

Interest rate sensitivity

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



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

This impact is based on:

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

Loan loss experience at KBC

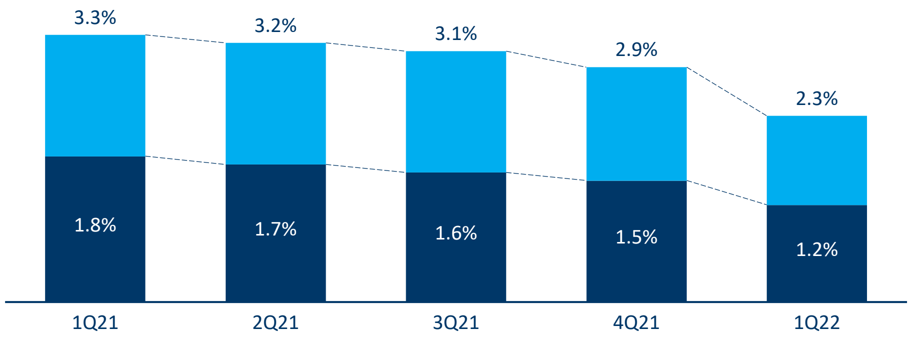
	1Q22 CREDIT COST RATIO	FY21 CREDIT COST RATIO	FY20 CREDIT COST RATIO	FY19 CREDIT COST RATIO	FY18 CREDIT COST RATIO	FY17 CREDIT COST RATIO	AVERAGE '99 –'21
Belgium	**0.00%**	-0.26%	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic	**-0.11%**	-0.42%	0.67%	0.04%	0.03%	0.02%	n/a
International Markets*	**0.16%**	0.36%	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre*	**-0.49%**	0.28%	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**-0.03%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.40%**

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

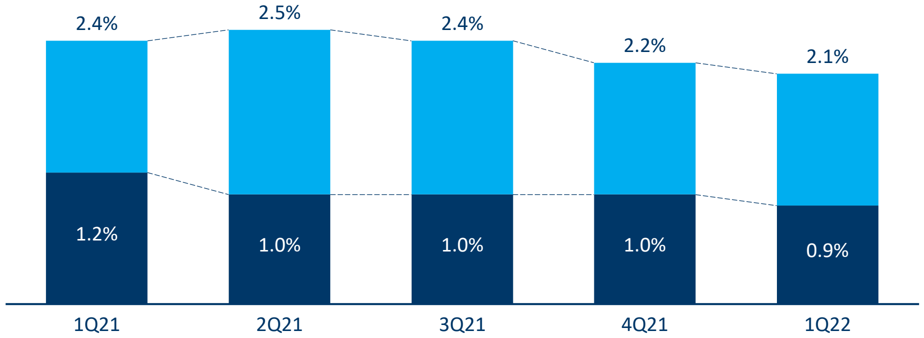
* As of 1Q 2022, KBC Ireland has been shifted from Business Unit International Markets to Group Centre. No restatements have been made

