# KBC Group
# Company presentation
# 2Q 2020

More information: www.kbc.com

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

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# 2Q 2020 key takeaways

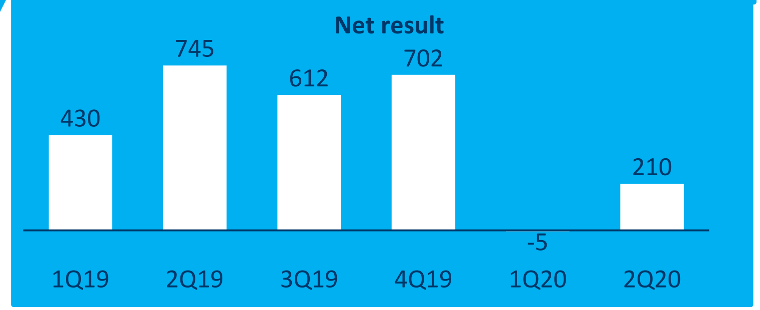
## 2Q20 financial performance

- **Commercial bank-insurance franchises** in core markets performed well
- **Customer loans** and **customer deposits** increased y-o-y in all of our core countries
- Lower **net interest income** and net interest margin
- Lower **net fee and commission income**
- Sharply higher **net gains from financial instruments at fair value** and higher **net other income**
- Excellent result of **non-life & life** insurance
- **Costs** significantly down
- Higher net **impairments on loans.** The full collective Covid-19 expected credit losses have already been booked in 1H20
- Solid **solvency** and **liquidity**
- In line with the recent ECB recommendation, we cannot execute our usual dividend policy. As a consequence, **no interim dividend** will be paid out in November 2020

**Net result of 210m EUR in 2Q20**

### 1H20

- **ROE 4%***
- **Cost-income ratio 59%** (adjusted for specific items)
- **Combined ratio 83%**
- **Credit cost ratio 0.64% (0.20% without collective covid-19 impairments**)**
- **Common equity ratio 16.6%** (B3, DC, fully loaded)
- **Leverage ratio 6.0%** (fully loaded)
- **NSFR 142% & LCR 136%**



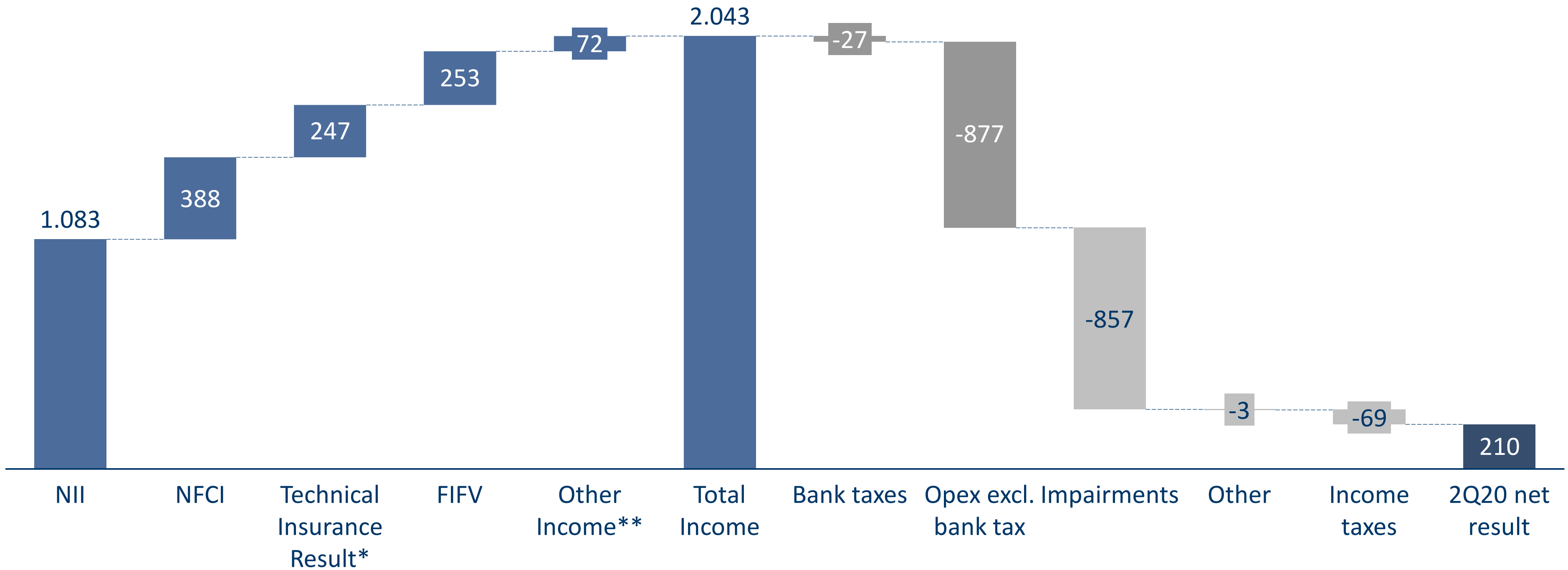

* when evenly spreading the bank tax throughout the year

** 789m EUR collective Covid-19 impairments in 1H20, of which 639m EUR management overlay (596m EUR in 2Q20 and 43m EUR in 1Q20) and 150m EUR impairments captured by the ECL models through the updated IFRS 9 macroeconomic variables in 2Q20



Comparisons against the previous quarter unless otherwise stated

# Overview of building blocks of the 2Q20 net result




| | NII | NFCI | Technical Insurance Result* | Total Income | Opex excl. bank tax |
|---|---|---|---|---|---|
| Q-o-Q | -9% | -10% | +39% | +38% | -6% |
| Y-o-Y | -4% | -11% | +40% | +7% | -8% |

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

# Main exceptional items

| | | 2Q20 | 1Q20 | 2Q19 |
|---|---|---|---|---|
| BE BU | NII – Early termination of 1 large corporate file | | +12m EUR | |
| | Non-Life – Reassessment of claims provisions | | | -16m EUR |
| | Opex – Staff expenses | | | -6m EUR |
| | Impairments – Modification loss from moratorium | -11m EUR | | |
| | ***Total Exceptional Items BE BU*** | ***-11m EUR*** | ***+12m EUR*** | ***-22m EUR*** |
| CZ BU | NOI – Revaluation of 55% stake in ČMSS | | | +82m EUR |
| | Impairments – Modification loss from moratorium | -5m EUR | | |
| | ***Total Exceptional Items CZ BU*** | ***-5m EUR*** | | ***+82m EUR*** |
| IM BU | IRL - NOI – Additional impact for the tracker mortgage review | | | -4m EUR |
| | IRL - Opex – Costs, mainly related to sale of part of legacy loan portf. | | | -2m EUR |
| | IRL – Impairments – On sale of legacy loan portfolio | | | -12m EUR |
| | HU – Impairments – Modification loss from moratorium | +7m EUR | -18m EUR | |
| | ***Total Exceptional Items IM BU*** | ***+7m EUR*** | ***-18m EUR*** | ***-18m EUR*** |
| GC | Opex – Staff expenses (management reorganisation costs) | | | -4m EUR |
| | Tax – DTA impact | | | +34m EUR |
| | ***Total Exceptional Items GC*** | | | ***+30m EUR*** |
| **Total Exceptional Items (pre-tax)** | | -9m EUR | -6m EUR | +72m EUR |
| **Total Exceptional Items (post-tax)** | | -6m EUR | -7m EUR | +82m EUR |

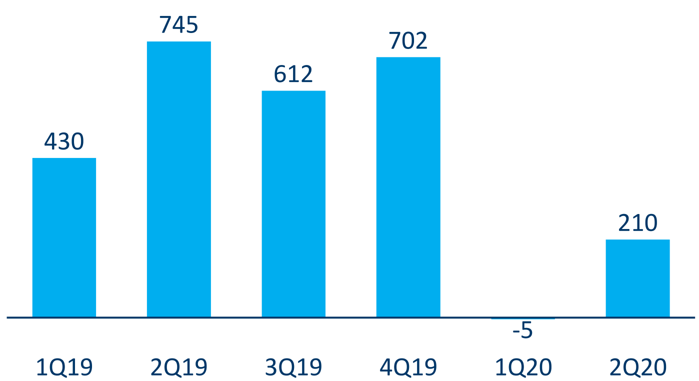
# Contents

Section 1

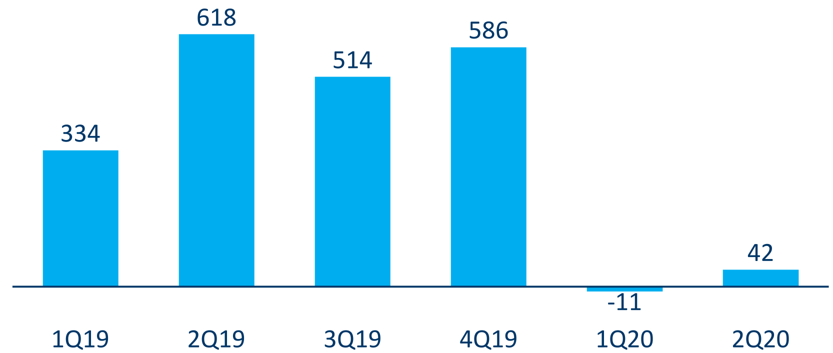
# 2Q 2020 performance of KBC Group

# Net result at KBC Group

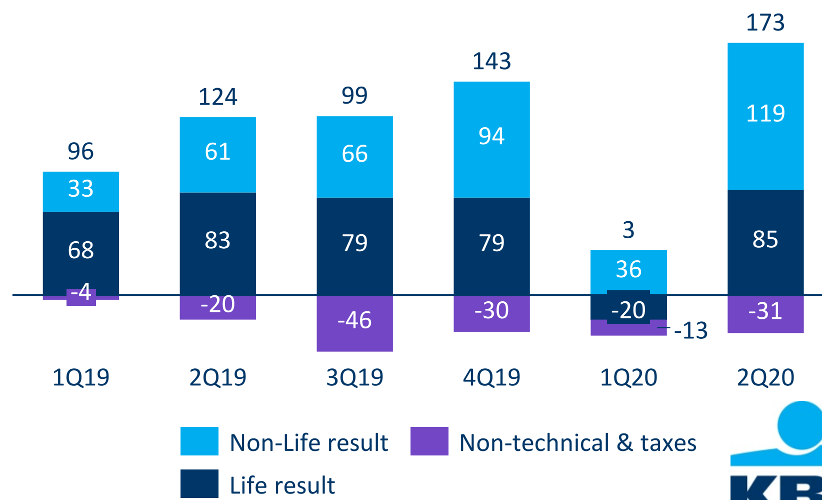
NET RESULT AT KBC GROUP*




CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP NET RESULT*




CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP NET RESULT*



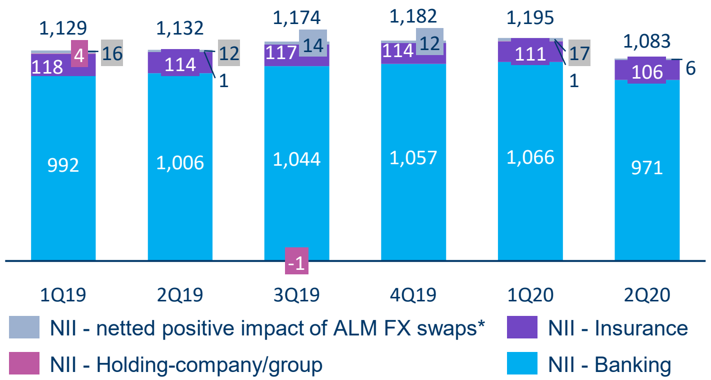

* Difference between net result at KBC Group and the sum of the banking and insurance contribution is accounted for by the holding-company/group items

Amounts in m EUR

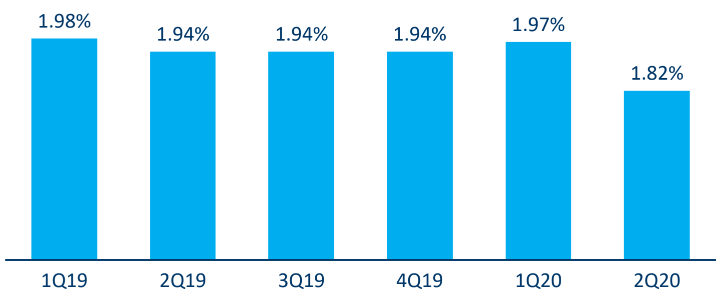
# Lower net interest income and net interest margin

NII

Amounts in m EUR




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 (1,083m EUR)**
  - Decreased by 9% q-o-q and by 4% y-o-y
  - The q-o-q decrease was driven primarily by:
    - the CNB rate cuts (from 2.25% early February to 0.25% early May 2020)
    - the depreciation of the CZK & HUF versus the EUR (-18m EUR q-o-q)
    - lower reinvestment yields
    - pressure on loan margins on total outstanding portfolio in most core countries (except in Belgium)
    - lower netted positive impact of ALM FX swaps

    partly offset by:
    - lower funding cost
    - higher margin on new production mortgages than the margin on the outstanding portfolio in Belgium, the Czech Republic and Slovakia
    - higher NII due to larger bond portfolio

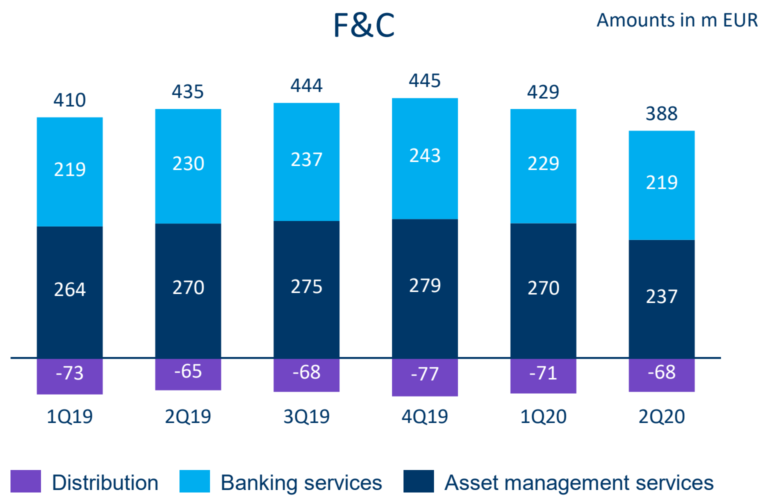
- **Net interest margin (1.82%)**
  - Decreased by 15 bps q-o-q and by 12 bps y-o-y due mainly to the CNB rate cuts, the negative impact of lower reinvestment yields and an increase of the interest-bearing assets (denominator)

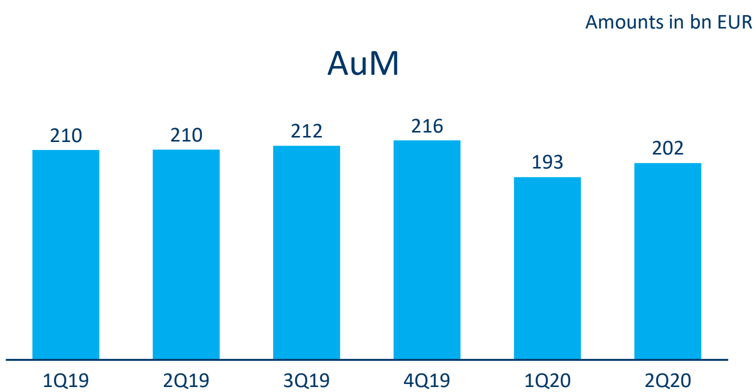
| ORGANIC VOLUME TREND | Total loans** | o/w retail mortgages | Customer deposits*** | AuM | Life reserves |
|---|---|---|---|---|---|
| Volume | 158bn | 68bn | 211bn | 202bn | 28bn |
| Growth q-o-q* | 0% | +1% | +1% | +4% | +2% |
| Growth y-o-y | +4% | +4% | +7% | -4% | -3% |

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos. **Customer deposit volumes excluding debt certificates & repos +5% q-o-q and +11% y-o-y**

# Lower net fee and commission income



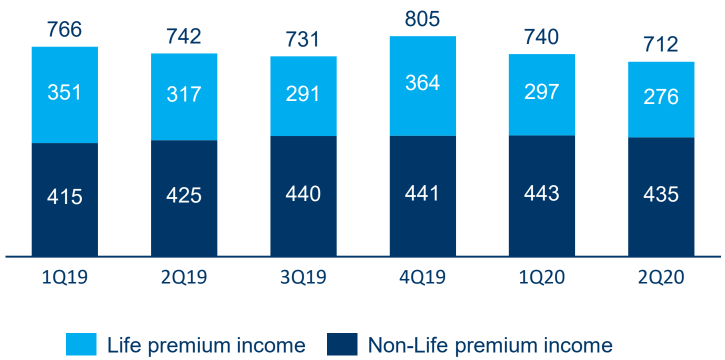




- **Net fee and commission income (388m EUR)**
  - Down by 10% q-o-q and by 11% y-o-y
  - Q-o-q decrease was the result of the following:
    - Net F&C income from Asset Management Services decreased by 12% q-o-q as a result of lower management and entry fees from mutual funds & unit-linked life insurance products
    - Net F&C income from banking services decreased by 5% q-o-q (-3% q-o-q excluding FX effect) due mainly to lower fees from payment services (less transaction volumes as a result from Covid-19) and lower network income, partly offset by higher fees from credit files & bank guarantees
    - Distribution costs fell by 4% q-o-q
  - Y-o-y decrease was mainly the result of the following:
    - Net F&C income from Asset Management Services fell by 13% y-o-y as a result of lower management fees and entry fees
    - Net F&C income from banking services decreased by 5% y-o-y (-2% y-o-y excluding FX effect) driven mainly by lower fees from payment services (partly due to less transaction volumes as a result of Covid-19, partly due to the SEPA regulation) and lower fees from credit files & bank guarantees, partly offset by higher securities-related fees
    - Distribution costs rose by 3% y-o-y due chiefly to higher commissions paid linked to banking products

- **Assets under management (202bn EUR)**
  - Increased by 4% q-o-q due to a positive price effect (+5%), partly offset by net outflows (-1%)
  - Decreased by 4% y-o-y as a result of net outflows (-3%) and a negative price effect (-1%)

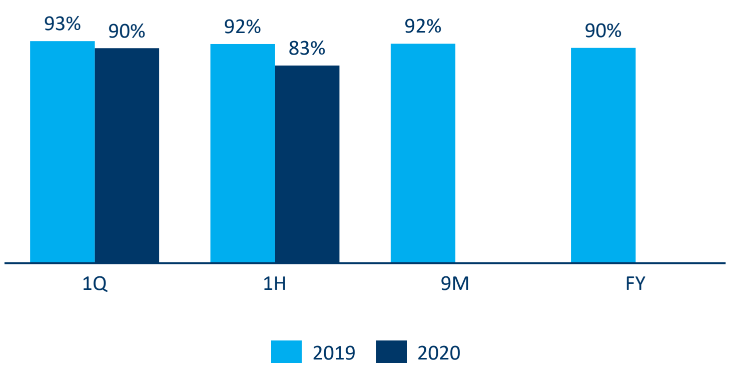
# Non-life premium income up y-o-y and excellent combined ratio

PREMIUM INCOME (GROSS EARNED PREMIUMS)




- **Insurance premium income** (gross earned premiums) **at 712m EUR**
  - Non-life premium income (435m EUR) increased by 2% y-o-y
  - Life premium income (276m EUR) down by 7% q-o-q and by 13% y-o-y

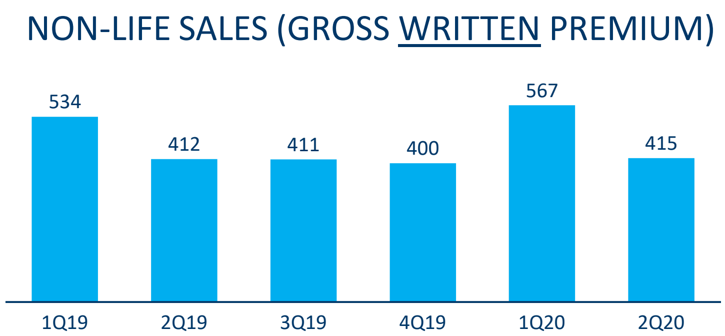
COMBINED RATIO (NON-LIFE)

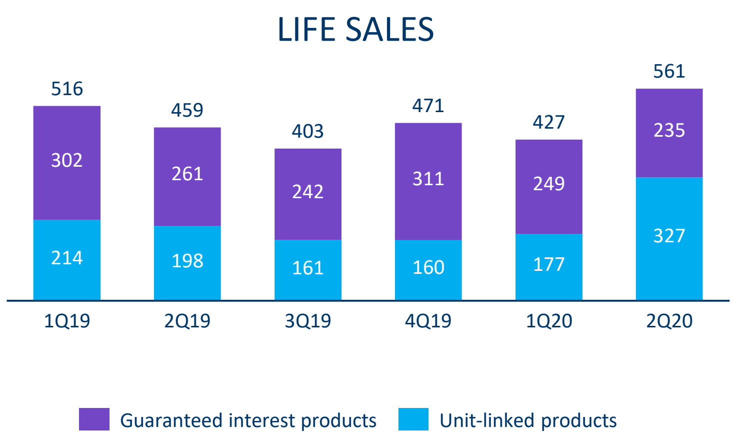



- The non-life **combined ratio** for 1H20 amounted to an excellent **83%.** This is the result of 5% y-o-y premium growth combined with 13% y-o-y lower technical charges in 1H20. The latter was due mainly to lower normal claims in 1H20 (especially in Motor due to Covid-19) and a negative one-off in 1H19 (-16m due to reassessment on claims provisions). However, note that 1H20 was impacted by a higher negative ceded reinsurance result compared with 1H19