Impaired loans ratios, of which over 90 days past due

KBC GROUP



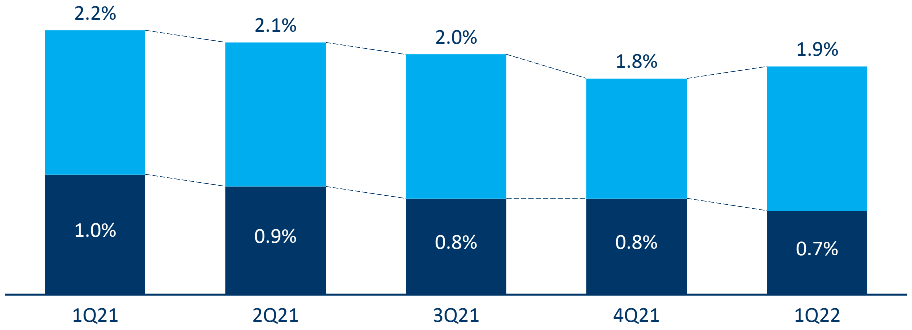
BELGIUM BU



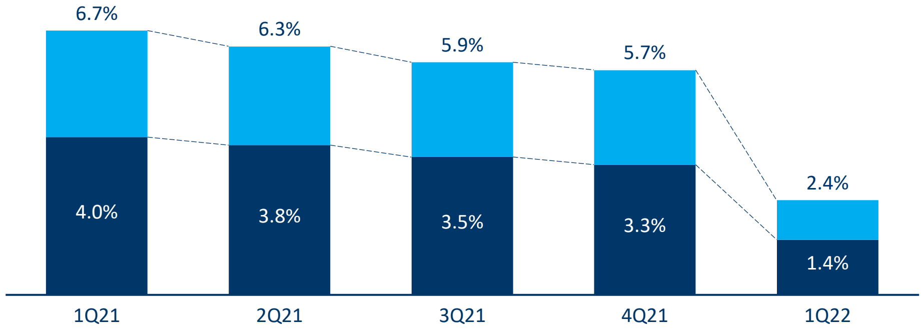
Impaired loans ratio

Of which over 90 days past due

CZECH REPUBLIC BU



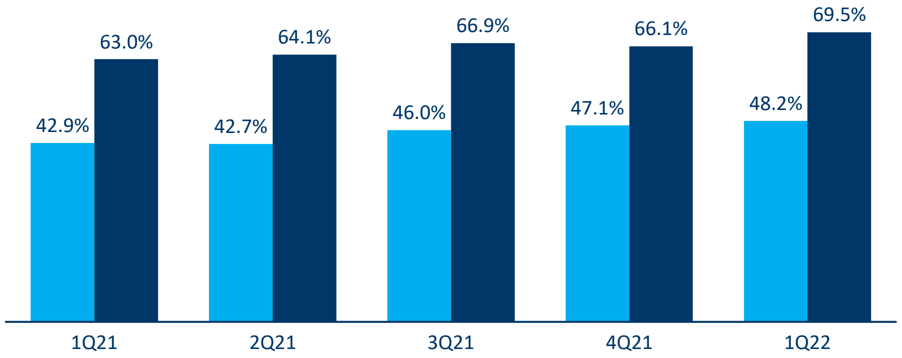
INTERNATIONAL MARKETS BU*



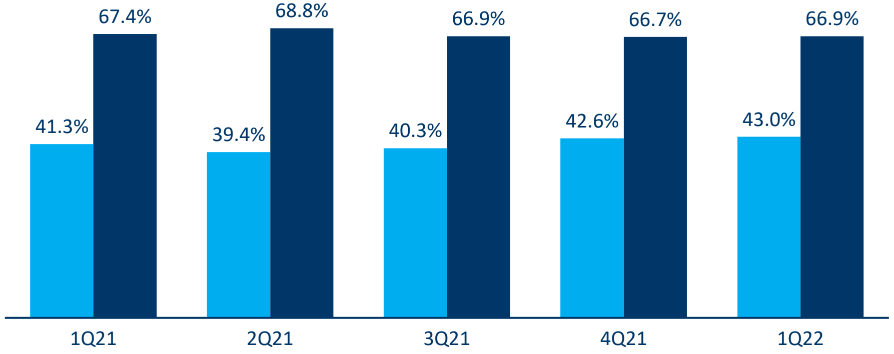
* As of 1Q 2022, KBC Ireland has been shifted from Business Unit International Markets to Group Centre. No restatements have been made

Cover ratios

KBC GROUP



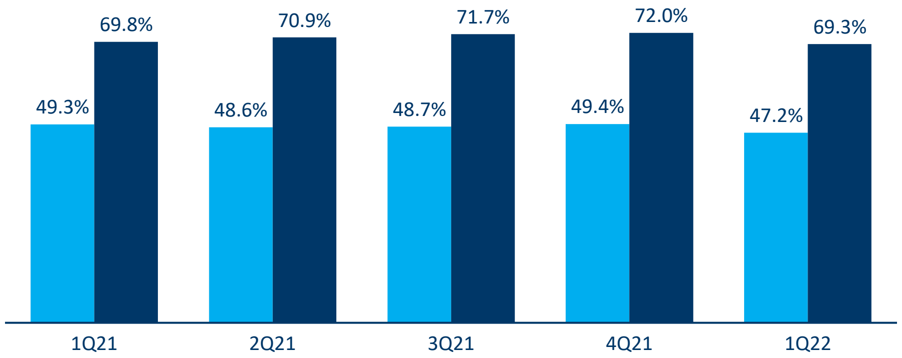
BELGIUM BU



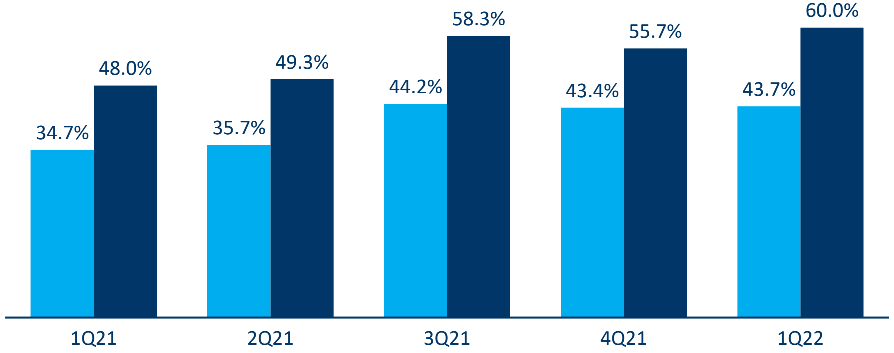
Impaired loans cover ratio

Cover ratio for loans with over 90 days past due

CZECH REPUBLIC BU



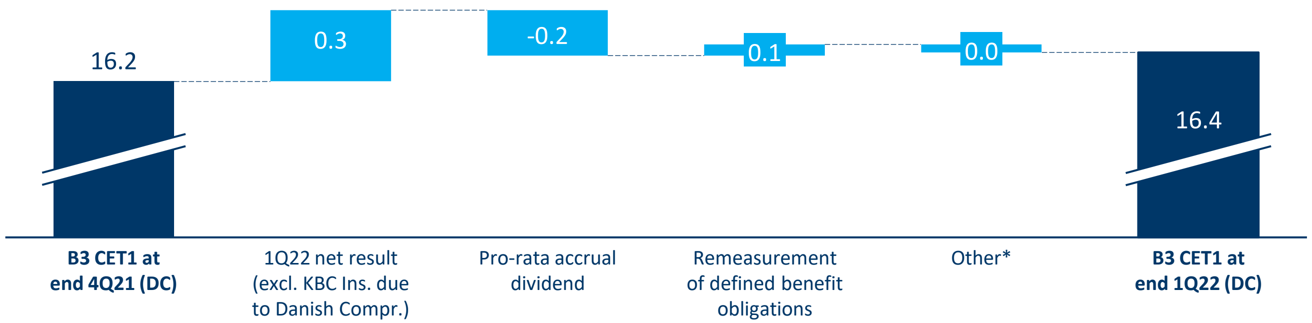
INTERNATIONAL MARKETS BU *



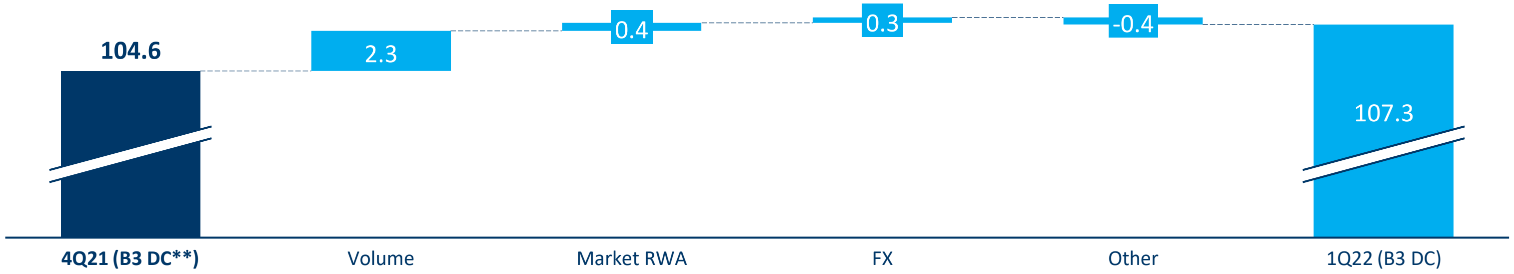
* As of 1Q 2022, KBC Ireland has been shifted from Business Unit International Markets to Group Centre. No restatements have been made

Fully loaded B3 CET1 based on the Danish Compromise (DC) from 4Q21 to 1Q22

DELTA AT NUMERATOR LEVEL (BN EUR)



DELTA ON RWA (BN EUR)



- Fully loaded B3 common equity ratio amounted to 15.3% at the end of 1Q22 based on the Danish Compromise
- As of 1Q22, interim profit recognition (based on 50% profit accrual)
- This clearly exceeds the Overall Capital Requirement (OCR) of 10.91% and the Maximum Distributable Amount (MDA) of 11.15%