Amounts in m EUR

# Non-life sales up y-o-y, life sales up q-o-q and y-o-y



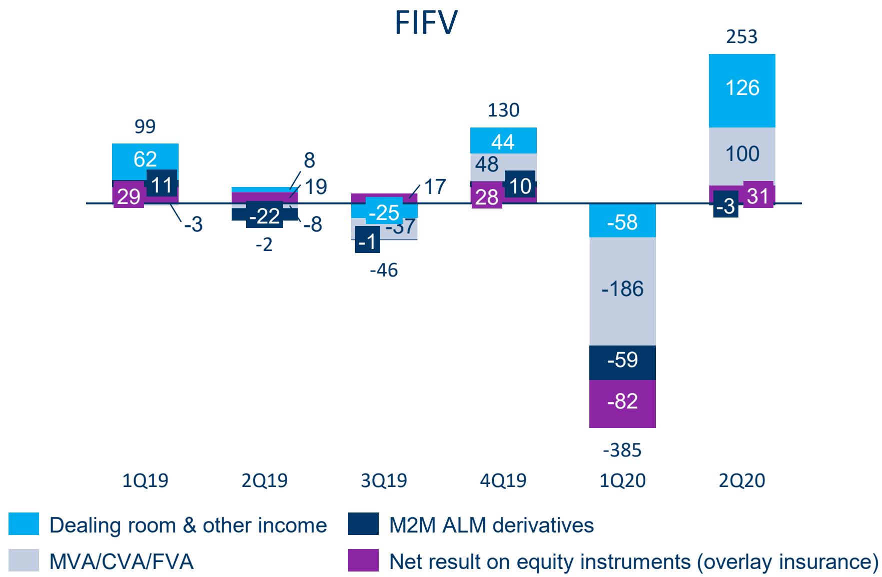



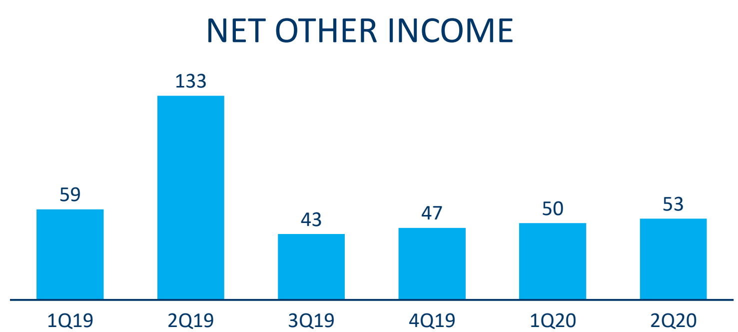

Amounts in m EUR

- **Sales of non-life insurance products**
  - Up by only 1% y-o-y due to negative impact of Covid-19 on new business (mainly in motor and property) and on renewals

- **Sales of life insurance products**
  - Increased by 32% q-o-q and by 22% y-o-y
  - The q-o-q and y-o-y increase was driven entirely by higher sales of unit-linked products in Belgium (due to the launch of new products), only partly offset by lower sales of guaranteed interest products (mainly due to the suspension of universal single life insurance products in Belgium)
  - Sales of unit-linked products accounted for 58% of total life insurance sales in 2Q20

# Sharply higher FIFV and higher net other income



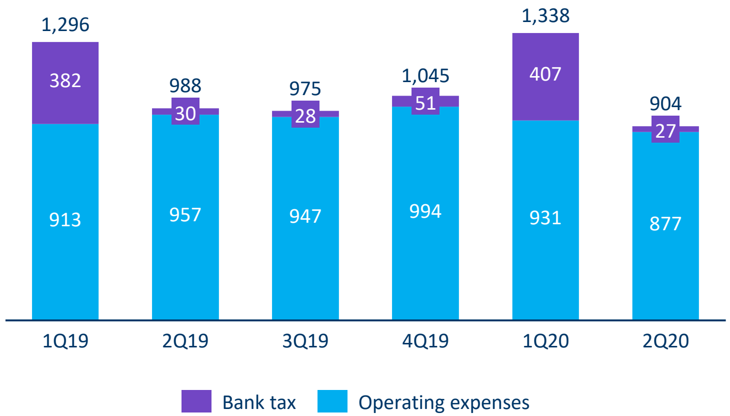

Amounts in m EUR

- The q-o-q strong rebound in **net gains from financial instruments at fair value** was attributable mainly to:
  - a positive change in market, credit and funding value adjustments (mainly as a result of changes in the underlying market value of the derivatives portfolio due to increasing equity markets and decreasing counterparty credit spreads & KBC funding spread, partly offset by lower long-term interest rates)
    - FVA: 73m EUR (+173m EUR q-o-q)
    - CVA: 26m EUR (+105m EUR q-o-q)
    - MVA: 1m EUR (+8m EUR q-o-q)
  - excellent dealing room income
  - a higher net result on equity instruments (insurance)
  - a positive change in ALM derivatives

- **Net other income** amounted to 53m EUR, more or less in line with the normal run rate of around 50m EUR per quarter

# Costs significantly down

OPERATING EXPENSES




Amounts in m EUR

BANK TAX SPREAD IN 2020 (PRELIMINARY)**

| | TOTAL | Upfront | | Spread out over the year | | | |
|---|---|---|---|---|---|---|---|
| | **2Q20** | 1Q20 | 2Q20 | 1Q20 | 2Q20 | 3Q20e | 4Q20e |
| BE BU | **2** | 289 | 2 | 0 | 0 | 0 | 0 |
| CZ BU | **0** | 40 | 0 | 0 | 0 | 0 | 0 |
| Hungary | **18** | 25 | 1 | 20 | 18 | 22 | 22 |
| Slovakia | **8** | 3 | 0 | 8 | 8 | 0 | 0 |
| Bulgaria | **-1** | 17 | -1 | 0 | 0 | 0 | 0 |
| Ireland | **0** | 4 | -1 | 1 | 1 | 1 | 26 |
| GC | **0** | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **27** | **377** | **0** | **29** | **27** | **23** | **48** |

- Operating expenses excluding bank taxes decreased by 6% q-o-q primarily as a result of the announced cost savings related to Covid-19:
  - lower staff expenses (partly due to reduced accrued variable remuneration and less FTEs q-o-q), despite wage inflation in most countries
  - lower facilities, marketing, travel and event costs
  - FX effect (-14m EUR q-o-q)
- Operating expenses excluding bank taxes decreased by 8% y-o-y due partly to the announced cost savings related to Covid-19, despite the full consolidation of CMSS (15m EUR in 2Q20 versus 5m EUR in 2Q19). Also note that 2Q19 was impacted by the 12m EUR negative one-offs
- Cost/income ratio (banking) adjusted for specific items* at 52% in 2Q20 and 59% YTD (58% in FY19), the latter distorted by sharply lower FIFV (Financial Instruments at Fair Value). Cost/income ratio (banking): 46% in 2Q20 and 66% YTD, both distorted by bank taxes and the latter by sharply lower FIFV
- Total bank taxes (including ESRF contribution) are expected to increase by 3% y-o-y to 504m EUR in FY20

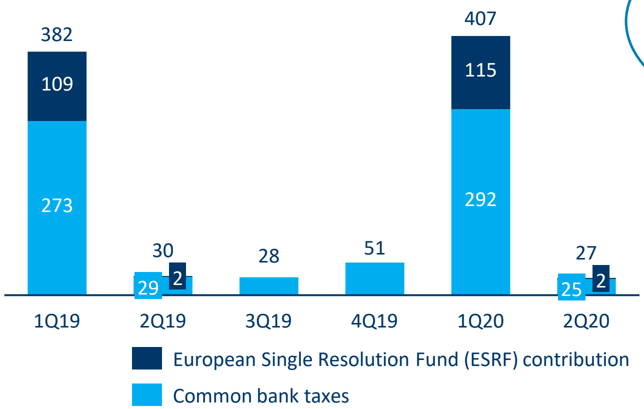


* See glossary (slide 90) for the exact definition
** Still subject to changes

# Overview of bank taxes*

Amounts in m EUR

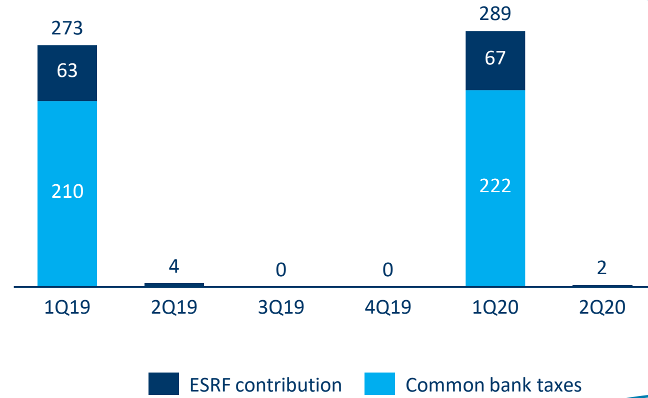
## KBC GROUP




**Bank taxes of 434m EUR YTD. On a pro rata basis, bank taxes represented 12.2% of 1H20 opex at KBC Group****

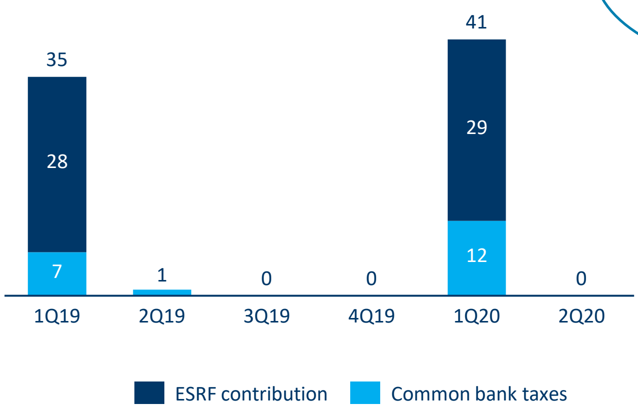
## BELGIUM BU

Bank taxes of 291m EUR YTD. On a pro rata basis, bank taxes represented 12.1% of 1H20 opex at the Belgium BU



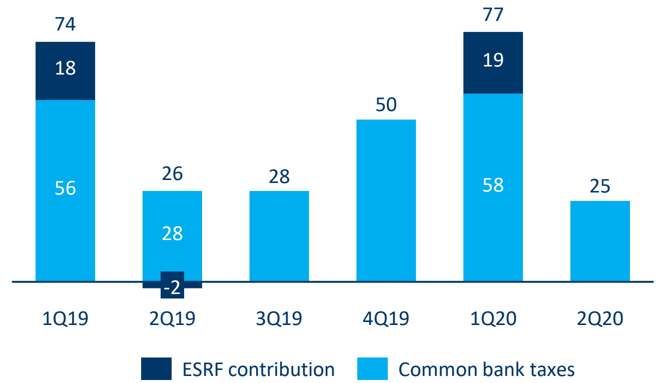

## CZECH REPUBLIC BU

Bank taxes of 41m EUR YTD. On a pro rata basis, bank taxes represented 5.7% of 1H20 opex at the CZ BU




## INTERNATIONAL MARKETS BU

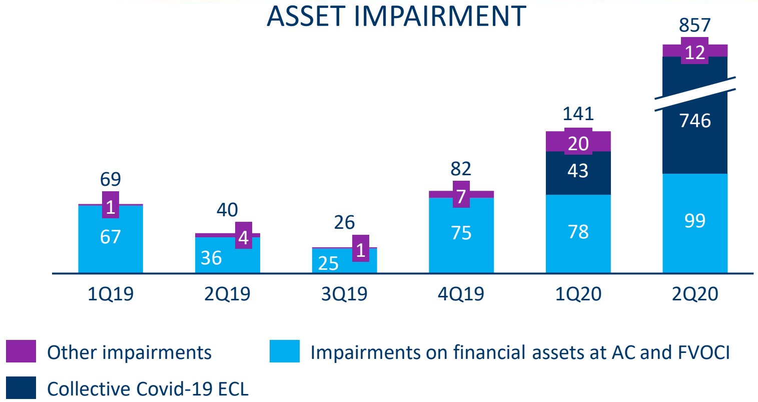
Bank taxes of 102m EUR YTD. On a pro rata basis, bank taxes represented 19.2% of 1H20 opex at the IM BU

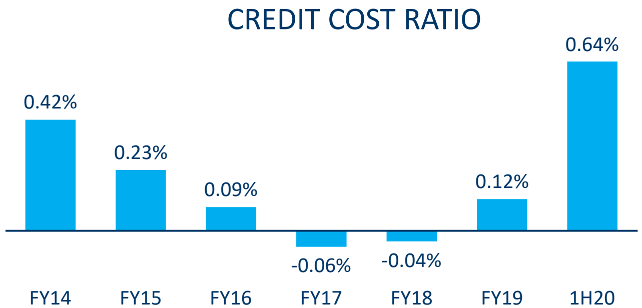


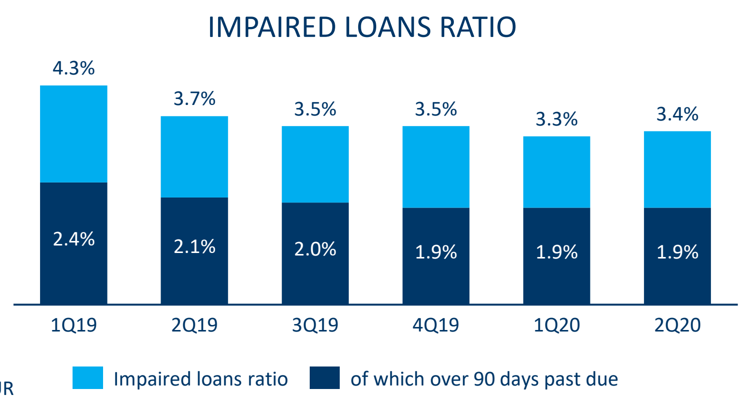

* This refers solely to the bank taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

** The C/I ratio adjusted for specific items of 59% in 1H20 amounts to 51% excluding these bank taxes

# Full collective Covid-19 expected credit losses have already been booked in 1H20




Amounts in m EUR

- **Higher asset impairments q-o-q**
  - The q-o-q increase of loan loss provisions was attributable to:
    - 746m EUR collective Covid-19 impairments, of which 596m EUR management overlay (compared with 43m EUR in 1Q20) and 150m EUR impairments captured by the ECL models through the updated IFRS 9 macroeconomic variables. Note that based on the assumptions at the end of 2Q20, the full collective Covid-19 expected credit losses (ECL) have already been booked in 1H20
    - higher loan loss impairments in Belgium and the Czech Republic due mainly to several corporate files
  - Impairment of 12m EUR on 'other', of which a 16m EUR negative one-off impact of the payment moratorium in Belgium and the Czech Republic, partly offset by a 7m EUR positive one-off partial reversal of the payment moratorium in Hungary booked in 1Q20 (IFRS modification loss from the time value of payment deferral)

- The **credit cost ratio in 1H20** amounted to:
  - 20 bps (12 bps in FY19) without collective Covid-19 ECL
  - 64 bps with collective Covid-19 ECL (already 100% booked in 1H20)

- The **impaired loans ratio** amounted to 3.4%, 1.9% of which over 90 days past due

Section 2

# Covid-19

# COVID-19 (1/9)

## Commitment towards our stakeholders

### Safety & continuity

- All principles of health & safety in line with local government recommendations
- Vast majority of staff worked remotely during lockdown. In the meanwhile, partial return of staff on premise (split teams (remote/on premise) to ensure continuity)
- Dedicated crisis team
- Continuous Covid-19 communication update (such as social distancing instructions) via different information channels
- Cancellation of all travel & events

### Digital is the new normal

- During lockdown, our customers switched in large numbers to digital channels
- The digital share of total product sales hit record levels in our six core countries
- Growth in % of customers who have at least one of our digital apps in all age categories, but exceptionally strong growth among customers of > 55 years

### Digital boost in different core markets

- New additional services in KBC Mobile (Belgium), such as those for purchasing film tickets and for topping up call credit, transport solutions like renting of a shared car and the launch of 'Goal Alert' (where customers and non-customers of KBC, will be able to watch the goals, action replays and highlights of the weekend's football matches in Belgium). For insured victims of a physical accident (private individuals), it is now also possible to upload their medical expenses online and to follow-up the status of the processing of their claims digitally

- UBB Interlease was the first leasing company in Bulgaria to introduce fully digital front office activities and the digital signing of lease contracts a month before the Covid-19 outbreak. Customers welcomed the digital service and 24% of all leasing contracts have already been signed remotely since the start of May

- KBC Bank Ireland experimented with an innovative way to interact with (potential) customers remotely. Live webinars are organised where customers are informed about the process of buying, financing and insuring a house. Customers can ask questions live and book appointments. The first of its kind in Ireland with 1,300 registrations (via social media)

# COVID-19 (2/9)

## Latest status of government & sector measures in each of our core countries

### Deferral of payments

#### Belgium

**Opt-in: 3 months for consumer finance , 6-9 months for mortgages and non-retail loans, (maximum until 31 Oct 2020 and can be extended to 31 Dec 2020)**

- For private persons: deferral of principal and interest payments, while only deferral of principal payments for non-retail clients
- Interest is accrued over the deferral period, with the exception of families with net income less than 1,700 EUR. For the latter group, this results in a modification loss for the bank (-11m EUR booked in 2Q)

#### Czech Republic

**Opt-in: 3 or 6 months**

- Applicable for retail and non-retail clients
- For private persons and entrepreneurs: deferral of principal and interest payments, while only deferral of principal payments for non-retail clients
- Interest is accrued over the deferral period, but has to be paid in the last instalment, resulting in a modification loss for the bank (-5m EUR, booked in 2Q)
- For consumer loans, the interest during the deferral period cannot exceed 2-week repo rate + 8%

#### Hungary

**Opt-out: a blanket moratorium until 31 Dec 2020**

- Applicable for retail and non-retail
- Deferral of principal and interest payments
- Interest is accrued over deferral period, but unpaid interest cannot be capitalised and must be collected on a linear way during the remaining (extended) lifetime. This results in a modification loss for the bank (-18m EUR booked in 1Q; revised to -11m EUR in 2Q based on the actual opt-out ratio)

### Guarantee Scheme & liquidity assistance

#### Belgium

- **A state guarantee scheme** up to 40bn EUR to cover losses incurred on future non-retail loans granted before 30 Sep 2020 to viable companies, with a tenor of maximum 12 months and with maximum interest of 1.25%. Guarantee covers 50% of losses above 3% of total credit losses and 80% above 5% of losses
- **As of 3Q, a revised state guarantee scheme** up to 10bn EUR has been offered to cover losses on future SME loans granted before 31 Dec 2020, with a tenor between 1 and 3 years and with maximum interest of 2%. Guarantee covers 80% on all losses

#### Czech Republic

- The **Czech-Moravian Guarantee and Development (CZMRB)** launched several guarantee programs (COVID II, COVID II Praha, COVID III) for working capital loans provided by commercial banks to non-retail clients. The loan amount is guaranteed up to 80% or 90% of the loan amount. Interest on these loans is subsidised up to 25% (COVID II)
- **The Export Guarantee and Insurance Cooperation (EGAP)** under its COVID Plus program offers guarantees on loans provided by commercial banks. EGAP guarantees 70% to 80% of the loan amount, depending on the rating of the debtor. The program is aimed at companies for which exports accounted for more than 20% of turnover in 2019

#### Hungary

- **A guarantee scheme is provided by Garantiqa and the Hungarian Development Bank.** These state guarantees can cover up to 90% of the loans with a maximum tenor of 6 years
- **Funding for growth scheme (launched by MNB)**: a framework amount of 4.2bn EUR for SMEs that can receive loans with a 20-year tenor at maximum interest rate of 2.5%
- Annual interest rate on personal loans granted by commercial banks may not exceed the central bank base rate by more than 5pp



KBC

# COVID-19 (3/9)

## Latest status of government & sector measures in each of our core countries

### Deferral of payments

#### Slovakia

**Opt-in: 9 months or 6 months (for leases)**

- Applicable for retail customers, SMEs and entrepreneurs
- Deferral of principal and interest payments
- Interest is accrued over the deferral period, but the client has the option to pay all interests at once after the moratorium or pay it on a linear basis. The latter option would result in an immaterial modification loss for the bank

#### Bulgaria

**Opt-in: 6 months (until 31 Mar 2021 at the latest)**

- Applicable for retail and non-retail
- Deferral of principal and interest payments
- In case of principal deferral only, tenor is extended with 6 months
- Interest is accrued over deferral period and is payable in 12 months (consumer and non-retail) or 60 months (mortgages) in equal instalments