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

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

Overview of B3 CET1 ratios at KBC Group

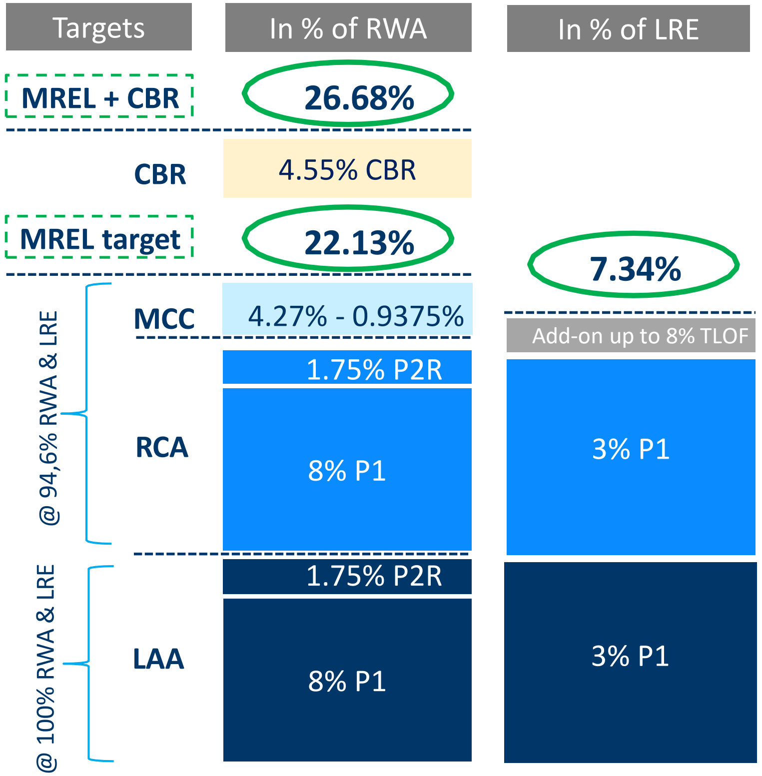
Method	Numerator	Denominator	B3 CET1 ratio
FICOD*, fully loaded	18,117	121,663	14.9%
DC**, fully loaded	16,362	107,256	15.3%
DM***, fully loaded	15,544	102,248	15.2%

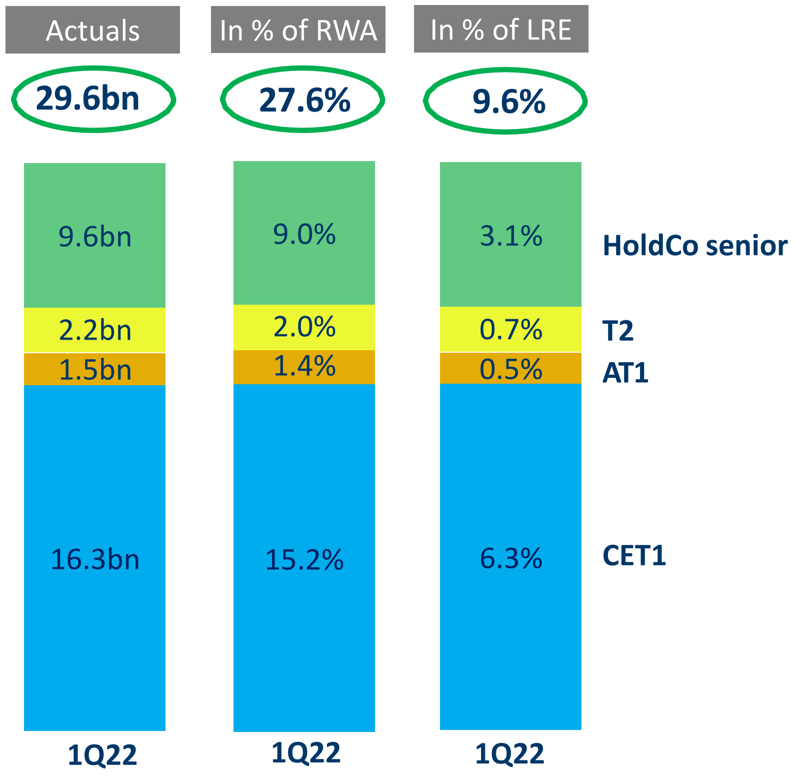
* FICOD: Financial Conglomerate Directive
** DC: Danish Compromise
*** DM: Deduction Method