#### Ireland

**Opt-in: 3 to 6 months**

- Applicable for mortgage loans, consumer finance loans and business banking loans with repayment schedule
- Deferral of principal and interest payments for up to 6 months (with revision after 3 months) for mortgages & consumer finance and 3 months for business banking
- Option for customers to extend their loan term by up to 6 months to match payment break term
- Interest is accrued over the deferral period

### Guarantee Scheme & liquidity assistance

#### Slovakia

- **Anti-Corona Guarantee program offered by the Slovak Investment Holding (SIH),** aiming at SMEs, consists of two components: (i) state guarantee with 50% portfolio cap and (ii) the interest rate subsidy reaching up to 4% p.a.
- In addition, the financial aid in the form of the State guarantee schemes with guarantee fee subsidy can be provided by (i) Export-Import Bank of SR guaranteed up to 80% for loan < 2m EUR and (ii) Slovak Investment Holding for loans 2-20m EUR guaranteed up to 90%. No portfolio cap

#### Bulgaria

- **0.4bn EUR of state guarantees provided by the Bulgarian Development Bank** to commercial banks. From this amount, 0.1bn EUR is used to guarantee 100% on consumer loans, while 0.3bn EUR is planned to be used to guarantee 80% on non-retail loans

#### Ireland

- The Irish authorities put substantial relief measures in place amongst others via the SBCI. KBC Bank Ireland is mainly focused on individual customers, therefore the relief programs for business customers are less relevant

# COVID-19 (4/9)

## IFRS 9 scenarios

| OPTIMISTIC SCENARIO | **BASE-CASE SCENARIO** | PESSIMISTIC SCENARIO |
|---|---|---|
| Virus spread quickly and definitively brought under control, with no further risk of future lockdowns, fast decline in number of cases | Virus spread and impact under control without additional extensive lockdown measures | Spread continues until vaccination becomes available, with partial or full lockdowns |
| Steep and steady recovery from 3Q20 onwards with a fast return to pre-Covid-19 activity levels | More moderate, but still steady recovery from 3Q20 onwards with a recovery to pre-Covid-19 activity levels by end 2023 | Longer term stagnation and negative growth, with unsteady recovery path |
| Sharp, short V pattern | Pronounced V/U-pattern | More L-like pattern, with right leg only slowly increasing |

- Despite a gradual lifting of lockdown measures in many countries, there remains substantial uncertainty about the economic impact of the precautionary lockdown measures as well as about the policy reactions to mitigate the impact of the crisis
- Because of this **uncertainty,** we continue working **with three alternative scenarios: a base-case scenario, a more optimistic scenario and a more pessimistic scenario**
- The definition of each scenario remains approximately the same as in the previous quarter, but we are assigning the following probabilities: **45% for the base-case scenario, 40% for the pessimistic and 15% for the optimistic scenario**
- We have revised up euro area GDP growth for 2020 to -9.6% and, mechanically, this less negative outcome for 2020 translates into a downward revision of 2021 growth to 6.2%

### Macroeconomic scenarios*

June 2020

| Real GDP growth | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Optimistic** | **Base** | **Pessimistic** | **Optimistic** | **Base** | **Pessimistic** | **Optimistic** | **Base** | **Pessimistic** |
| **Euro area** | -6.0% | -9.6% | -14.0% | 6.5% | 6.2% | -3.2% | 1.3% | 1.2% | 5.0% |
| **Belgium** | -5.0% | -9.5% | -13.2% | 6.0% | 5.7% | -3.2% | 1.3% | 1.3% | 5.0% |
| **Czech Republic** | -5.0% | -10.0% | -15.0% | 4.0% | 6.0% | 3.0% | 2.5% | 3.5% | 2.7% |
| **Hungary** | -3.0% | -6.2% | -10.0% | 4.0% | 5.0% | 4.0% | 3.5% | 3.5% | 3.5% |
| **Slovakia** | -5.0% | -10.0% | -14.0% | 4.5% | 7.0% | 1.5% | 2.6% | 4.5% | 2.5% |
| **Bulgaria** | -4.0% | -8.0% | -12.0% | 3.0% | 5.0% | 4.0% | 3.0% | 3.0% | 3.0% |
| **Ireland** | -2.0% | -5.0% | -10.0% | 2.0% | 4.0% | 1.0% | 2.6% | 3.5% | 2.5% |

- *The macro-economic information is based on the economic situation in June 2020 and hence do not yet reflect the official macroeconomic figures for 2020Q2 as reported by different authorities*

# COVID-19 (5/9)
## IFRS 9 scenarios

### Macroeconomic scenarios
June 2020

| Unemployment rate | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Optimistic | Base | Pessimistic | Optimistic | Base | Pessimistic | Optimistic | Base | Pessimistic |
| **Belgium** | 5.9% | 7.2% | 10.0% | 5.8% | 7.6% | 12.0% | 5.6% | 6.9% | 9.5% |
| **Czech Republic** | 3.1% | 5.2% | 7.0% | 3.5% | 5.7% | 7.1% | 3.0% | 4.6% | 7.6% |
| **Hungary** | 4.8% | 6.4% | 9.0% | 4.2% | 5.6% | 7.5% | 4.0% | 4.8% | 5.9% |
| **Slovakia** | 8.0% | 9.0% | 12.0% | 9.2% | 10.5% | 13.0% | 7.7% | 8.0% | 14.0% |
| **Bulgaria** | 6.0% | 8.0% | 11.0% | 4.1% | 10.0% | 13.0% | 4.2% | 7.0% | 12.0% |
| **Ireland** | 8.2% | 11.0% | 20.0% | 6.1% | 7.0% | 16.0% | 5.1% | 6.0% | 10.0% |

| House-price index | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Optimistic | Base | Pessimistic | Optimistic | Base | Pessimistic | Optimistic | Base | Pessimistic |
| **Belgium** | -1.0% | -3.0% | -6.0% | 0.0% | -2.0% | -4.0% | 1.5% | 1.0% | -1.0% |
| **Czech Republic** | 0.0% | -2.0% | -4.0% | -0.8% | -3.5% | -6.0% | 2.0% | 2.0% | 0.0% |
| **Hungary** | -1.0% | -5.0% | -7.5% | 0.0% | -3.0% | -5.0% | 2.5% | 2.0% | 1.0% |
| **Slovakia** | -1.0% | -5.0% | -7.0% | 0.5% | -2.0% | -3.0% | 2.0% | 2.0% | 1.0% |
| **Bulgaria** | 0.5% | -2.0% | -4.0% | 1.0% | -1.0% | -3.0% | 3.0% | 3.0% | 0.0% |
| **Ireland** | -6.0% | -12.0% | -20.0% | 5.0% | 8.0% | -5.0% | 4.0% | 5.0% | 3.0% |

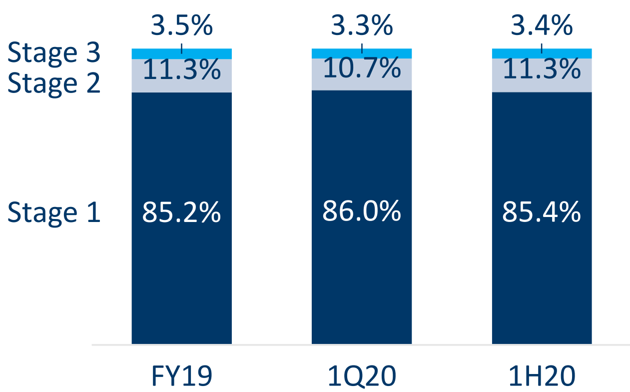
# COVID-19 (6/9)

## Stress assumptions applied

**Loan portfolio*:**

| *(in billions of EUR)* | YE19 | 1Q20 | 1H20 |
|---|---|---|---|
| **Portfolio outstanding** | **175** | **180** | **179** |
| Retail | 42% | 40% | 41% |
| of which mortgages | 38% | 37% | 38% |
| of which consumer finance | 3% | 3% | 3% |
| SME | 22% | 21% | 21% |
| Corporate | 37% | 39% | 38% |

**Total loan portfolio by IFRS 9 ECL stage ***




- As in the first quarter, our Expected Credit Loss (ECL) models were not able to adequately reflect all the specificities of the Covid-19 crisis nor 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 has been performed via a **management overlay**

- In the first quarter, this exercise was performed for a certain number of (sub)sectors. Driven by significant uncertainty about how the virus would spread, the extent of the consequential lockdown measures and the government response to the economic instability. The significant uncertainty still exists, especially around the possibility and timing of resurgence of the virus or even a return in several waves, but the widespread extent of the economic crunch has become clearer. **Therefore, the scope of the management overlay has been expanded to include all sectors of our corporate and SME portfolio as well as our retail portfolio**

- To be consistent with optimistic and pessimistic scenarios we applied the following stress-assumptions to the performing and non- performing portfolio by the end of June 2020 :

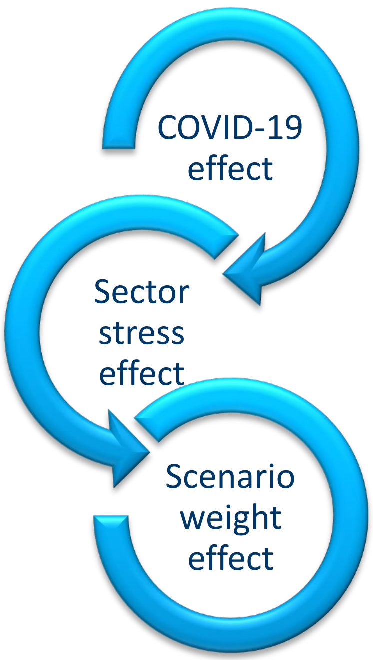
| | |
|---|---|
| **Existing performing portfolio** | • **A 3-step methodology has been applied** *(see next slide)*<br>• In line with ECB/ESMA/EBA guidance, any general government measure has not led to an automatic staging |
| **Existing non-performing portfolio** | • An additional impact assessment was performed on a portfolio basis for the **stage 3 collective exposures** based on expert judgement<br>• Additional impairments due to Covid-19 on **individually assessed** stage 3 loans are already included in P&L impairments and thus not included in the management overlay |

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

# COVID-19 (7/9)

## Stress methodology applied on the performing portfolio

**3-step approach to estimate additional Covid-19 impact on the performing portfolio :**




### Step 1: Covid-19 stress

On the **performing portfolio** we applied an expert-based stress migration matrix* linked to the macro forecast for end June 2020. After doing so, a certain portion of the portfolio moved to inferior PD rating classes or default, a certain portion remained unchanged and a minor portion improved. As such, we obtain an estimate of the **Covid-19 ECL** (Expected Credit Loss) according to our **base-case scenario** (versus the normal through-the-cycle migration matrix)

### Step 2: Additional sector stress effect

The COVID-19 ECL generated by the migration matrix, was further refined by taking a **sectoral stress effect into account.** The purpose of this step is to reflect the fact that some sectors will be more heavily affected than others, something which had not been included in the migration matrices.

All exposures in the SME and Corporate portfolio were classified as high, medium or low risk based on the expected impact of the Covid-19 crisis on the sector affected (for Mortgages and Consumer finance, no sectoral stress was applied). Based on this classification, the following weights have been applied to the ECL impact: 150% for high risk sectors, 100% for medium risk sectors and 50% for low risk sectors *(see more details on next slide)*. This resulted in a **sector-driven Covid-19 base-case ECL** following the base-case scenario

### Step 3: Application of scenario weight

To define the **collective Covid-19** impact, under an optimistic and pessimistic scenario, a scaling factor was applied on the estimated sector-driven Covid-19 base-case ECL. The final overlay was determined by weighting the Covid-19 ECL under the three scenarios with the following weights: 45% for the base-case, 15% for the optimistic and 40% for the pessimistic scenario (*see more details on next slide)*

** The migration matrix is defined per country and per segment*

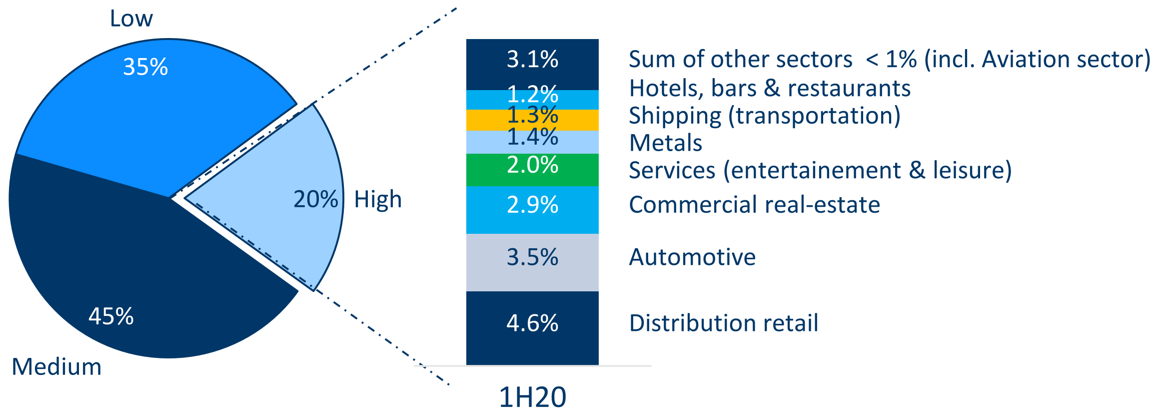


KBC

# COVID-19 (8/9)

## Details of the collective Covid-19 ECL

### SME & Corporate loan portfolio* of 106bn EUR split by Covid-19 sector sensitivity:




Some details on the composition of 'other sectors < 1%':

- The aviation sector was fully assigned as high risk sector, but with limited share of 0.3%
- The sector of exploration and production of oil, gas & other fuels was fully allocated as high risk sector, but with limited share of 0.2%

The construction sector was defined as medium risk, due to limited interruption, was one of the first sectors to restart and also temporary unemployment cover foreseen by the Belgian government

### Sector-driven Covid-19 ECL (base-case scenario):

| KBC Group | Performing portfolio | | | | |
|---|---|---|---|---|---|
| | *High risk sectors* | *Medium risk sectors* | *Low risk sectors* | *Mortgages & other retail* | TOTAL |
| *EUR m* | *150%* | *100%* | *50%* | | |
| **Base-case scenario** | **175** | **244** | **68** | **124** | **611** |
| Optimistic scenario | 146 | 200 | 52 | 86 | 484 |
| Pessimistic scenario | 248 | 337 | 96 | 189 | 870 |

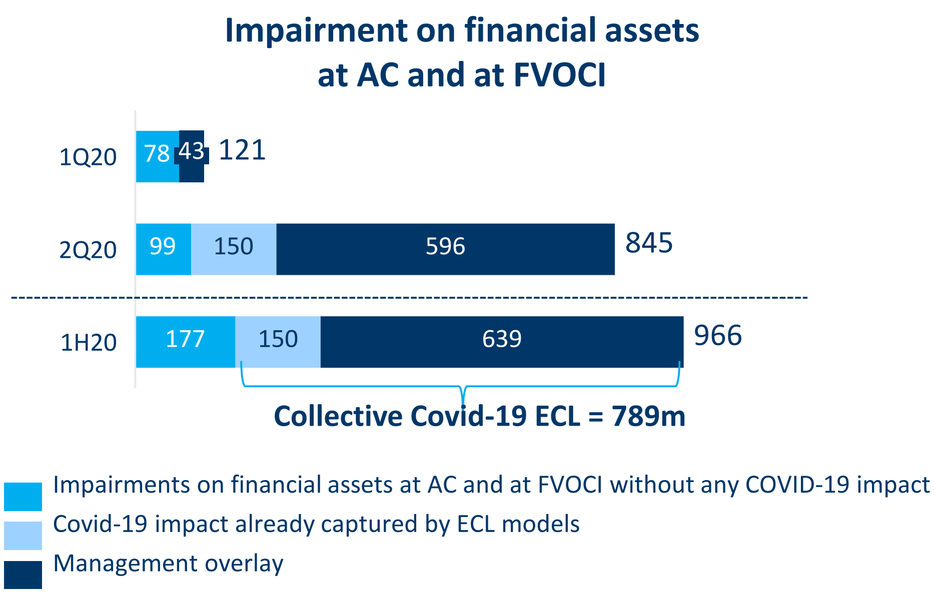
### Collective Covid-19 ECL per country:

| | Performing portfolio | | | | Non-Performing portfolio | Total 1H20 | 2Q20 | 1Q20 |
|---|---|---|---|---|---|---|---|---|
| *EUR m* | *Optimistic* 15% | *Base* *45%* | *Pessimistic* *40%* | Probability weigthed | | | | |
| **KBC Group** | **484** | **611** | **870** | **696** | **93** | **789** | **746** | **43** |
| *By country:* | | | | | | | | |
| Belgium | 285 | 355 | 478 | 393 | 20 | 413 | 378 | 35 |
| Czech Republic | 103 | 129 | 186 | 148 | 10 | 158 | 152 | 6 |
| Slovakia | 30 | 34 | 50 | 40 | 0 | 40 | 39 | 1 |
| Hungary | 37 | 48 | 69 | 55 | 0 | 55 | 54 | 1 |
| Bulgaria | 5 | 14 | 19 | 15 | 13 | 28 | 28 | n/a |
| Ireland | 24 | 32 | 68 | 45 | 50 | 95 | 95 | n/a |

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

# COVID-19 (9/9)

## Impact of the collective Covid-19 ECL




| Credit Cost % | FY19 | 3M20 (annualized) | 1H20 (annualized*) |
|---|---|---|---|
| Without collective COVID-19 ECL | 0.12% | 0.17% | 0.20% |
| With collective COVID-19 ECL | | 0.27% | 0.64% |

** No annualisation of the Collective Covid-19 ECL*

- The 3-step stress approach to the performing portfolio and the additional impact assessment of the non-performing portfolio **resulted in a total collective Covid-19 ECL of 789m EUR in 1H20, of which:**
  - a 43m EUR management overlay was booked in 1Q20
  - a 596m EUR management overlay was booked in 2Q20
  - the ECL models captured an impact of 150m EUR in 2Q20 through the updated macroeconomic variables used in the calculation
- The total collective Covid-19 ECL of 789m EUR in 1H20 consists of 7% stage 1, 81% stage 2 and 12% stage 3 impairments
- Including the collective Covid-19 ECL, the Credit Cost Ratio amounted to 0.64% in 1H20
- We are reiterating our estimate for **FY20 impairments** (on financial assets at AC and at FVOCI) at **roughly 1.1bn EUR** as a result of the coronavirus pandemic. Depending on a number of events such as the length and depth of the economic downturn, the significant number of government measures in each of our core countries, and the unknown number of customers who will call upon these mitigating actions, we estimate the FY20 impairments to range between roughly 0.8bn EUR (optimistic scenario) and roughly 1.6bn EUR (pessimistic scenario)

Amounts in m EUR

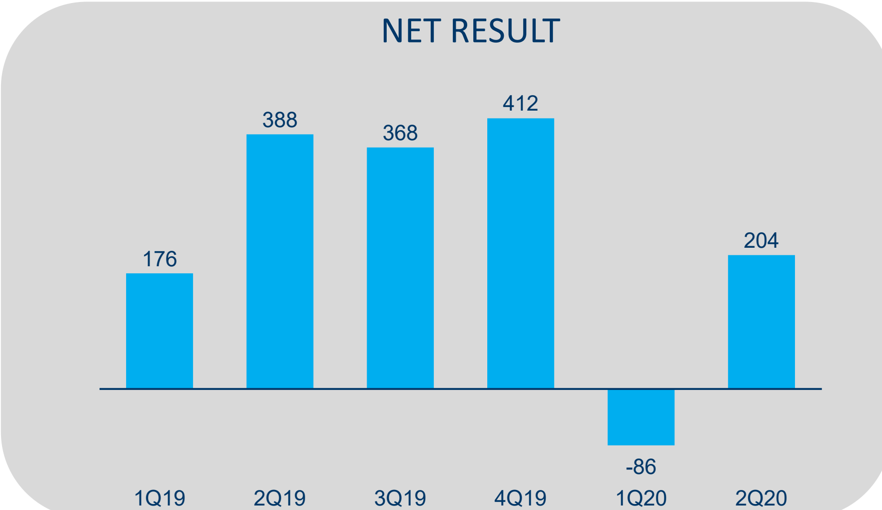
Section 3

# 2Q 2020 performance of business units

# Business profile

| | BELGIUM | CZECH REPUBLIC | SLOVAKIA | HUNGARY | BULGARIA | IRELAND | GROUP CENTRE |
|---|---|---|---|---|---|---|---|
| **2Q20 NET RESULT** (in million euros) | 204m | 77m | -6m | 16m | 14m | -70m | -26m |
| **ALLOCATED CAPITAL** (in billion euros) | 6.9bn | 1.7bn | 0.6bn | 0.8bn | 0.4bn | 0.6bn | 0.2bn |
| **LOANS** (in billion euros) | 104bn | 29bn | 8bn | 5bn | 3bn | 10bn | |
| **DEPOSITS** (in billion euros) | 137bn | 40bn | 7bn | 8bn | 5bn | 5bn | |
| **BRANCHES (end 2Q20)** | 514 | 221 | 117 | 208 | 177 | 16 | |
| **Clients (end 2Q20)** | 3.6m | 4.2m | 0.6m | 1.6m | 1.4m | 0.3m | |