KBC complies with resolution requirements

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

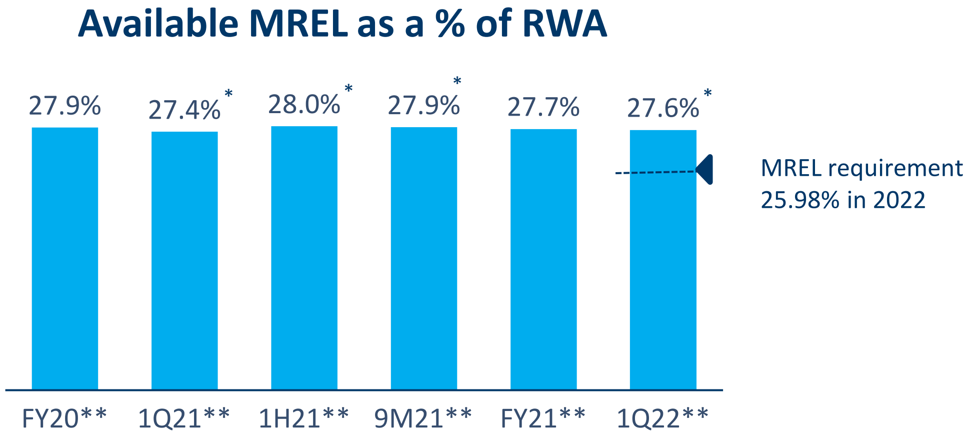
- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- The SRB communicated to KBC the final MREL targets (under BRRD2), expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **new binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - **26.68% of RWA** as from 01-01-2024 (including CBR of 4.55% as from 2Q2023), with an intermediate target of **25.98%** as from 01-01-2022 (including CBR of 4.35% for 2022)
  - **7.34% of LRE** as from 01-01-2022

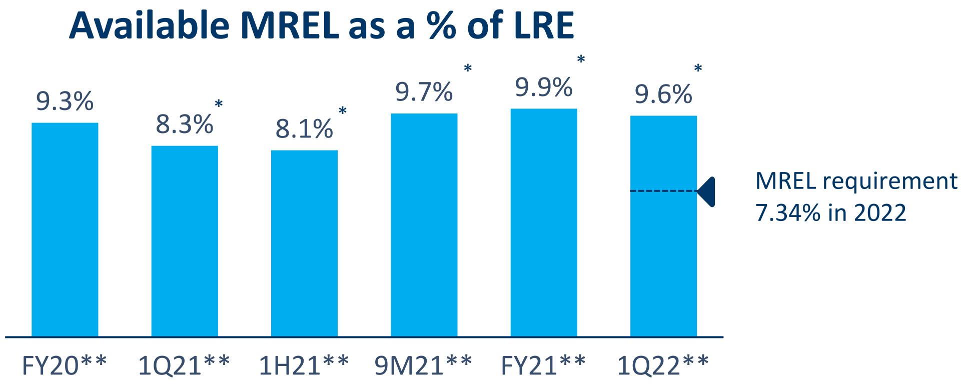




TLOF Total Liabilities and Own Funds LAA Loss Absorbing Amount RCA ReCapitalisation Amount
MCC Market Confidence Charge = CBR (4.27% as at 2Q 2020) minus 93.75 bps; the discount will decrease in the next years to reach the BRRD2 reference level of CBR minus the Countercyclical Buffer
CBR Combined Buffer Requirement = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.35% for 2022 and 0.55% as from 2Q 2023), comes on top of the MREL target

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





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

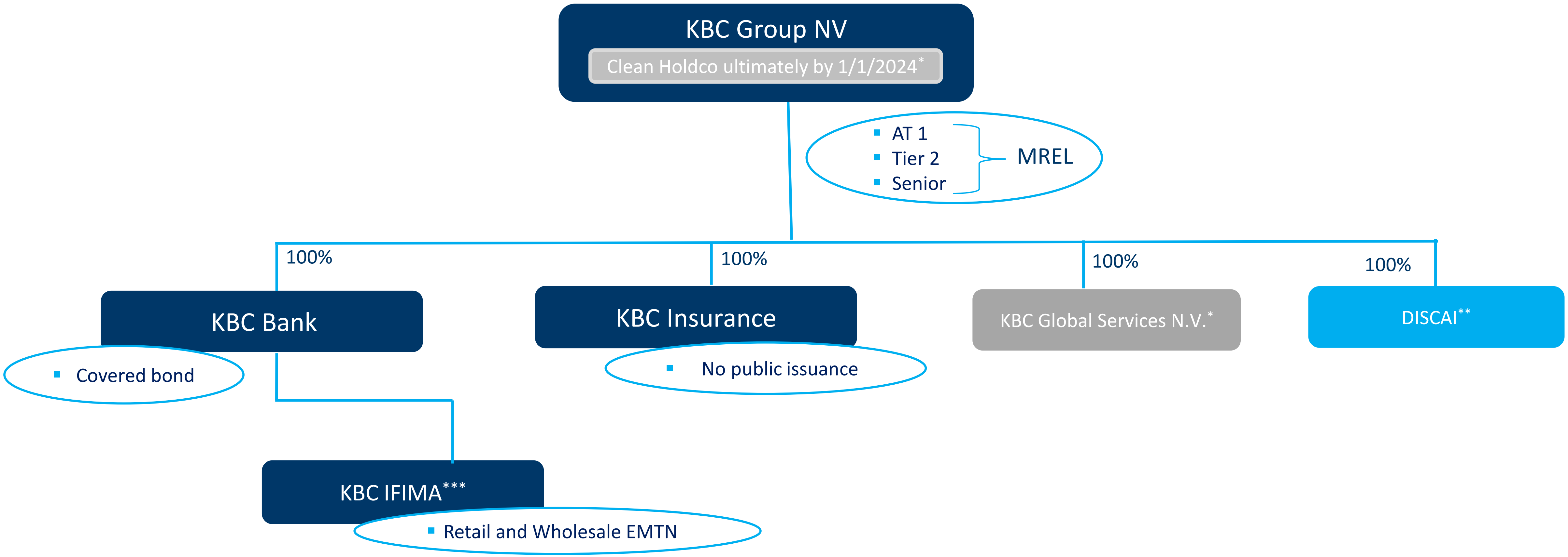
- The **MREL ratio in % of RWA** slightly decreased vs. 4Q21, due to increase of the RWA; the available MREL increased: decrease in CET1 capital due to the inclusion of 2021 profit and dividend distributions, was compensated by issuance of 2.2bn EUR of new HoldCo instruments.