# Belgium BU (1): net result of 204m EUR




Amounts in m EUR

**Net result** at the Belgium Business Unit amounted to 204m EUR

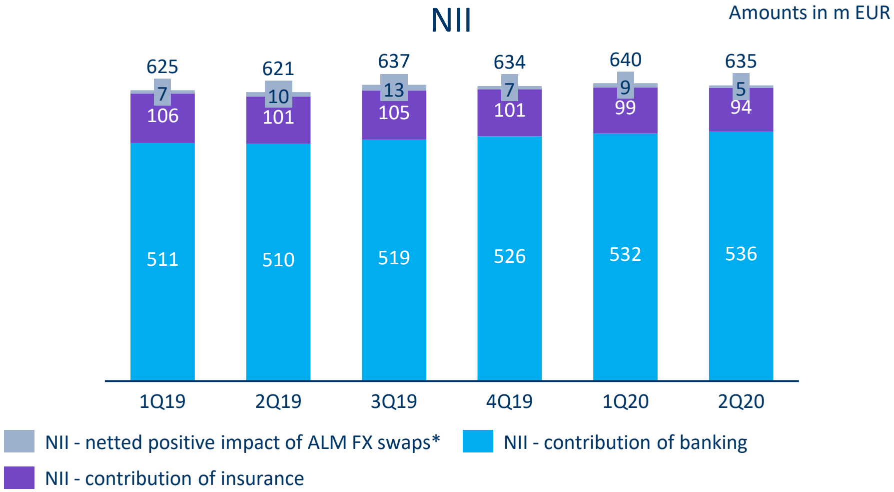
- The quarter under review was characterised by slightly lower net interest income (fully due to the 12m EUR positive one-off in 1Q20), lower net fee and commission income, higher dividend income, sharply higher trading and fair value income, higher net other income, an excellent combined ratio, lower operating expenses (due largely to lower bank taxes and lower staff expenses) and sharply higher impairment charges q-o-q
- Customer deposits excluding debt certificates and repos rose by 11% y-o-y, while customer loans increased by 3% y-o-y

| ORGANIC VOLUME TREND | Total loans** | o/w retail mortgages | Customer deposits*** | AuM | Life reserves |
|---|---|---|---|---|---|
| Volume | 104bn | 37bn | 137bn | 185bn | 26bn |
| Growth q-o-q* | -1% | +1% | -1% | +4% | +2% |
| Growth y-o-y | +3% | +3% | +7% | -5% | -3% |

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

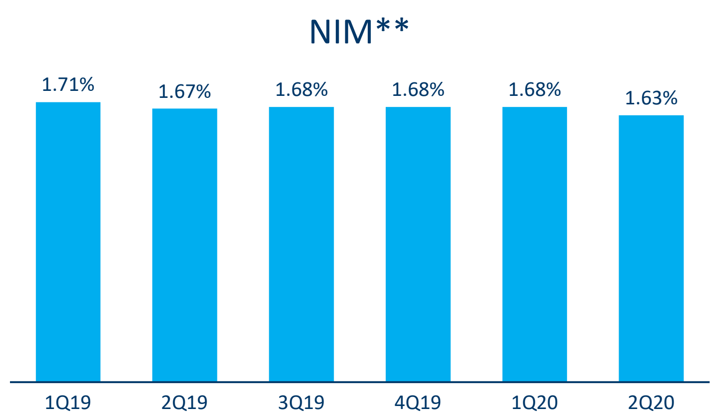
*** Customer deposits, including debt certificates but excluding repos. **Customer deposit volumes excluding debt certificates & repos +5% q-o-q and +11% y-o-y**

# Belgium BU (2): 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

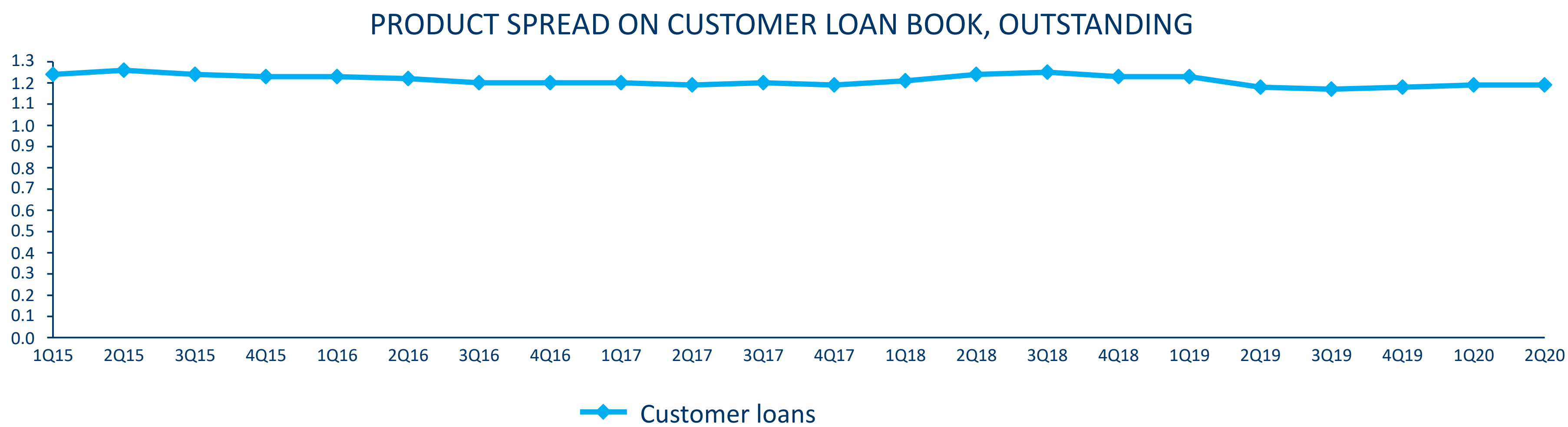


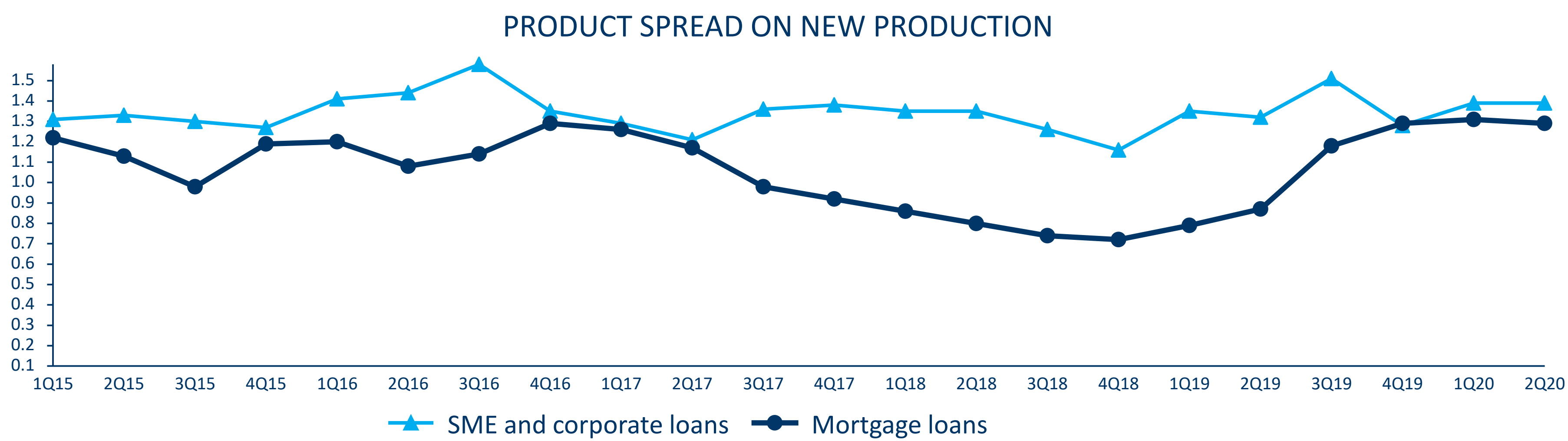

- **Net interest income (635m EUR)**
  - Excluding the 12m EUR positive one-off in 1Q20, NII rose by 1% q-o-q due mainly to:
    - higher margins on new loan production than on outstanding portfolio in all segments
    - higher NII due to larger bond portfolio
    - slightly lower funding cost

    partly offset by:
    - lower reinvestment yields
    - lower NII insurance
    - lower netted positive impact of FX swaps
  - Rose by 2% y-o-y
  - Note that NII banking rose by 1% q-o-q and by 5% y-o-y

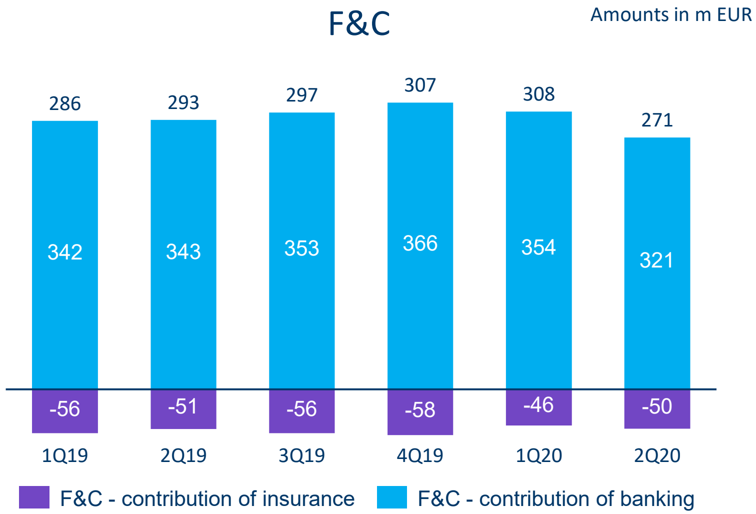
- **Net interest margin (1.63%)**
  - Fell by 5 bps q-o-q and 4 bps y-o-y due chiefly to the negative impact of lower reinvestment yields and an increase of the interest-bearing assets (denominator). Also note that the NIM in 1Q20 was positively impacted by the +12m EUR one-off item (which explains -3 bps of the -5 bps q-o-q)

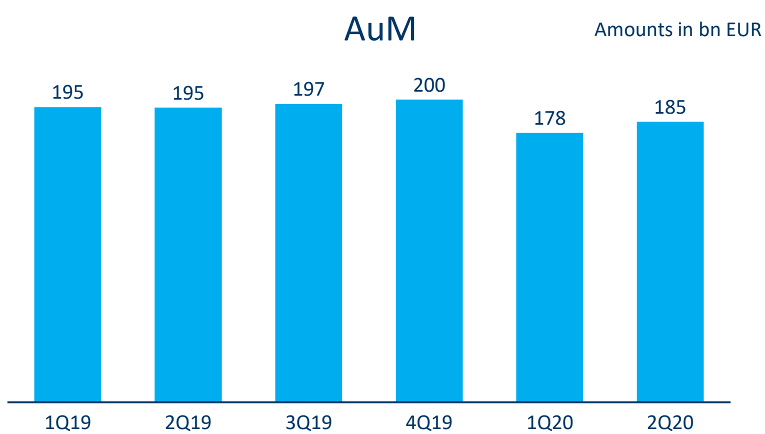
# Credit margins in Belgium



# Belgium BU (3): lower net F&C income




- **Net fee and commission income (271m EUR)**
  - Decreased by 12% q-o-q due mainly to:
    - lower entry and management fees from mutual funds and unit-linked life insurance products
    - lower fees from payment services (linked to Covid-19)
    - lower network income

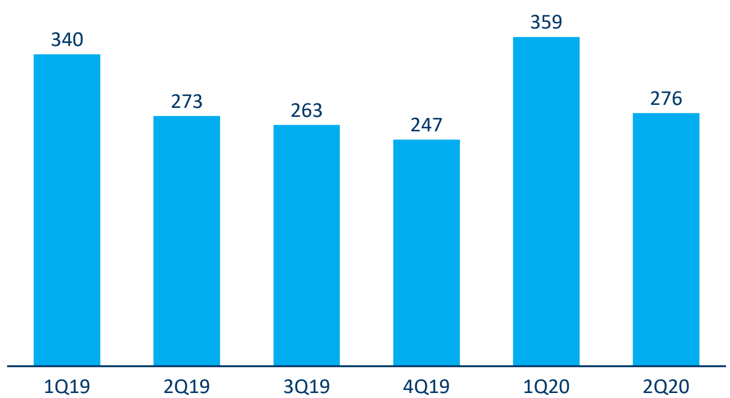
    partly offset by:
    - higher fees from credit files & bank guarantees
    - higher securities-related fees
  - Fell by 7% y-o-y driven chiefly by lower entry & management fees and higher distribution costs, partly offset by higher securities-related fees and to a lesser extent higher network income, higher fees from payment services and higher fees from credit files & bank guarantees

- **Assets under management (185bn EUR)**
  - Increased by 4% q-o-q due to a positive price effect (+5%), partly offset by net outflows (-1%)
  - Decreased by 5% y-o-y as a result of net outflows (-4%) and a negative price effect (-1%)

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

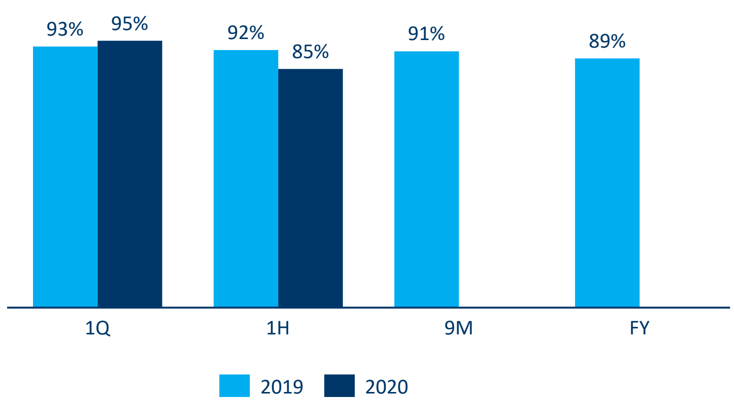
Amounts in m EUR

NON-LIFE SALES (GROSS WRITTEN PREMIUM)



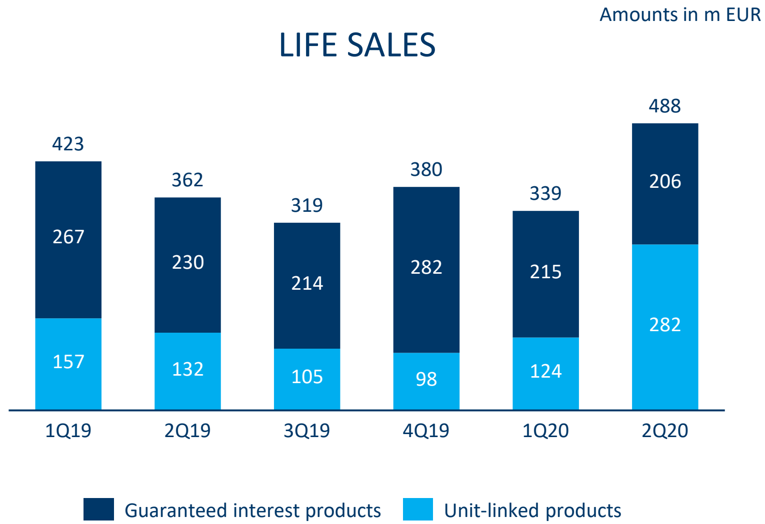

- **Sales of non-life insurance products**
  - Increased by 1% y-o-y
  - Premium growth mainly in classes ‘Fire’ and ‘Motor comprehensive cover’, partly offset by the negative impact of Covid-19 on ‘Workmen’s compensation’

COMBINED RATIO (NON-LIFE)

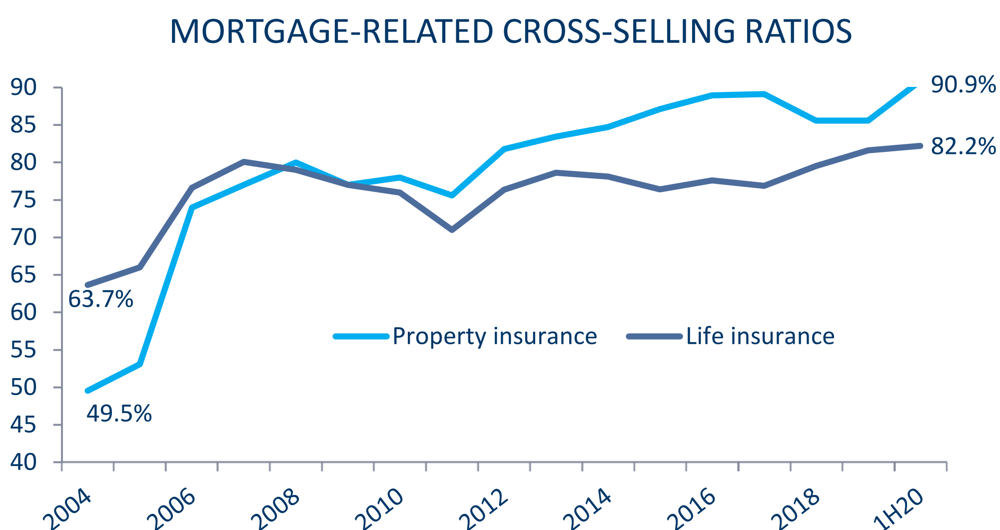



- **Combined ratio** amounted to an excellent **85%** in 1H20 (89% in FY19). This is the result of 3% y-o-y premium growth combined with 16% y-o-y lower technical charges in 1H20. The latter was due mainly to lower normal claims in 1H20 (especially in Motor due to Covid-19) and a negative one-off in 1H19 (-16m due to reassessment on claims provisions). However, note that 1H20 was impacted by a negative ceded reinsurance result (compared with a positive ceded reinsurance result in 1H19)

# Belgium BU (5): higher life sales, good cross-selling ratios



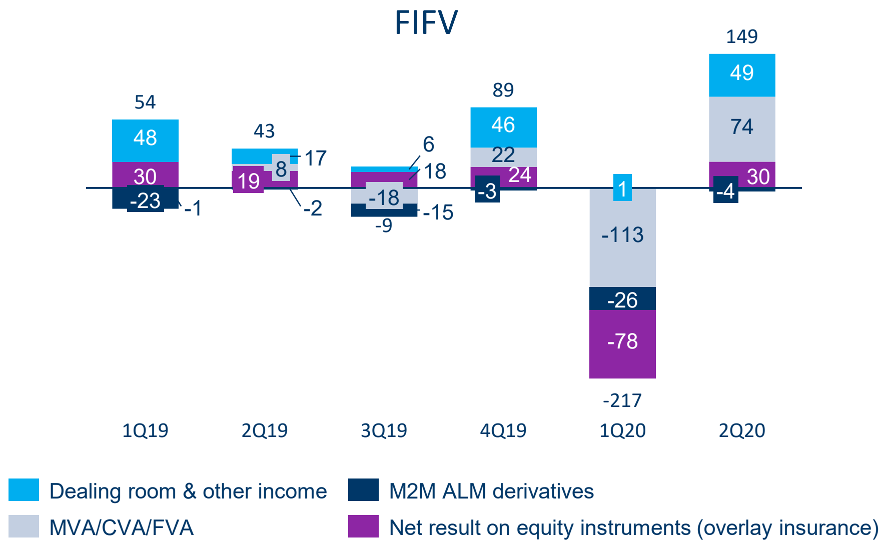

- **Sales of life insurance products**
  - Rose by 44% q-o-q driven entirely by higher sales of unit-linked products due to the launch of new products
  - Increased by 35% y-o-y driven entirely by higher sales of unit-linked products, only partly offset by lower sales of guaranteed interest products (fully due to the suspension of universal single life insurance products)
  - Guaranteed interest products and unit-linked products accounted for 42% and 58%, respectively, of life insurance sales in 2Q20



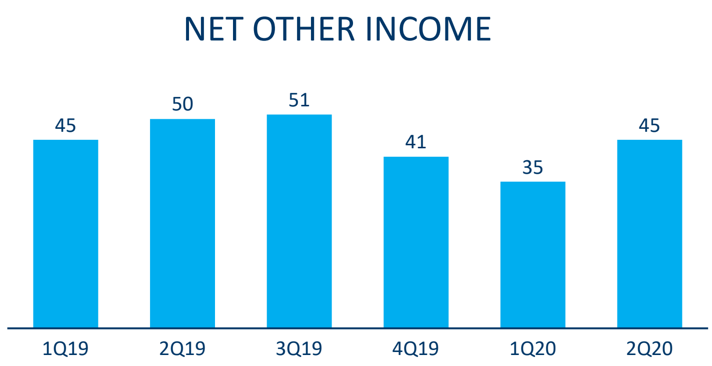

- **Mortgage-related cross-selling ratios**
  - 90.9% for property insurance
  - 82.2% for life insurance

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

Amounts in m EUR



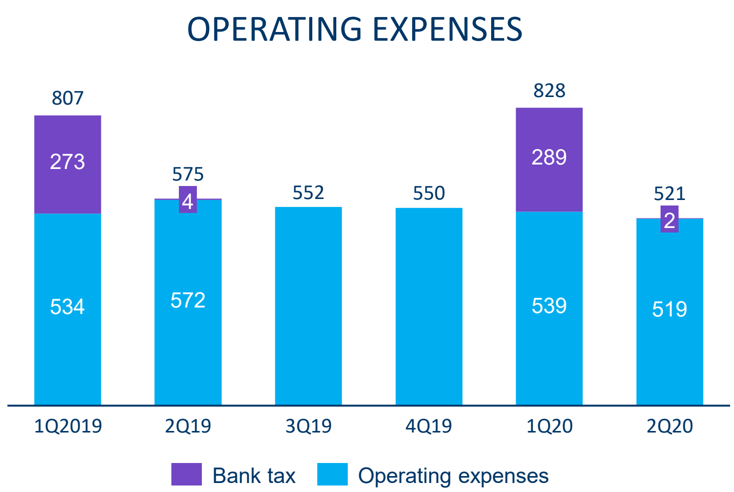

- The q-o-q strong rebound in **net gains from financial instruments at fair value** was due to:
  - a positive change in market, credit and funding value adjustments (mainly as a result of changes in the underlying market value of the derivatives portfolio due to increasing equity markets and decreasing counterparty credit spreads & KBC funding spread, despite lower long-term interest rates)
  - a higher net result on equity instruments (insurance)
  - higher dealing room income
  - a positive change in ALM derivatives

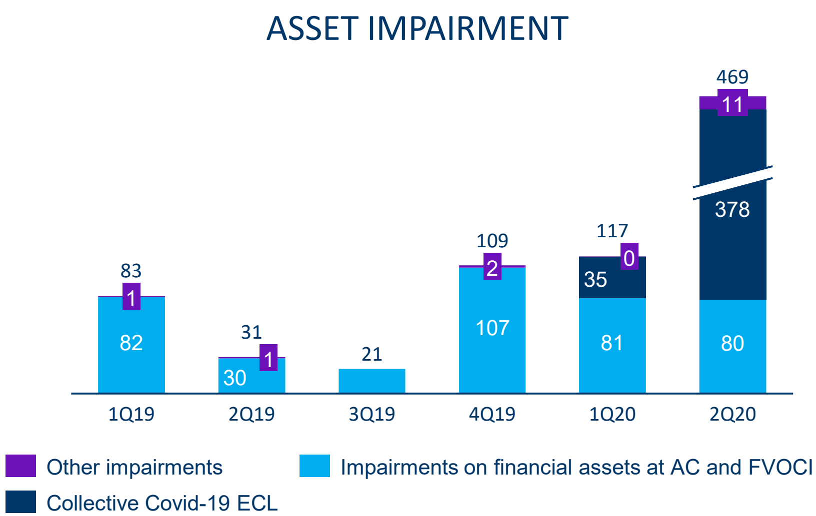



- **Net other income** amounted to 45m EUR in 2Q20

# Belgium BU (7): lower opex and higher impairments

Amounts in m EUR



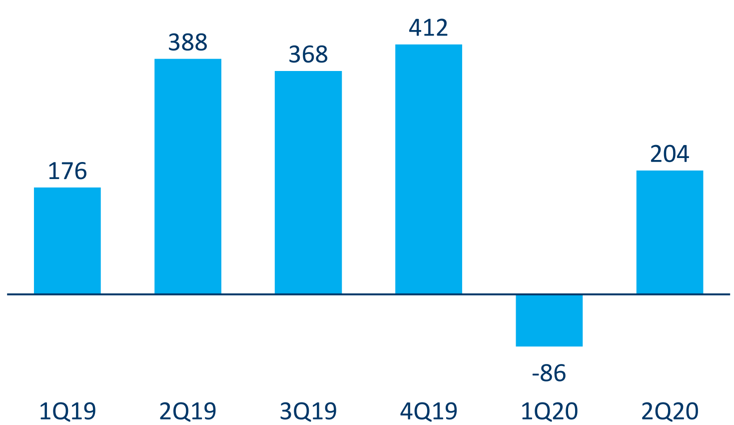




- **Operating expenses**: -37% q-o-q and -10% y-o-y
  - Operating expenses without bank taxes decreased by 4% q-o-q and by 9% y-o-y due chiefly to
    - lower staff expenses (partly due to reduced variable remuneration and less FTEs)
    - lower marketing, ICT, travel and event costs

    partly offset by:
    - higher professional fees (only q-o-q, as it was stable y-o-y)
  - Note that 2Q19 was impacted by a 6m EUR negative one-off as a result of a management reorganisation
  - Adjusted for specific items, the C/I ratio amounted to 51% in 2Q20 and 58% YTD (60% in FY19)
  - Cost/income ratio: 44% in 2Q20 and 66% YTD, both distorted by bank taxes and the latter by sharply lower FIFV in 1Q20
- **Loan loss impairments** increased to 458m EUR in 2Q20 (compared with 116m EUR in 1Q20), largely due to 329m EUR impairments from Covid-19 management overlay (compared with 35m EUR in 1Q20) and 49m EUR impairments captured by the ECL models through the updated macroeconomic variables. Furthermore, both 1Q20 and 2Q20 were impacted by several corporate files. **Credit cost ratio** amounted to 27 bps (22 bps in FY19) without collective Covid-19 ECL and 63 bps with collective Covid-19 ECL in 1H20
- **Impaired loans ratio** amounted to 2.4%, 1.2% of which over 90 days past due
- Impairment of 11m EUR on 'other' (IFRS modification loss from the time value of payment deferral)

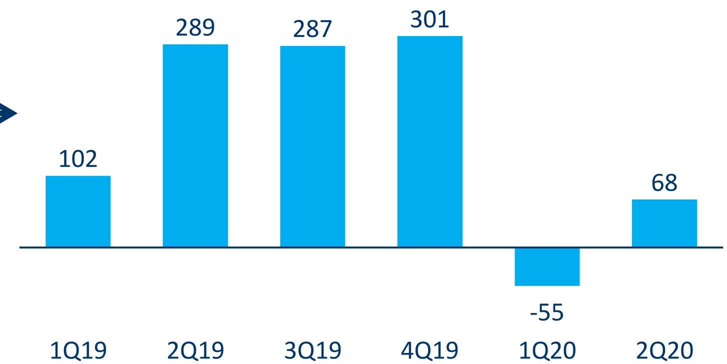
# Net result at the Belgium BU

NET RESULT AT THE BELGIUM BU*

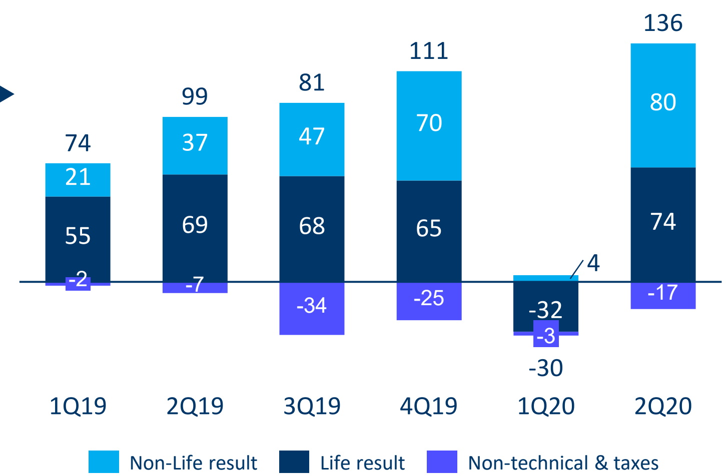



Amounts in m EUR

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

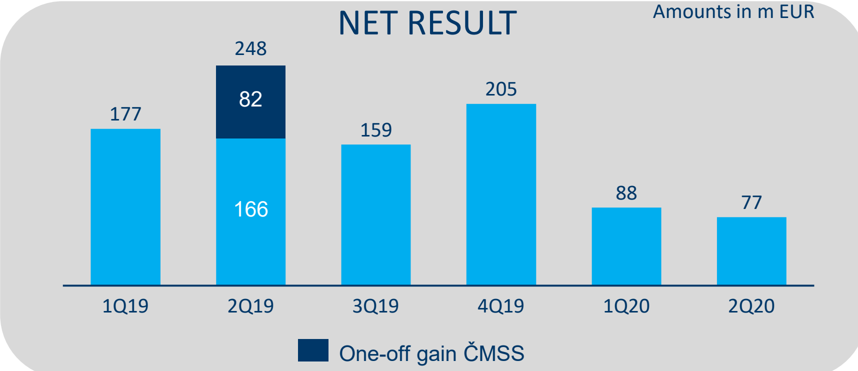


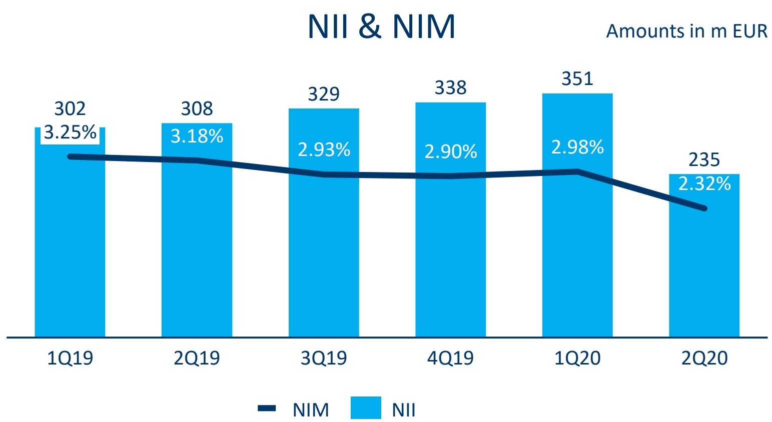

CONTRIBUTION OF INSURANCE ACTIVITIES TO NET RESULT OF THE BELGIUM BU*




* 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

# Czech Republic BU




Net result of 77m EUR in 2Q20

- -7% q-o-q excluding FX effect due mainly to sharply higher Covid-19 related impairments and lower net interest income, largely offset by sharply higher net results from financial instruments at fair value and lower costs
- Customer deposits (including debt certificates, but excluding repos) rose by 8% y-o-y, while customer loans rose by 6% y-o-y

**Highlights**

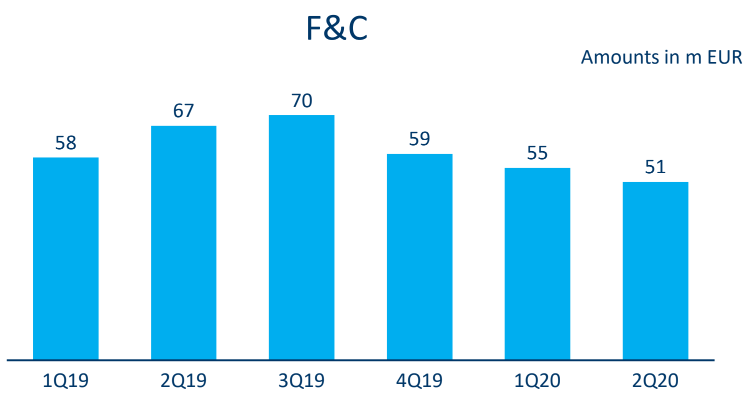
- **Net interest income**
  - -29% q-o-q and -19% y-o-y (both excl. FX effect)
  - Q-o-q decrease primarily due to the CNB rate cuts (from 2.25% early February to 0.25% early May 2020), the depreciation of the CZK versus the EUR and lower netted positive impact of ALM FX swap
  - Y-o-y decrease is less severe primarily due to the full consolidation of ČMSS and good growth in loan volume
- **Net interest margin**
  - Fell by 66 bps q-o-q due mainly to the several repo rate cuts in March and May, a positive technical item in 1Q20 and an increase of the interest-bearing assets (denominator)

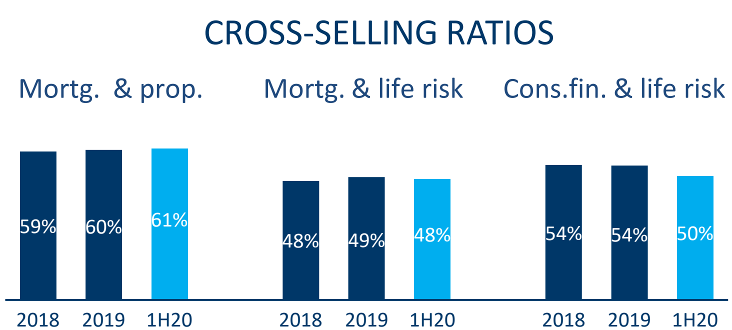
| ORGANIC VOLUME TREND | Total loans ** | o/w retail mortgages | Customer deposits*** | AuM | Life reserves |
|---|---|---|---|---|---|
| Volume | 29bn | 15bn | 40bn | 10.8bn | 1.3bn |
| Growth q-o-q* | 0% | +2% | +3% | +8% | +2% |
| Growth y-o-y | +6% | +6% | +8% | +2% | -4% |

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos.

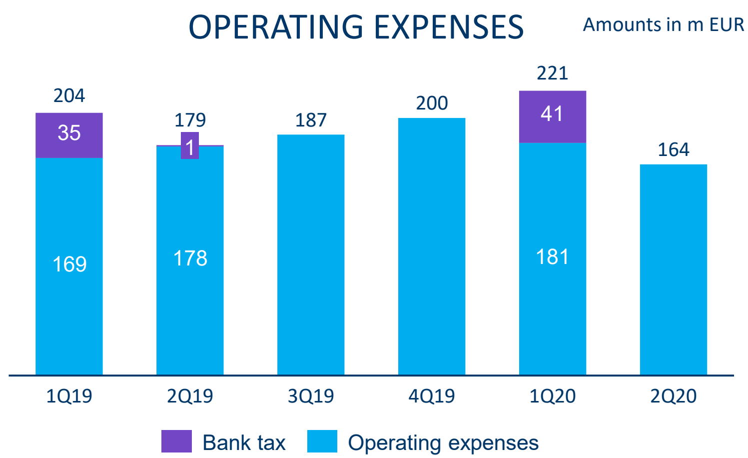
# Czech Republic BU

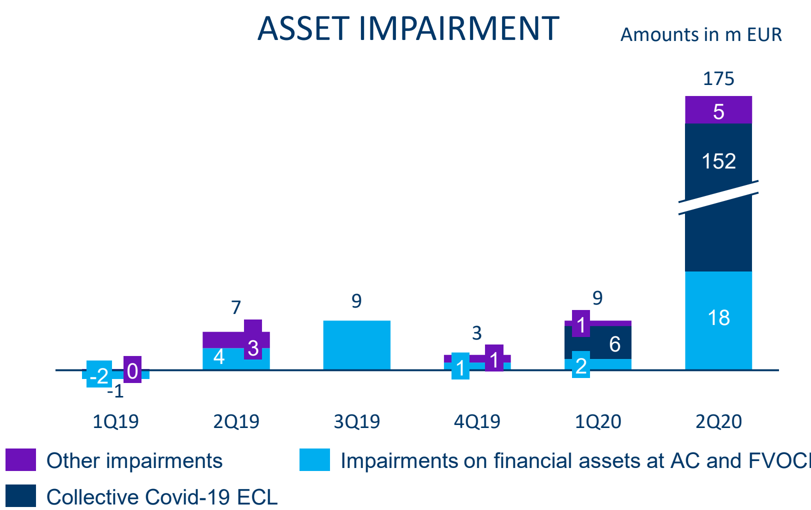



- **Net F&C income**
  - -2% q-o-q and -19% y-o-y (both excl. FX effect)
  - Q-o-q decrease driven mainly by lower fees from payment services (mainly linked to Covid-19), lower network income, lower credit-related fees and lower entry fees for asset management
- **Assets under management**
  - 10.8bn EUR
  - +8% q-o-q due entirely to a positive price & FX effect
  - +2% y-o-y due to net inflows (+5%), partly offset by a negative price & FX effect (-3%)
- **Trading and fair value income**
  - 215m EUR higher q-o-q net results from financial instruments at fair value (FIFV) to 90m EUR due mainly to higher dealing room results and a positive q-o-q change in market, credit and funding value adjustments
- **Insurance**
  - Insurance premium income (gross earned premium): 116m EUR
    - Non-life premium income (72m EUR) +10% y-o-y excluding FX effect, due to growth in all products (except 'travel' due to Covid-19)
    - Life premium income (44m EUR) -10% q-o-q and -23% y-o-y, excluding FX effect. Q-o-q and y-o-y decrease mainly in single life insurance products
  - Combined ratio of 86% in 1H20 (94% in FY19)

# Czech Republic BU

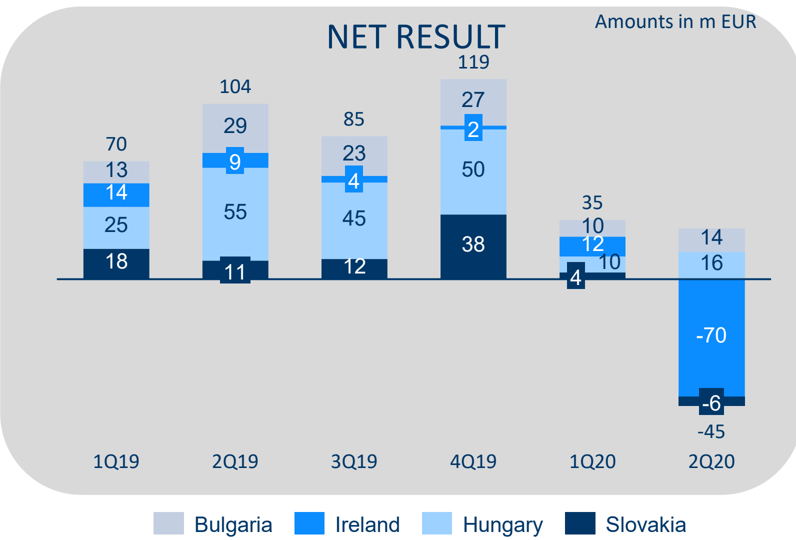



- **Operating expenses**
  - 164m EUR; -4% q-o-q and -3% y-o-y, both excluding FX effect and bank taxes
    - Q-o-q decrease was due mainly to lower staff and marketing expenses
    - Y-o-y decrease was chiefly the result of lower staff expenses and lower marketing, travel & event costs, despite the full consolidation of ČMSS (11m EUR in 2Q20)
  - Adjusted for specific items, C/I ratio amounted to roughly 40% in 2Q20 and 48% YTD (47% in FY19)
  - Cost/income ratio at 38% in 2Q20 and 51% YTD, both distorted by bank taxes and the latter by sharply lower FIFV in 1Q20

- **Loan loss and other impairment**
  - Loan loss impairments increased q-o-q due mainly to:
    - 152m EUR collective Covid-19 ECL, of which 135m EUR management overlay (compared with 6m EUR in 1Q20) and 17m EUR impairments captured by the ECL models through the updated macroeconomic variables
    - 18m EUR 'impairments on financial asset at AC', due mainly to a few corporate files
  - Credit cost ratio amounted to 0.10% (0.04% in FY19) without collective Covid-19 ECL and 0.62% with collective Covid-19 ECL in 1H20
  - Impaired loans ratio amounted to 2.2%, 1.2% of which over 90 days past due
  - Impairment of 5m EUR on 'other' (IFRS modification loss from the time value of payment deferral)

# International Markets BU




Net result of -45m EUR was negatively impacted by 215m EUR collective Covid-19 ECL

- Slovakia -6m EUR, Hungary 16m EUR, Ireland -70m EUR and Bulgaria 14m EUR

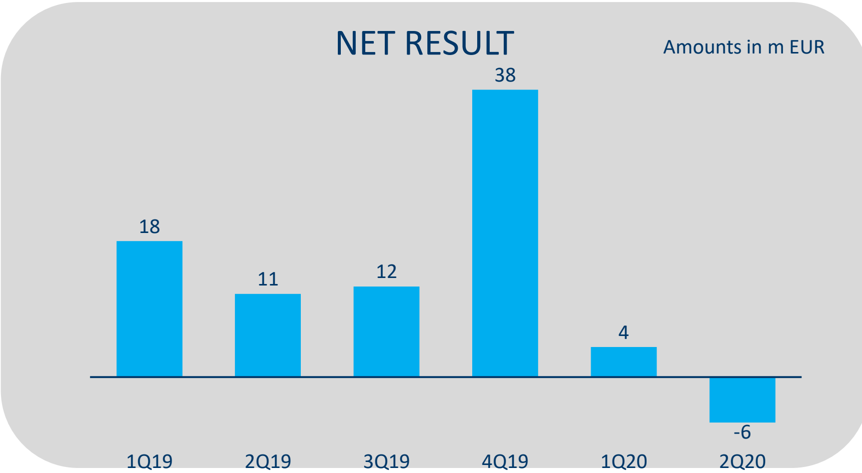
**Highlights** (q-o-q results)

- Stable net interest income. NIM 2.58% in 2Q20 (-3 bps q-o-q and -7 bps y-o-y)
- Lower net fee and commission income
- Higher result from financial instruments at fair value
- An excellent combined ratio of 78% in 1H20
- Lower non-life & life insurance sales
- Lower costs
- Sharply higher loan loss impairment charges in 2Q20, due almost entirely to 215m EUR collective Covid-19 ECL (of which 39m in Slovakia, 54m in Hungary, 28m in Bulgaria and 95m in Ireland)

| ORGANIC VOLUME TREND | Total loans ** | o/w retail mortgages | Customer deposits*** | AuM | Life reserves |
|---|---|---|---|---|---|
| Volume | 25bn | 16bn | 24bn | 5.4bn | 0.7bn |
| Growth q-o-q* | +1% | +1% | +4% | +9% | +4% |
| Growth y-o-y | +7% | +5% | +9% | +16% | -5% |

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL
*** Customer deposits, including debt certificates but excluding repos.