- The **MREL ratio in % of LRE** slightly decreases compared to 4Q21, due to increase of the Leverage Ratio Exposure (mainly driven by increase of cash and cash balances).

(the considerable increase of the ratio in 3Q21 vs. 2Q21 - from 8.1% to 9.7% - was due to decrease of the Leverage Ratio Exposure, mainly driven by implementation in the 3Q reporting of the ECB relief measure allowing temporary exclusion of the exposure to central banks from the Leverage Ratio Exposure)

KBC Passport

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. Ultimately from 1/1/2024, all the activities of KBC Group NV will be transferred to a new subsidiary of KBC Group NV (with exception of the group controlling functions), the financial holding activities and issuing own funds and MREL instruments that remain at KBC Group NV

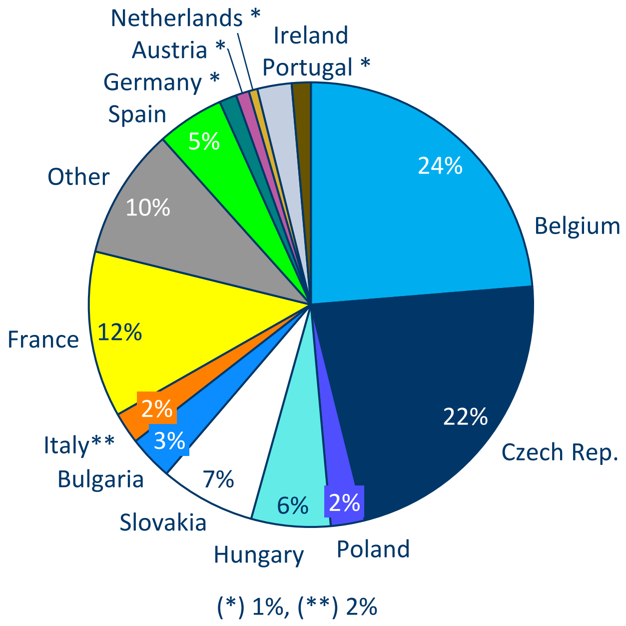
** DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties

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

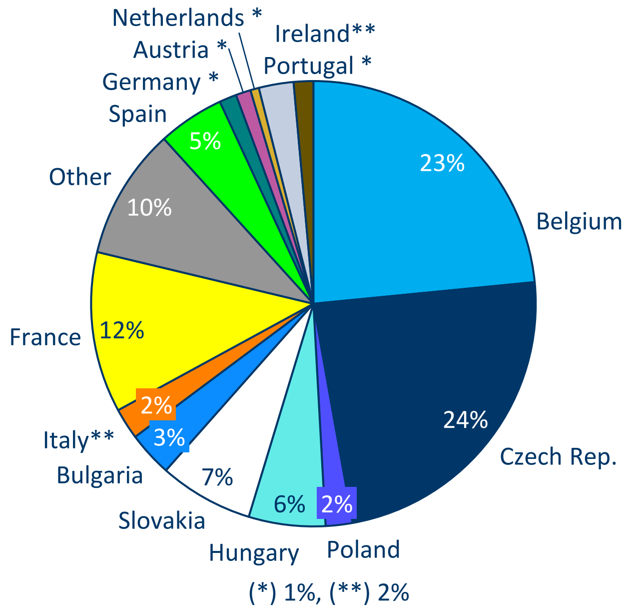
Government bond portfolio – Notional value

- Notional investment of 50.7bn EUR in government bonds (excl. trading book) at end of 1Q22, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Notional value of GIIPS exposure amounted to 5.6bn EUR at the end of 1Q22