# International Markets BU - Slovakia




| ORGANIC VOLUME TREND | Total loans ** | o/w retail mortgages | Customer deposits*** |
|---|---|---|---|
| Volume | 8bn | 4bn | 7bn |
| Growth q-o-q* | +2% | +4% | +4% |
| Growth y-o-y | +6% | +11% | +5% |

- Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos.

Net result of -6m EUR

**Highlights** (q-o-q results)

- Lower net interest income as volume growth was offset by the negative impact of lower reinvestment yields and pressure on loan margins on the outstanding portfolio (except for SMEs)
- Roughly stable net fee & commission income
- Higher result from financial instruments at fair value
- Lower net other income
- Excellent combined ratio (81% in 1H20)
- Lower non-life and life insurance sales
- Lower operating expenses due mainly to lower bank taxes, lower staff expenses and lower ICT & marketing costs
- Sharply higher loan loss impairment charges in 2Q20, due almost entirely to 39m EUR collective Covid-19 ECL, of which 33m EUR management overlay (compared with 1m in 1Q20) and 6m EUR impairments captured by the ECL models through the updated macroeconomic variables. Credit cost ratio of 0.19% (0.14% in FY19) without collective Covid-19 ECL and 0.66% with collective Covid-19 ECL in 1H20

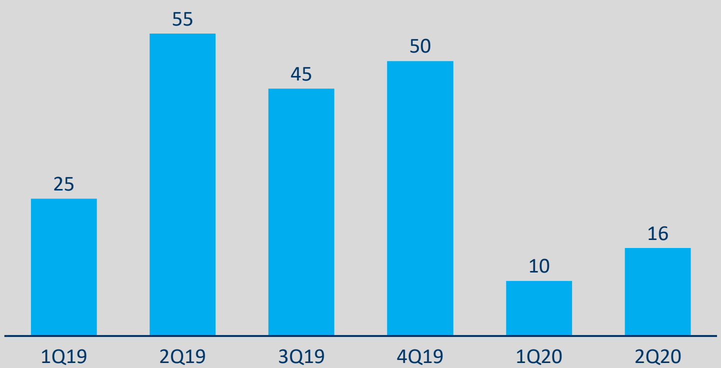
**Volume trend**

- Total customer loans rose by 2% q-o-q and by 6% y-o-y, the latter due mainly to the increasing mortgage portfolio
- Total customer deposits increased by 4% q-o-q and by 5% y-o-y (both due mainly to retail deposits)

# International Markets BU - Hungary

## NET RESULT

Amounts in m EUR




| ORGANIC VOLUME TREND | Total loans ** | o/w retail mortgages | Customer deposits*** |
|---|---|---|---|
| Volume | 5bn | 2bn | 8bn |
| Growth q-o-q* | +2% | +3% | +7% |
| Growth y-o-y | +14% | +5% | +20% |

- Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos.

Net result of 16m EUR

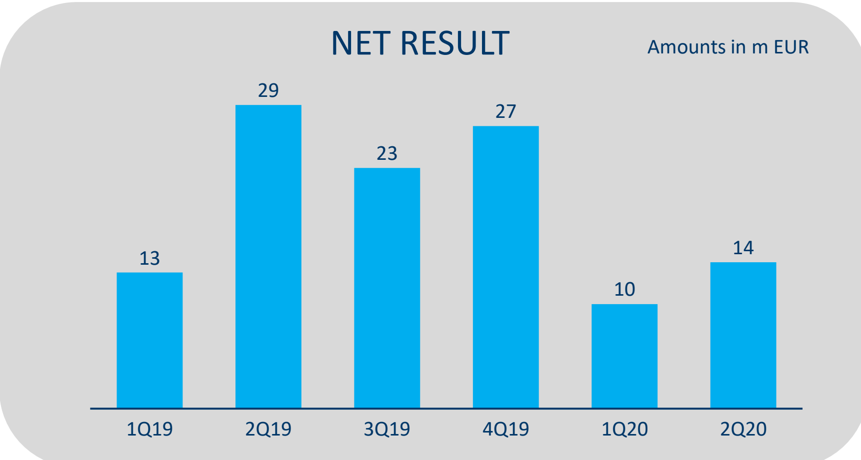
**Highlights** (q-o-q results)

- Higher net interest income excluding FX effect due chiefly to loan volume growth and the positive reinvestment impact of the higher short-term yields
- Lower net fee and commission income excluding FX effect due mainly to Covid-19
- Higher net results from financial instruments at fair value
- Excellent combined ratio (80% in 1H20)
- Lower operating expenses excluding FX effect due largely to lower bank taxes and lower staff expenses, partly offset by higher ICT costs
- Sharply higher loan loss impairment charges in 2Q20, due almost entirely to 54m EUR collective Covid-19 ECL, of which 41m EUR management overlay (compared with 1m EUR in 1Q20) and 13m EUR impairments captured by the ECL models through the updated macroeconomic variables. Credit cost ratio of -0.04% (-0.02% in FY19) without collective Covid-19 ECL and 0.96% with collective Covid-19 ECL in 1H20
- 6m EUR reversal of impairment on 'other' (7m EUR less IFRS modification losses on the assumption that 40% of the customers will opt out of the mandatory payment moratorium)

**Volume trend**

- Total customer loans rose by 2% q-o-q and by 14% y-o-y, the latter due mainly to corporate and consumer finance loans
- Total customer deposits rose by +7% q-o-q and +20% y-o-y

# International Markets BU - Bulgaria




| ORGANIC VOLUME TREND | Total loans ** | o/w retail mortgages | Customer deposits*** |
|---|---|---|---|
| Volume | 3bn | 1bn | 5bn |
| Growth q-o-q* | +4% | +4% | +3% |
| Growth y-o-y | +14% | +11% | +8% |

- Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos.

Net result of 14m EUR

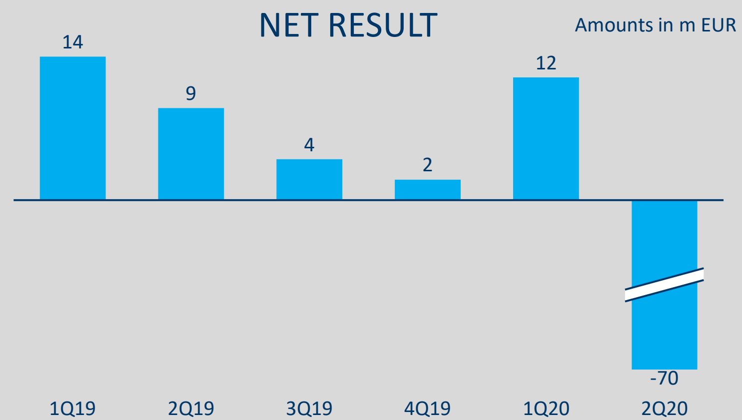
**Highlights** (q-o-q results)

- Higher total income due mainly to higher non-life insurance result (including ceded reinsurance result) driven by covid-19, higher life insurance result and higher net other income
- Excellent combined ratio at 76% in 1H20
- Lower operating expenses due chiefly to lower bank taxes, lower staff and ICT costs
- Sharply higher loan loss impairment charges in 2Q20, due entirely to 28m EUR collective Covid-19 ECL, of which 23m EUR management overlay and 5m EUR impairments captured by the ECL models through the updated macroeconomic variables. Credit cost ratio of -0.11% (0.14% in FY19) without collective Covid-19 ECL and 0.66% with collective Covid-19 ECL in 1H20

**Volume trend:**

- Total customer loans +4% q-o-q and +14% y-o-y, the latter mainly due to corporates, SMEs and retail mortgages
- Total customer loans: new bank portfolio +4% q-o-q and +15% y-o-y, while legacy -1% q-o-q and -22% y-o-y
- Total customer deposits increased by 3% q-o-q and by 8% y-o-y (the latter due mainly to retail & SMEs)

# International Markets BU - Ireland




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

- Non-annualised

** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments, reclassifications and collective Covid-19 ECL

*** Customer deposits, including debt certificates but excluding repos.

Net result of -70m EUR

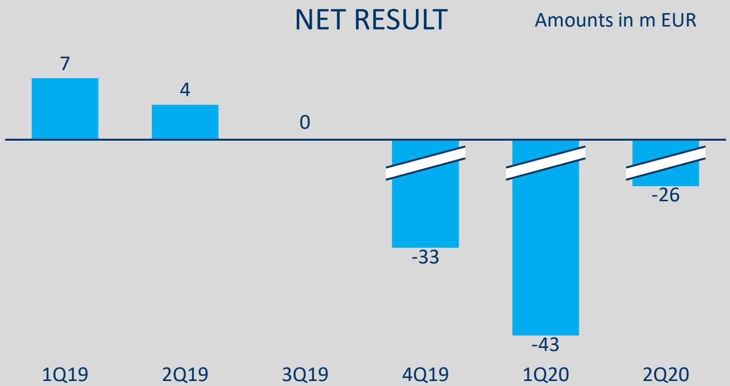
**Highlights** (q-o-q results)

- Lower net interest income due mainly to the maturity of high yield sovereign bonds and pressure on the mortgage margin, despite lower funding costs
- Lower net results from financial instruments at fair value
- Lower expenses due to lower bank taxes, lower staff expenses, lower professional fees and lower marketing costs
- Sharply higher loan loss impairment charges in 2Q20, due almost entirely to 95m EUR collective Covid-19 ECL, of which 35m EUR management overlay and 60m EUR impairments captured by the ECL models through the updated macroeconomic variables. Credit cost ratio of 0.00% (-0.32% in FY19) without collective Covid-19 ECL and 0.94% with collective Covid-19 ECL in 1H20

**Volume trend**

- Total customer loans rose by 2% y-o-y driven by new production of fixed rate mortgages
- Total customer deposits increased by 2% q-o-q and by 1% y-o-y as the increase in retail deposits more than offset the deliberate decrease in expensive corporate deposit

# Group Centre




Net result of -26m EUR

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)

**Highlights** (q-o-q results)

Q-o-q improvement was attributable mainly to:

- higher net results from financial instruments at fair value due largely to a positive change in M2M ALM derivatives
- higher net interest income

partly offset by:

- no impairment reversals as in 1Q20
- lower ceded reinsurance result

| BREAKDOWN OF NET RESULT AT GROUP CENTRE | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 |
|---|---|---|---|---|---|---|
| **Group item (ongoing business)** | **2** | **-1** | **-12** | **-35** | **-46** | **-25** |
| Operating expenses of group activities | -18 | -14 | -14 | -34 | -15 | -18 |
| Capital and treasury management | -3 | -7 | -9 | -8 | -11 | -6 |
| Holding of participations | -11 | 21 | 1 | -2 | -3 | -1 |
| Group Re | 0 | 8 | -3 | 11 | 7 | 3 |
| Other | 34 | -9 | 12 | -2 | -25 | -3 |
| **Ongoing results of divestments and companies in run-down** | **4** | **5** | **12** | **2** | **3** | **-1** |
| **Total** | **7** | **4** | **0** | **-33** | **-43** | **-26** |

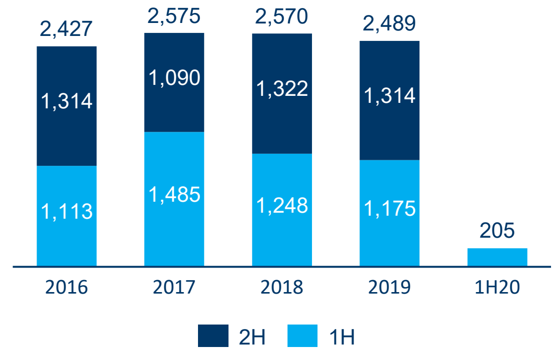
Amounts in m EUR

# Overview of contribution of business units to 1H20 result

Amounts in m EUR

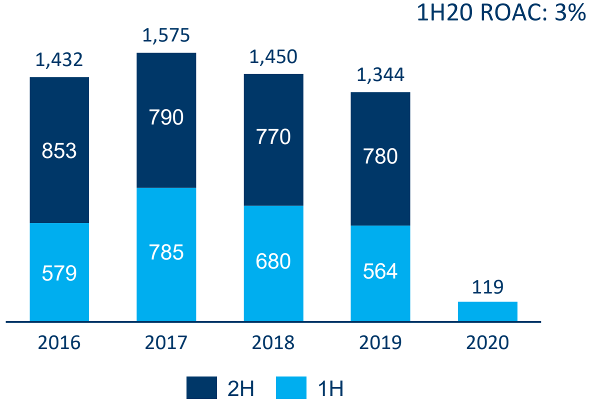
## NET PROFIT – **KBC GROUP**

1H20 ROAC: 4%



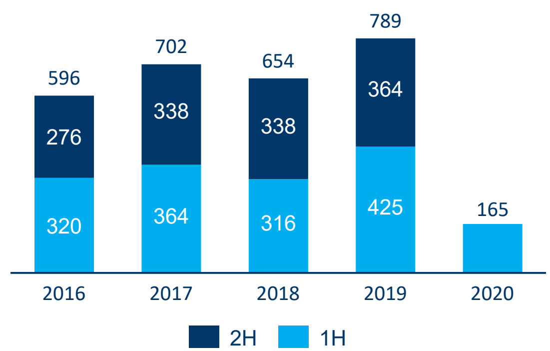

## NET PROFIT – **BELGIUM**

1H20 ROAC: 3%



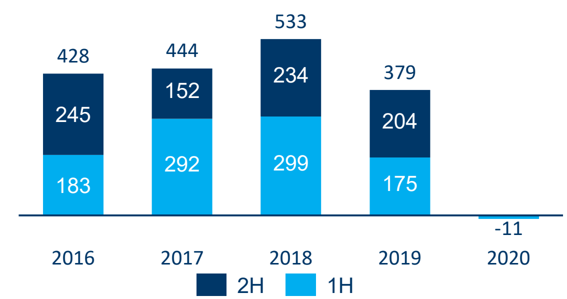

## NET PROFIT – **CZECH REPUBLIC**

1H20 ROAC: 19%




## NET PROFIT – **INTERNATIONAL MARKETS**

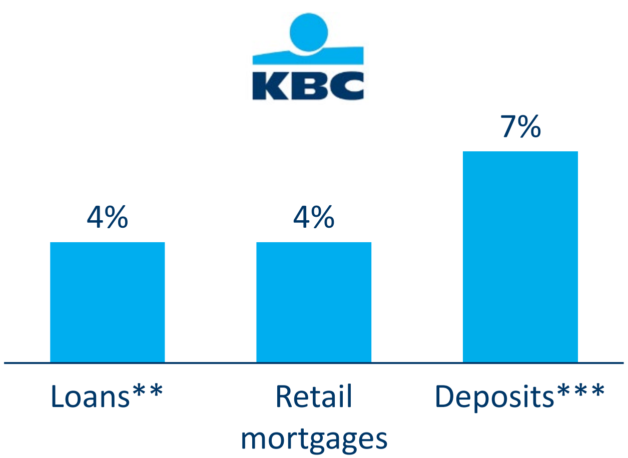
1H20 ROAC: -1%

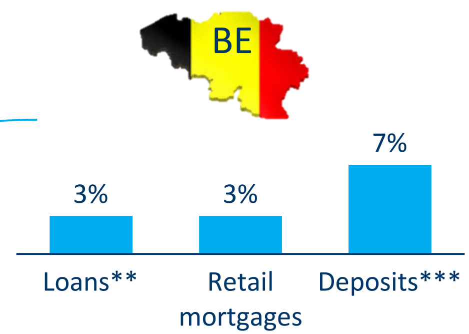


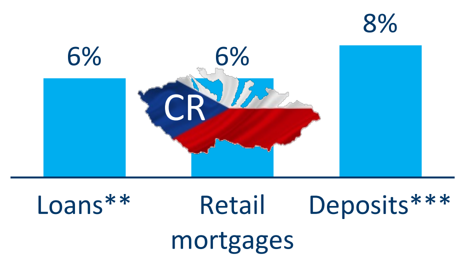
# Balance sheet:

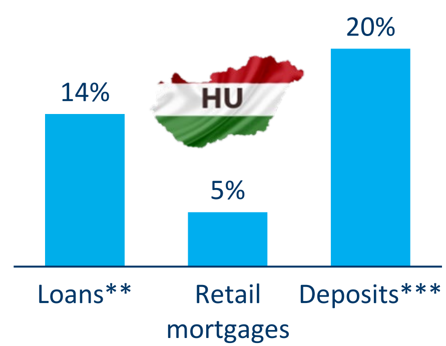
## *Loans and deposits continue to grow in all countries*

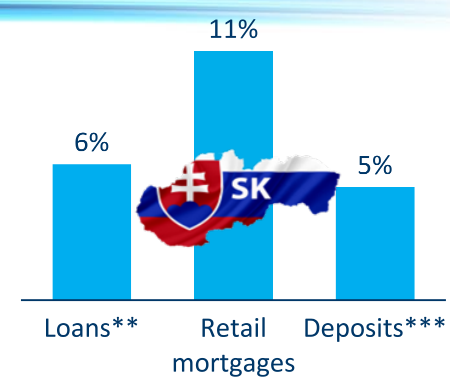
Y-O-Y ORGANIC* VOLUME GROWTH

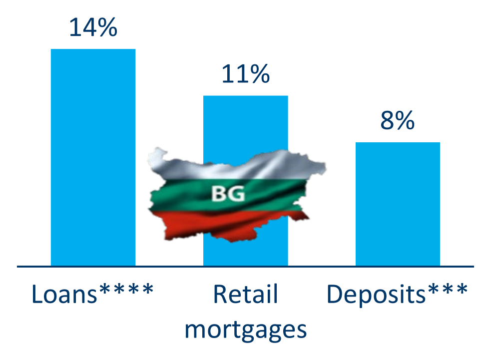


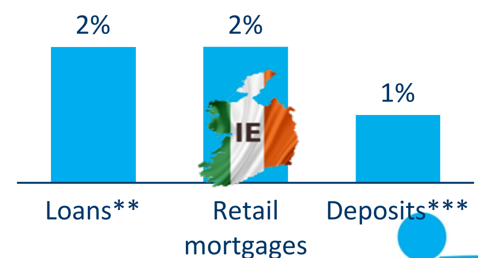




* Volume growth excluding FX effects, divestments/acquisitions and collective covid-19 ECL

** Loans to customers, excluding reverse repos (and bonds)

*** Customer deposits, including debt certificates but excluding repos

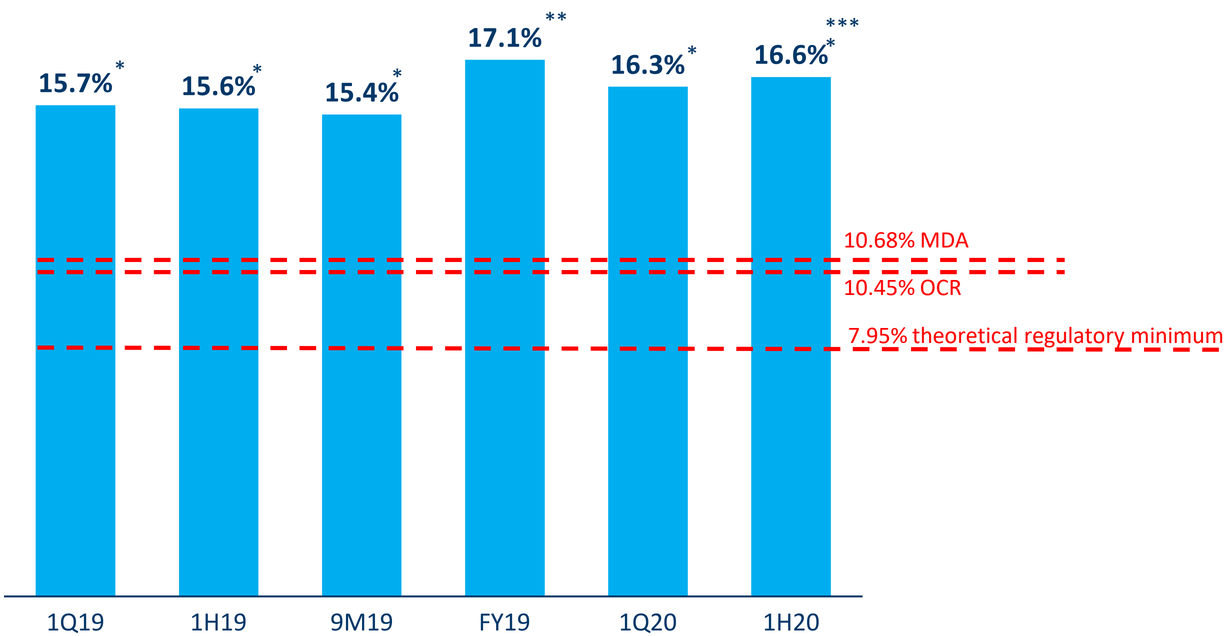
**** Total customer loans in Bulgaria: new bank portfolio +15% y-o-y, while legacy -22% y-o-y

Section 4

# Strong solvency and solid liquidity

# Strong capital position (1)

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




* No IFRS interim profit recognition given the more stringent ECB approach

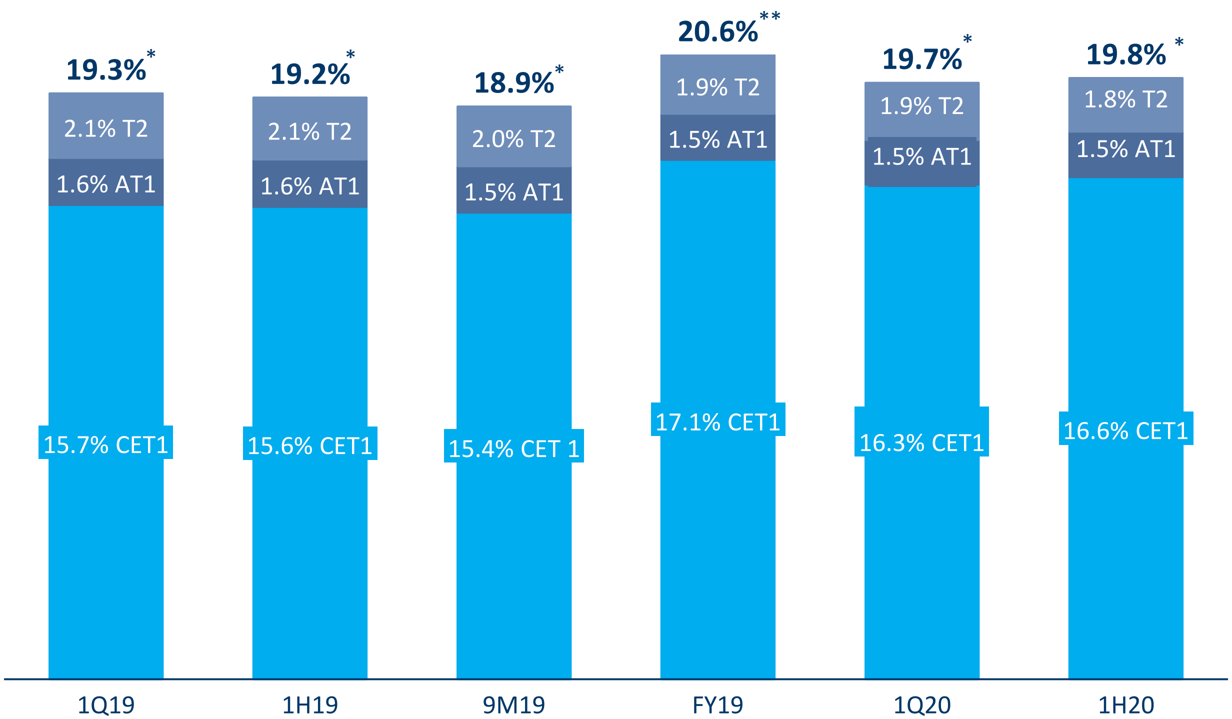
** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share

*** The impact of transitional was limited to 2 bps at the end of 1H20 as there was no profit reservation. At year-end 2020, the impact of the application of the transitional measures is expected to result in a positive impact on CET1 of 52 bps compared to fully loaded

- **The fully loaded common equity ratio amounted to 16.6%** at the end of 1H20 based on the Danish Compromise
- KBC's CET1 ratio of 16.6% at the end of 1H20 represents a solid capital buffer:
  - **8.6% capital buffer compared with the current theoretical minimum capital requirement of 7.95%** (as a result of the announced ECB and National Bank measures which provided significant temporary relief on the minimum capital requirements)
  - **6.1% capital buffer compared with the Overall Capital Requirement (OCR) of 10.45%** (which still includes the 2.50% capital conservation buffer on top of the 7.95%)
  - **5.9% capital buffer compared with the Maximum Distributable Amount (MDA) of 10.68%** (given small shortfall in AT1 and T2 bucket)
- The q-o-q increase of the CET1 ratio was mainly the result of a RWA decrease. The RWA decrease of 2.1bn EUR was due mainly to the positive impact of the implementation of the extended SME supporting factor
- The difference between fully loaded CET1 ratio and the IFRS9 transitional CET1 ratio only amounted to 2 bps in 2Q20 ***

# Strong capital position (2)

**Fully loaded Basel 3 total capital ratio (Danish Compromise)**

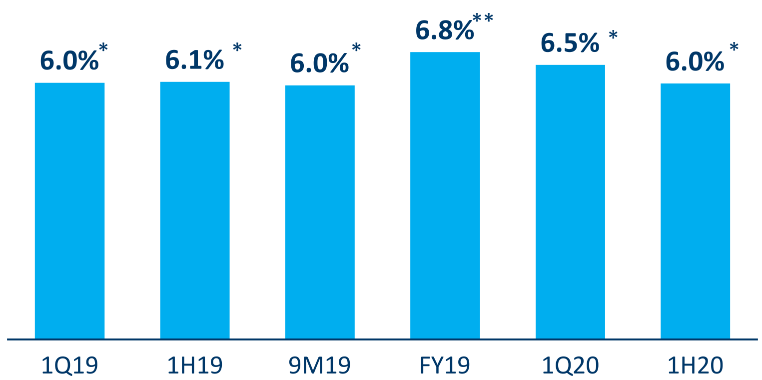



- **The fully loaded total capital ratio rose from 19.7% at the end of 1Q20 to 19.8% at the end of 1H20** due mainly to RWA decrease

* No IFRS interim profit recognition given more stringent ECB approach
** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share

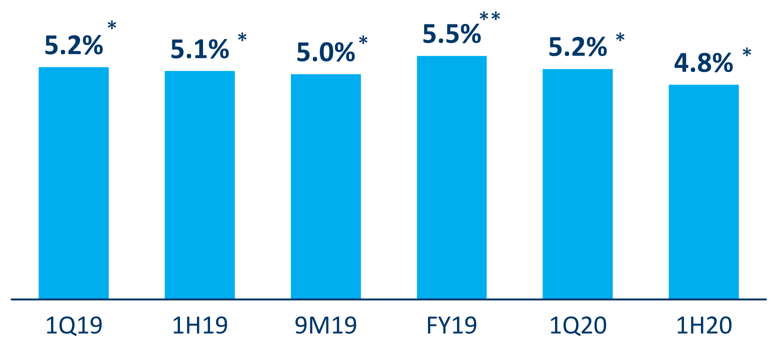
# Fully loaded Basel 3 leverage ratio and Solvency II ratio

## Fully loaded Basel 3 leverage ratio at KBC Group




* No IFRS interim profit recognition given more stringent ECB approach
** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share

## Fully loaded Basel 3 leverage ratio at KBC Bank




* No IFRS interim profit recognition given more stringent ECB approach
** Taking into account the adjustment of the final dividend over 2019

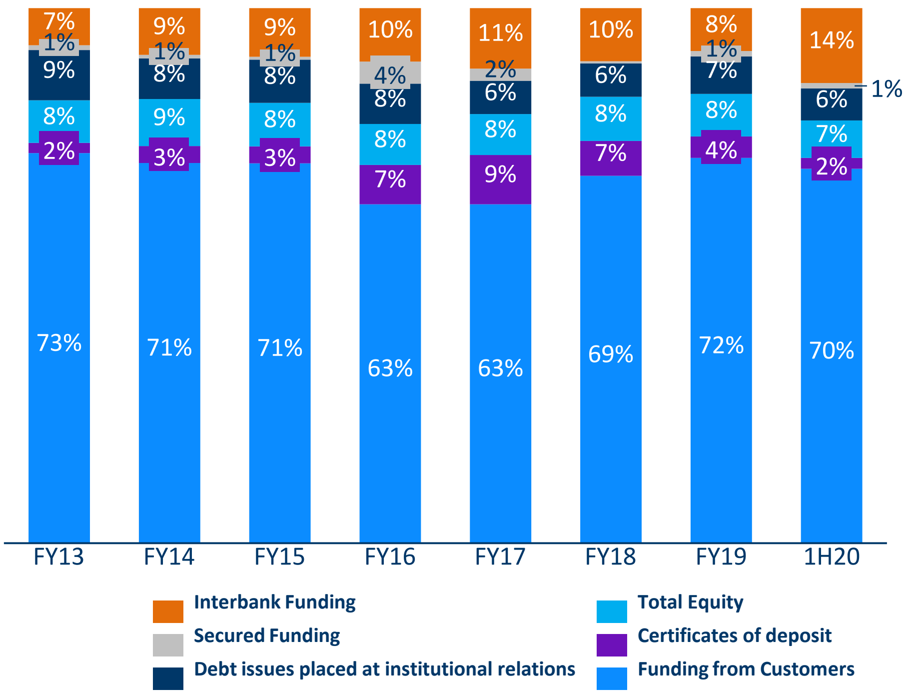
## Solvency II ratio

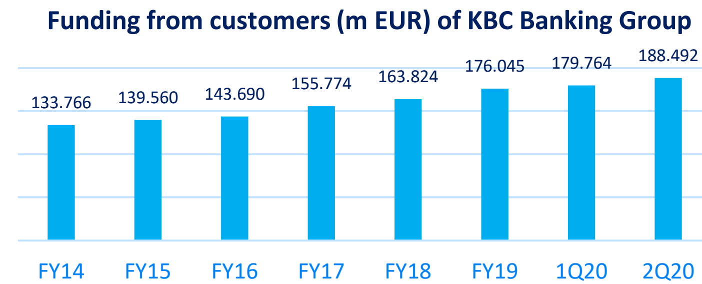
| | 1Q20 | 1H20 |
|---|---|---|
| Solvency II ratio | 212% | 198% |

- The q-o-q delta in the Solvency II ratio was mainly driven by lower compensating effects of volatility and symmetric adjustments and decrease in interest rates

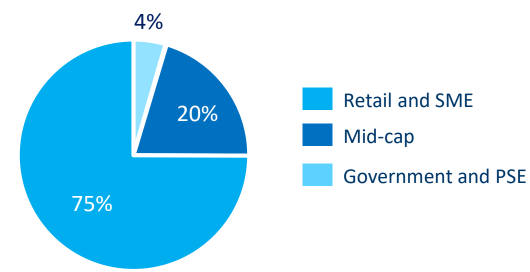
# Strong customer funding base with liquidity ratios remaining very strong

- 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
- KBC Bank **participated to the TLTRO III transaction for an amount of 19.5bn EUR in June** (bringing the total TLTRO exposure to 21.9bn EUR), which significantly increased its funding mix proportion and is reflected in the 'Interbank Funding' item below




**70% customer driven**




| Ratios | FY19 | 1H20 | Regulatory requirement |
|---|---|---|---|
| NSFR* | 136% | 142% | ≥100% |
| LCR** | 138% | 136% | ≥100% |

- **NSFR is at 142% and LCR is at 136% by the end of 1H20**
  - Both ratios were well above the regulatory requirement of 100% due to a strong growth in customer funding and the participation to TLTRO III.

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

Section 5

# Looking forward

# Looking forward

**Economic outlook**

- Our base scenario assumes a steady, but gradual recovery path in Europe as well as in the US. In 2020, the European and US economy will face a strong recovery in Q3 and Q4, and this will be continued in 2021. However, risks are tilted to the downside. New virus outbreaks followed by partial or full lockdowns may temporarily disrupt the recovery path. We expect European unemployment rates to go up in the second half of 2020 as well as in 2021. Main other risk factors include the US-China trade and economic conflict and the still ongoing Brexit negotiations. We expect euro area real GDP levels to recover to their pre-coronavirus levels by the end of 2023 at the earliest

**Group guidance**

- We are increasing our FY20 NII guidance from 4.3bn EUR to 4.4bn EUR ballpark figure
- Also our FY20 guidance for opex excluding bank taxes remains unchanged: roughly -3.5% y-o-y
- We are reiterating our estimate for FY20 impairments (on financial assets at AC and at FVOCI) at roughly 1.1bn EUR as a result of the coronavirus pandemic. Depending on a number of events such as the length and depth of the economic downturn, the significant number of government measures in each of our core countries, and the unknown number of customers who will call upon these mitigating actions, we estimate the FY20 impairments to range between roughly 0.8bn EUR (optimistic scenario) and roughly 1.6bn EUR (pessimistic scenario)
- So far, the impact of the coronavirus lockdown on digital sales, services and digital signing has been very positive. KBC is clearly benefiting from the digital transformation efforts made in the past
- B4 has been postponed by one year (as of 1 January 2023 instead of 2022)
- In line with the recent ECB recommendation, we cannot execute our normal dividend policy. As a consequence, no interim dividend will be paid out in November 2020
- We will provide a strategy update together with the 3Q20 results, while new long-term guidance as well as our capital deployment plan will be updated together with the FY20 results

Annex 1

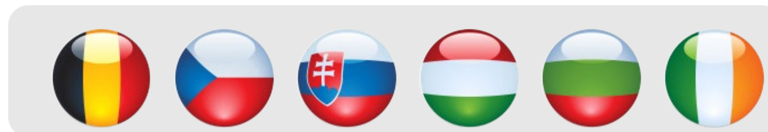
# Company profile

# KBC Group in a nutshell (1)

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

- We are a leading European financial group with a focus on providing bank-insurance products and services to retail, SME and mid-cap clients, in our core countries: Belgium, Czech Republic, Slovakia, Hungary, Bulgaria and Ireland.

## ✓ Diversified and strong business performance

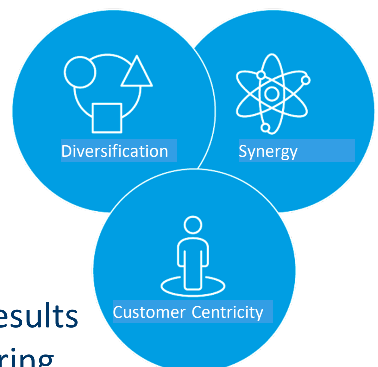


### … geographically

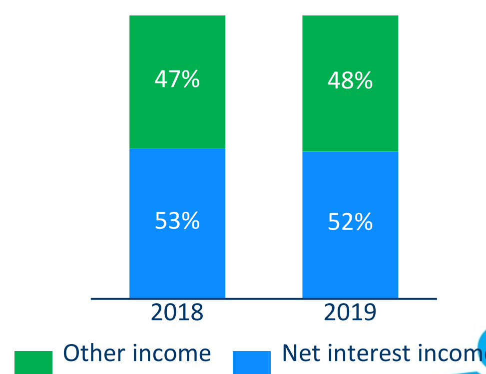
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Economies of BE & 4 CEE-countries highly oriented towards Germany, while IRL is more oriented to the UK & US
- Robust market position in all key markets & strong trends in loan and deposit growth

### … and from a business point of view

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




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

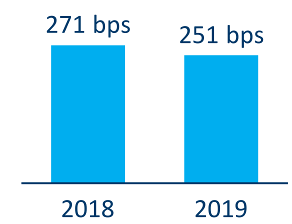


# KBC Group in a nutshell (2)

## ✓ High profitability

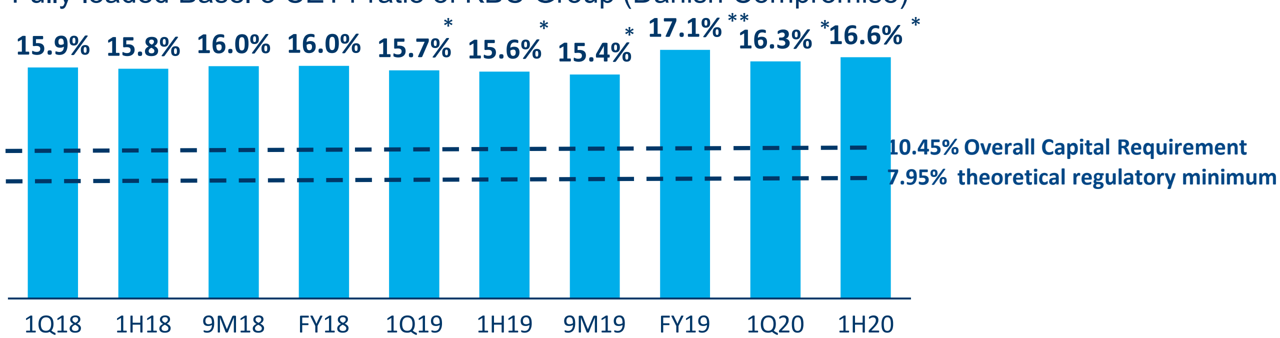
| | C/I ratio | Combined ratio | Net result | ROE |
|---|---|---|---|---|
| FY19 | 58% | 90% | 2489m EUR | 14% |
| 1H20 | 59% | 83% | 205m EUR | 4% |

CET1 generation before any deployment




## ✓ Solid capital position…

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




* No IFRS interim profit recognition given more stringent ECB approach

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

## ✓ … and robust liquidity positions

| | NSFR | LCR |
|---|---|---|
| FY19 | 136% | 138% |
| 1H20 | 142% | 136% |

# KBC Group in a nutshell (3)

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

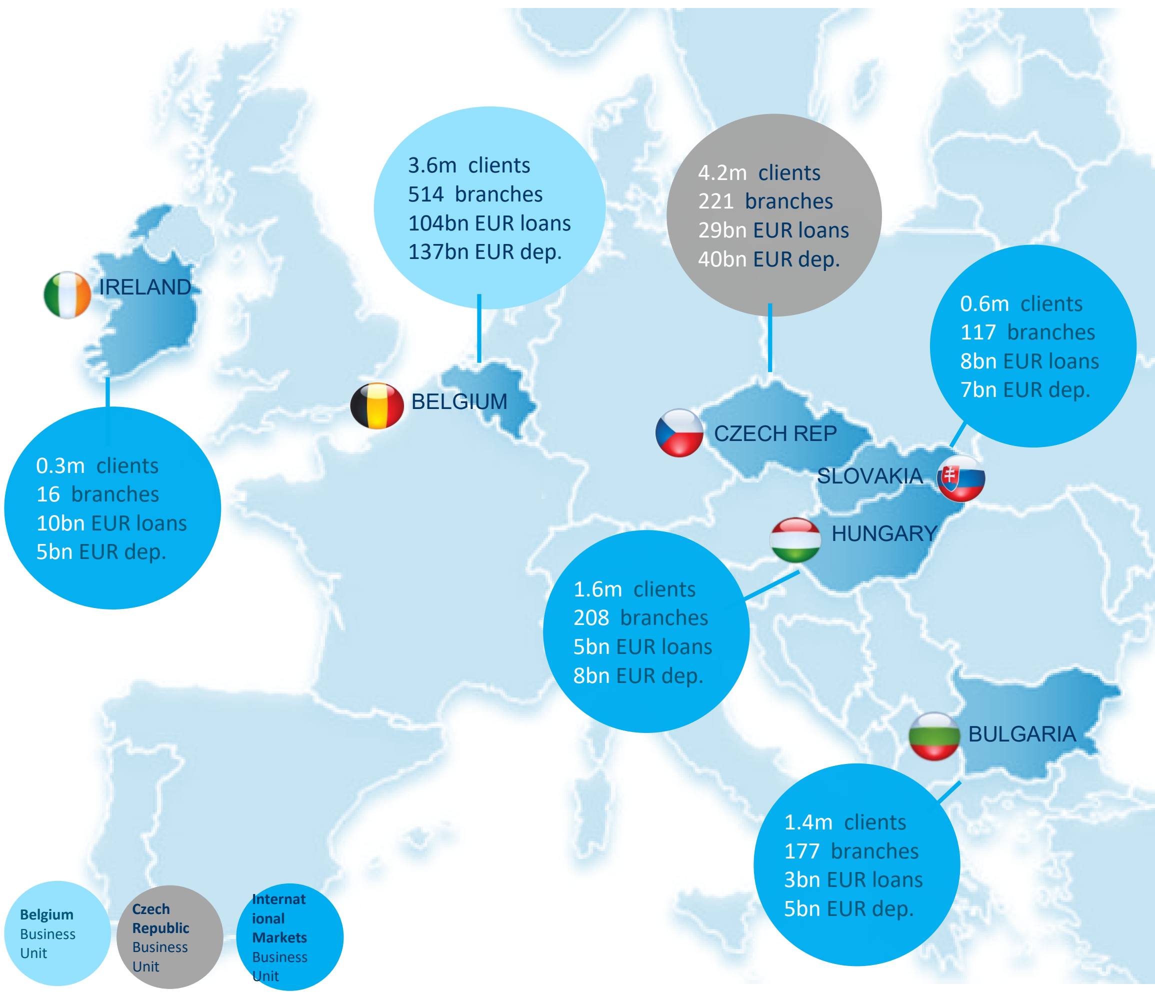
- On 28 July 2020, the European Central Bank extended its recommendation not to pay dividends and not to buy back shares until January 2021. In line with the recent ECB recommendation, we cannot execute our usual dividend policy. As a consequence, no interim dividend will be paid out in Nov’20
- KBC’s CET1 ratio of 16.6%* at end 1H20 represents a solid capital buffer:
  - 8.6% capital buffer compared with the current theoretical minimum capital requirement of 7.95% (as a result of the announced ECB and National Bank measures which provided significant temporary relief on the minimum capital requirements)
  - 6.1% capital buffer compared with the Overall Capital Requirement (OCR) of 10.45% (which still includes the 2.50% capital conservation buffer on top of the 7.95%)
  - 5.9% capital buffer compared with the Maximum Distributable Amount (MDA) of 10.68% (given small shortfall in AT1 and T2 bucket)
- Any M&A opportunity will be assessed subject to very strict financial and strategic criteria