END OF FY21
(Notional value of 50.3bn EUR)



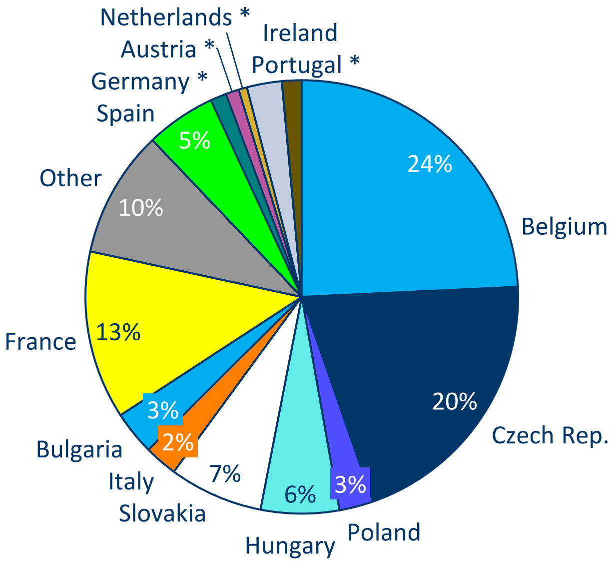
END OF 1Q22
(Notional value of 50.7bn EUR)



Government bond portfolio – Carrying value

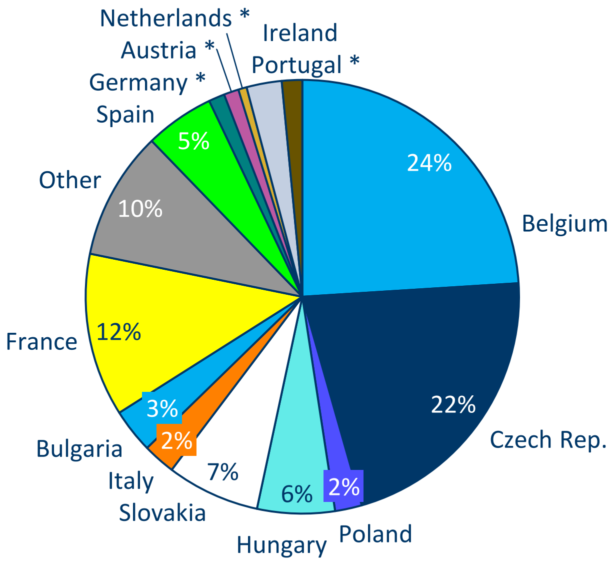
- Carrying value of 51.5bn EUR in government bonds (excl. trading book) at end of 1Q22, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Carrying value of GIIPS exposure amounted to 6.0bn EUR at the end of 1Q22

END OF FY21
(Carrying value of 52.0bn EUR)



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

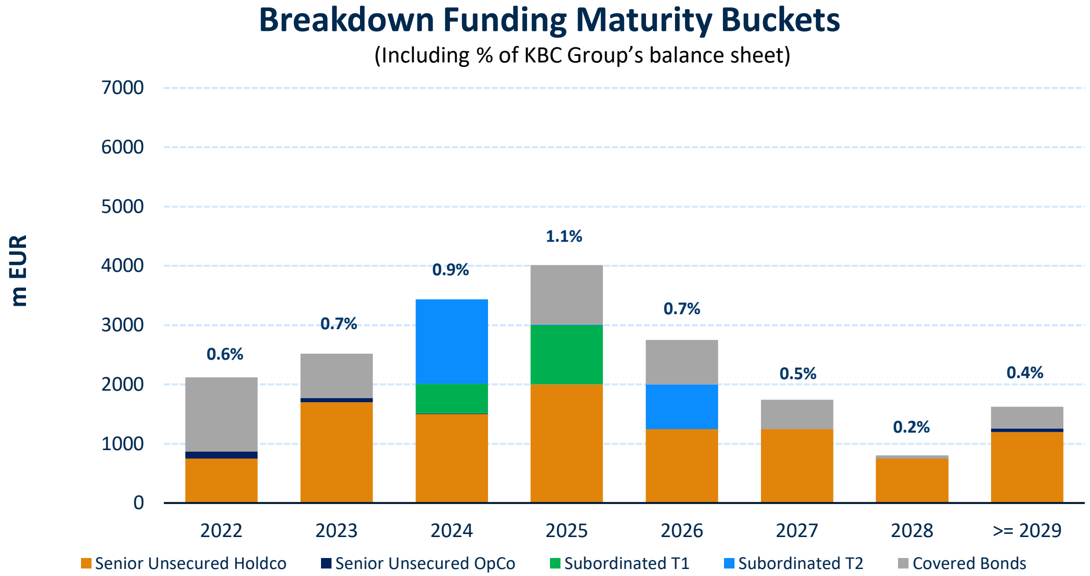
END OF 1Q22
(Carrying value of 51.5bn EUR)



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

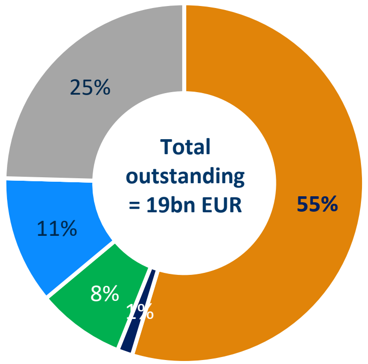
* Carrying value is the amount at which an asset (or liability) is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

Upcoming mid-term funding maturities

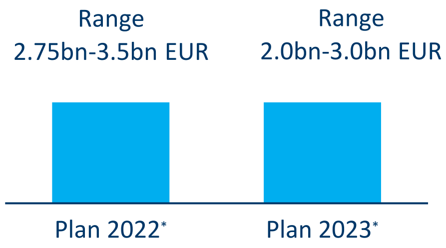


KBC Bank has 6 solid sources of long-term funding:

- 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 downstreamed to KBC Bank



Expected funding program



We aim to issue 1 green/social bond per year

- In **January 2022**, KBC Group issued a senior benchmark for an amount of 750m EUR with a 6-year maturity callable after 5Y
- In **February 2022**, KBC Group issued 700m EUR via Private Placements (i.e., 500m EUR 3NC2 and 200m EUR tap on outstanding 2031)
- In **March 2022**, KBC Group issued a senior benchmark for an amount of 750m EUR with a 4-year maturity callable after 3Y

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

Glossary (1)

B3 / B4	Basel III / Basel IV
CBI	Central Bank of Ireland
Combined ratio (non-life insurance)	[technical insurance charges, including the internal cost of settling claims / earned premiums] + [operating expenses / written premiums] (after reinsurance in each case)
Common equity ratio	[common equity tier-1 capital] / [total weighted risks]
Cost/income ratio (group)	[operating expenses of the group] / [total income of the group]
Cost/income ratio adjusted for specific items	The numerator and denominator are adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments include: • MtM ALM derivatives (fully excluded) • bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) • one-off items
Credit cost ratio (CCR)	[annualised net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula. As the full collective Covid-19 expected credit losses (ECL) have been booked in 1H20, they were not annualised to calculate the ratio in 1H20
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
ESFR	European Single Resolution Fund
FICOD	Financial Conglomerates Directive
Impaired loans cover ratio	[total specific impairments on the impaired loan portfolio (stage 3)] / [part of the loan portfolio that is impaired (PD 10-11-12)]
Impaired loans ratio	[part of the loan portfolio that is impaired (PD 10-11-12)] / [total outstanding loan portfolio]
Leverage ratio	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
Liquidity coverage ratio (LCR)	[stock of high quality liquid assets] / [total net cash outflow over the next 30 calendar days]
Management overlay	Our Expected Credit Loss (ECL) models were not able to adequately reflect all the specifics of the Covid-19 crisis or the various government measures implemented in the different countries to support households, SMEs and Corporates through this crisis. Therefore, an expert-based calculation at portfolio level is required via a management overlay

Glossary (2)

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

	Johan Thijs KBC Group CEO	
	Luc Popelier KBC Group CFO	
	Kurt De Baenst General Manager Investor Relations	Direct + 32 2 429 35 73 Mobile +32 472 500 427 Kurt.debaenst@kbc.be
	Ilya Vercammen Investor Relations Manager	Direct + 32 2 429 21 26 Mobile +32 472 727 777 Ilya.vercammen@kbc.be
	Dominique Agneesens Investor Relations Manager	Direct + 32 2 429 14 41 Mobile +32 473 657 294 Dominique.agneesens@kbc.be
	Martijn Schelstraete Investor Relations Analyst	Direct +32 2 429 08 12 Mobile +32 474 213 535 Martijn.schelstraete@kbc.be

More information

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

Upcoming events

13 May 2022	Equity roadshow, London
19 May 2022	Equity roadshow, Asia
19 May 2022	UBS Conference, Lausanne
31 May 2022	Equity roadshow, Toronto
1 June 2022	DB Conference, New York
8 June 2022	GS Conference, Rome
21 June 2022	ESG-CSR virtual roadshow
11 August 2022	2Q2022 Publication of interim results
12 August 2022	Equity roadshow, London