* No IFRS interim profit recognition given more stringent ECB approach

## ✓ Capital distribution to shareholders (usual policy)

- Payout ratio policy (i.e. dividend + AT1 coupon) of at least 50% of consolidated profit
- Interim dividend of 1 EUR per share in November of each accounting year as an advance on the total dividend.
- As we find ourselves in unprecedented circumstances and as the economic impact of the coronavirus pandemic on the economy is still very uncertain, it is too early days to make statements about the capital distribution to shareholders as it will also depend on different regulatory measures and the stance the ECB will take later on this year/beginning of next year.
- We will announce an update of our capital deployment plan together with the FY20 results

# Well-defined core markets



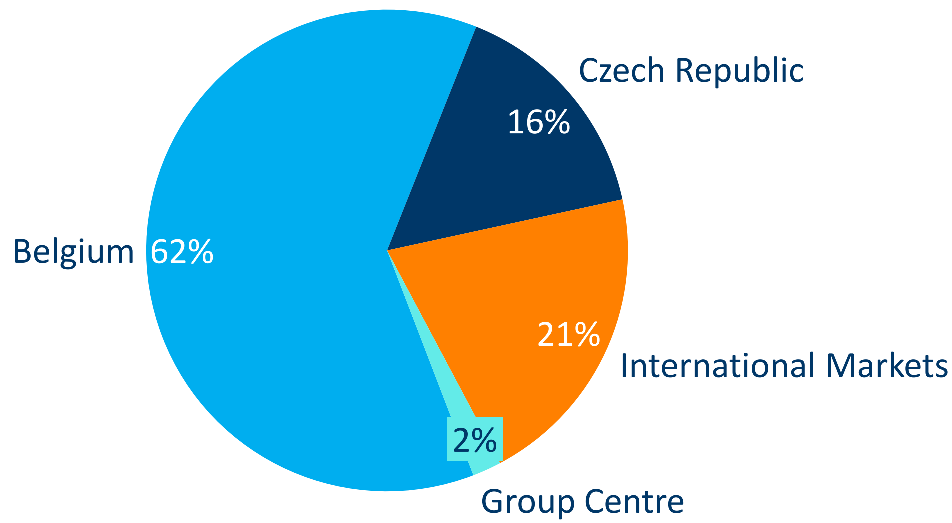

| Market share (end 2019) | BE | CZ | SK | HU | BG | IRL |
|---|---|---|---|---|---|---|
| Loans and deposits | 20% | 21% | 10% | 10% | 10% | 9%* |
| Investment funds | 30% | 24% | 7% | 13% | 16% | |
| Life insurance | 13% | 8% | 3% | 3% | 23% | |
| Non-life insurance | 9% | 8% | 4% | 8% | 10% | |

| Real GDP growth | BE | CZ | SK | HU | BG | IRL |
|---|---|---|---|---|---|---|
| % of Assets | 63% | 20% | 3% | 3% | 2% | 4% |
| 2019 | 1.4% | 2.5% | 2.4% | 4.9% | 3.4% | 5.5% |
| 2020e | -9.5% | -10.0% | -10.0% | -6.2% | -8.0% | -5.0% |
| 2021e | 5.7% | 6.0% | 7.0% | 5.0% | 5.0% | 4.0% |

GDP growth: KBC data, June '20
* Retail segment

# Business profile

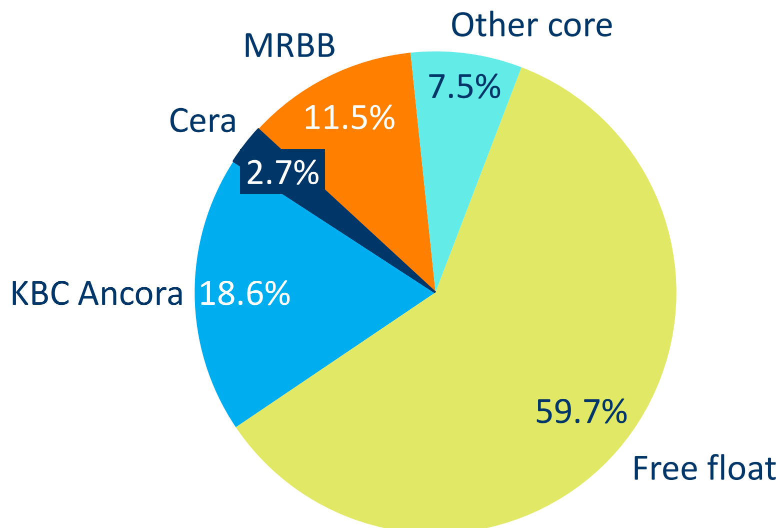
BREAKDOWN OF ALLOCATED CAPITAL (FULLY LOADED) BY BUSINESS UNIT AS AT 30 JUNE 2020




- 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 4 core countries in the International Markets Business Unit

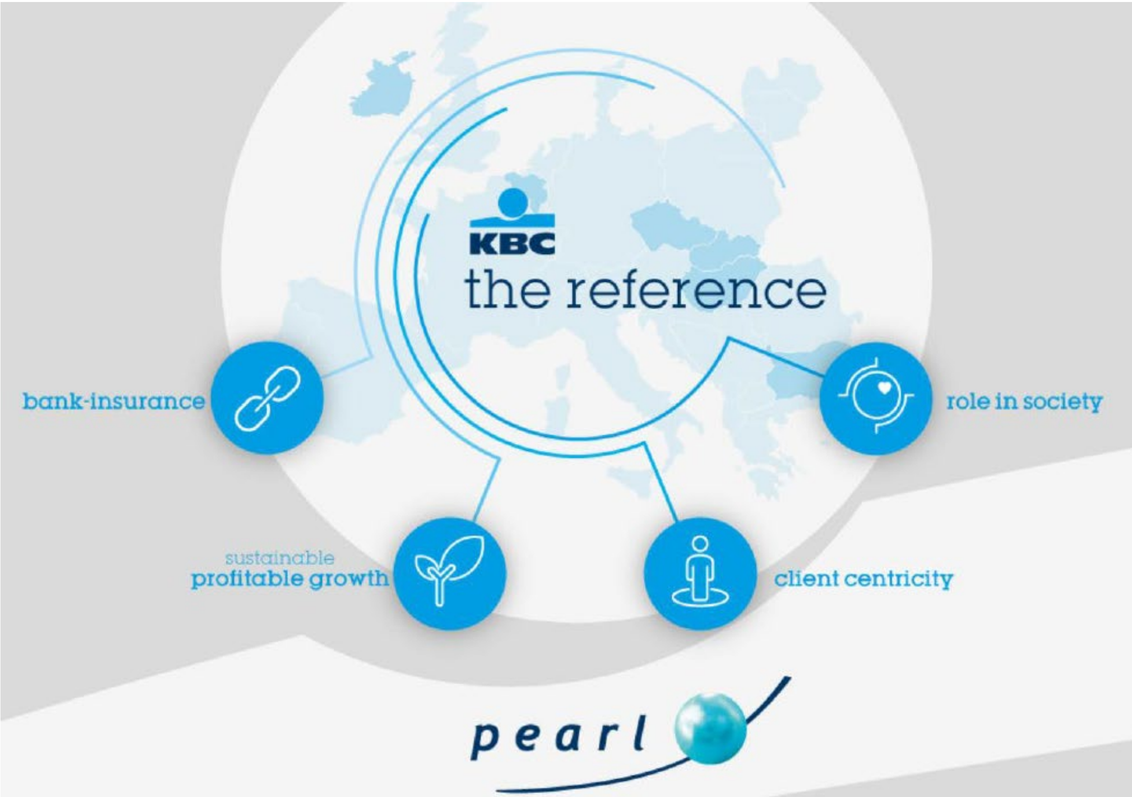
# Shareholder structure

SHAREHOLDER STRUCTURE AT END 1H20




- 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

# KBC Group going forward:
## Aiming to be among the best performing financial institutions in Europe




- KBC wants to be among Europe's best performing financial institutions. This will be achieved by:
  - Strengthening our bank-insurance business model for retail, SME and mid-cap clients in our core markets, in a highly cost-efficient way
  - Focusing on sustainable and profitable growth within the framework of solid risk, capital and liquidity management
  - Creating superior client satisfaction via a seamless, multi-channel, client-centric distribution approach
- By achieving this, KBC wants to become the reference in bank-insurance in its core markets

# KBC Group going forward:
## The bank-insurance business model, different countries, different stages of implementation

**Level 4: Integrated distribution and operation**

Acting as a single operational company: bank and insurance operations working under unified governance and achieving commercial and non-commercial synergies

Belgium

**Level 3: Integrated distribution**

Acting as a single commercial company: bank and insurance operations working under unified governance and achieving commercial synergies

Target for Central Europe

**Level 2: Exclusive distribution**

Bank branches selling insurance products from intra-group insurance company as additional source of fee income

**Level 1: Non-exclusive distribution**

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

**KBC targets to reach at least level 3 in every country**, adapted to the local market structure and KBC's market position in banking and insurance

# More of the same… but differently…

- Integrated distribution model according to a real-time omni-channel approach remains key but client interaction will change over time. Technological development will be the driving force
- Human interface will still play a crucial role
- Simplification is a prerequisite:
  - In the way we operate
  - Is a continuous effort
  - Is part of our DNA

+

- Client-centricity will be further fine-tuned into ‘think client, but design for a digital world’
- Digitalisation end-to-end, front- and back-end, is the main lever:
  - All processes digital
  - Execution is the differentiator
- Further increase efficiency and effectiveness of data management
- Set up an open architecture IT package as core banking system for our International Markets Unit
- Improve the applications we offer our clients (one-stop-shop offering) via co-creation/partnerships with Fintechs and other value chain players

=

- Investment in our digital presence (e.g., social media) to enhance client relationships and anticipate their needs
- Easy-to-access and convenient-to-use set-up for our clients
- Clients will drive the pace of action and change
- Further development of a fast, simple and agile organisation structure
- Different speed and maturity in different entities/core markets
- Adaptation to a more open architecture (with easy plug in and out) to be future-proof and to create synergy for all

# KBC the reference…

*Group financial guidance (Investor visit 2017)*

| Guidance | | | End 2019 |
|---|---|---|---|
| CAGR total income ('16-'20)* | ≥ 2.25% | by 2020 | *2.3% (CAGR '16-'19)* |
| C/I ratio banking excluding bank tax | ≤ 47% | by 2020 | *51% (FY2019)* |
| C/I ratio banking including bank tax | ≤ 54% | by 2020 | *58% (FY2019)* |
| Combined ratio | ≤ 94% | by 2020 | *90% (FY2019)* |
| Dividend payout ratio | ≥ 50% | as of now | *19%*** |

* Excluding marked-to-market valuations of ALM derivatives

| Regulatory requirements | | | End 2019 |
|---|---|---|---|
| Common equity ratio*excluding P2G | ≥ 10.7% | by 2019 | *17.1%*** |
| Common equity ratio*including P2G | ≥ 11.7% | by 2019 | *17.1%*** |
| MREL ratio | ≥ 9.67% | by 2021 | *10.4%**** |
| NSFR | ≥ 100% | as of now | *136%* |
| LCR | ≥ 100% | as of now | *138%* |

- Fully loaded, Danish Compromise. P2G = Pillar 2 guidance

** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share and the cancellation of the share buy-back program of 5.5 million shares

*** MREL target as % of TLOF (Total Liabilities and Own Funds), taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share

# KBC the reference…

## *Group non-financial guidance (Investor visit 2017)*

| **Non-financial guidance: CAGR Bank-Insurance clients (1 Bank product + 1 Insurance product)** | | | ***End 2019*** *(CAGR '16-'19)* |
|---|---|---|---|
| BU BE | ≥ 2% | by 2020 | *+1%* |
| BU CR | ≥ 15% | by 2020 | *+12%* |
| BU IM | ≥ 10% | by 2020 | *+22%* |

| **Non-financial guidance: CAGR Bank-Insurance stable clients (3 Bk + 3 Ins products in Belgium; 2 Bk + 2 Ins products in CE)** | | | ***End 2019*** *(CAGR '16-'19)* |
|---|---|---|---|
| BU BE | ≥ 2% | by 2020 | *+1%* |
| BU CR | ≥ 15% | by 2020 | *+17%* |
| BU IM | ≥ 15% | by 2020 | *+25%* |

| **Non-financial guidance: % Inbound contacts via omni-channel and digital channel*** | | | ***End 2019*** |
|---|---|---|---|
| KBC Group** | ≥ 80% | by 2020 | *81%* |

- Clients interacting with KBC through at least one of the non-physical channels (digital or through a remote advisory centre), possibly in addition to contact through physical branches. This means that clients solely interacting with KBC through physical branches (or ATMs) are excluded

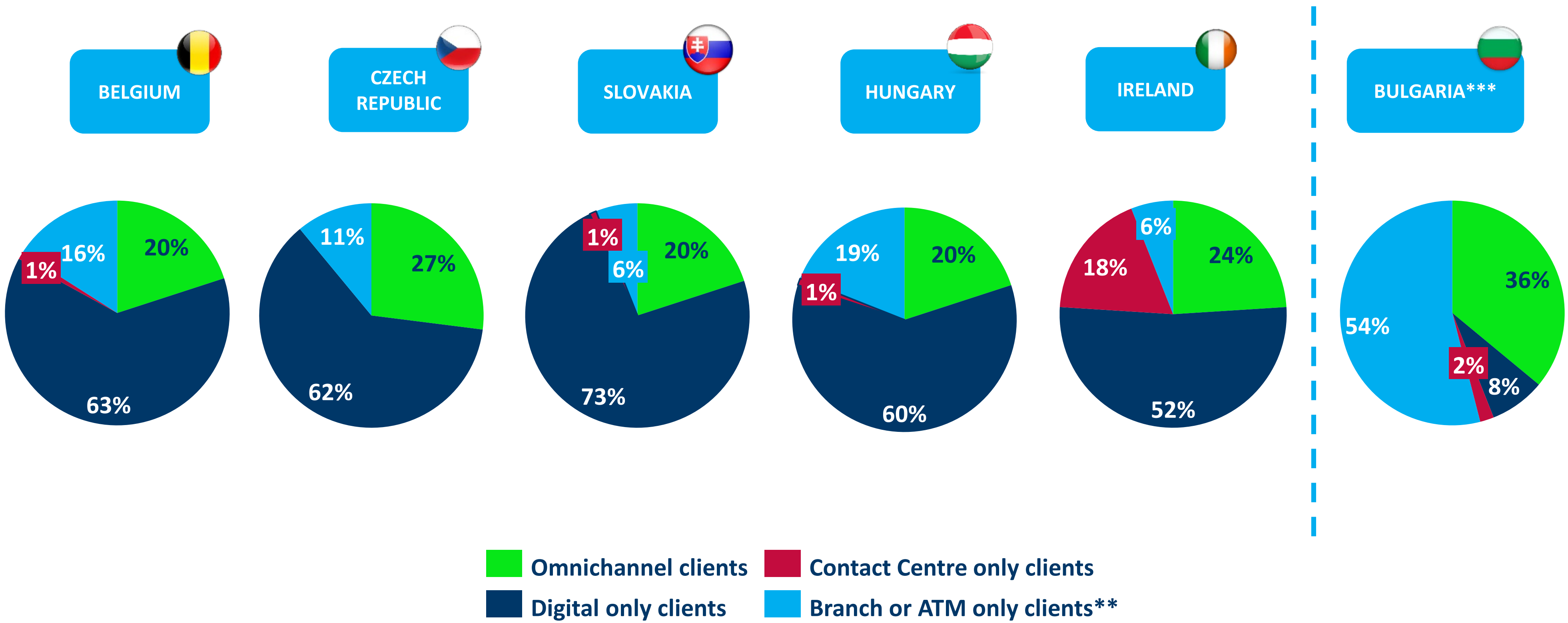
** Bulgaria & PSB out of scope for Group target

# Inbound contacts via omni-channel and digital channel* at KBC Group** amounted to 85% in 2Q20... already above the Investor Visit target (≥ 80% by 2020)


- Clients interacting with KBC through at least one of the non-physical channels (digital or through a remote advisory centre), possibly in addition to contact through physical branches. This means that clients solely interacting with KBC through physical branches (or ATMs) are excluded

** Bulgaria & PSB out of scope for Group target

# Realisation of omnichannel strategy* – client mix in 2Q20




* Clients interacting with KBC through at least one of the non-physical channels (digital or through a remote advisory centre), possibly in addition to contact through physical branches. This means that clients solely interacting with KBC through physical branches (or ATMs) are excluded

** Might be slightly underestimated

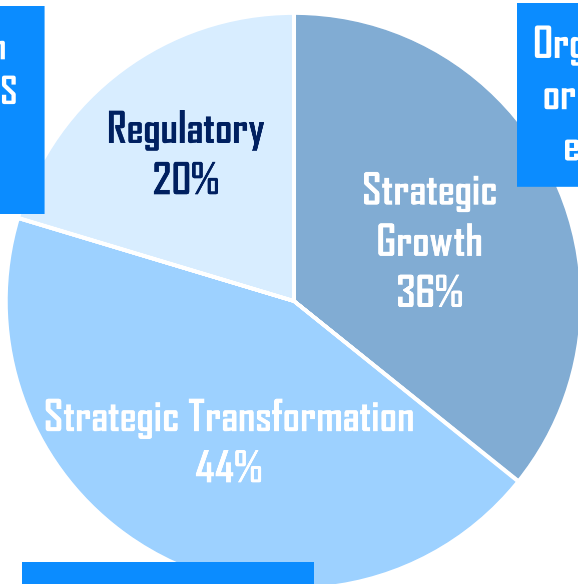
*** Bulgaria out of scope for Group target

# Digital Investments 2017-2020

**Cashflow 2017-2020 = 1.5bn EUR**

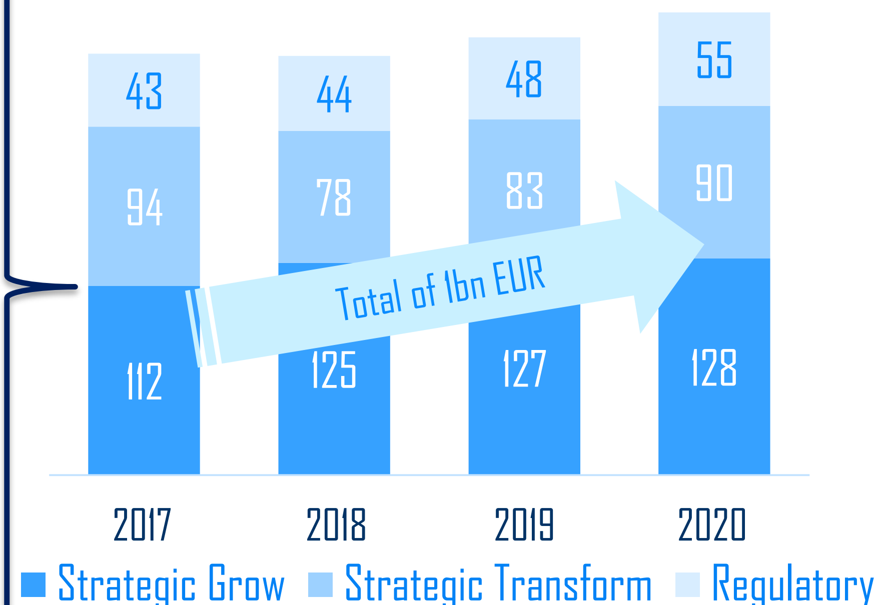
Regulatory driven developments (IFRS 9, CRS(*), MIFID, etc.)

Organic growth or operational efficiencies




Omni-channel and core-banking system

**Operating Expenses 2017-2020 = 1bn EUR**




(*) The Common Reporting Standard (CRS) refers to a systematic and periodic exchange of information at international level aimed at preventing tax evasion. Information on the taxpayer in the country where the revenue was taken is exchanged with the country where the taxpayer has to pay tax. It concerns an exchange of information between as many as 53 OECD countries in the first year (2017). By 2018, another 34 countries have joined.

# Our sustainability strategy

*The cornerstones of our sustainability strategy and our commitment to the United Nations Sustainable Development Goals*

**Limiting our adverse impact**

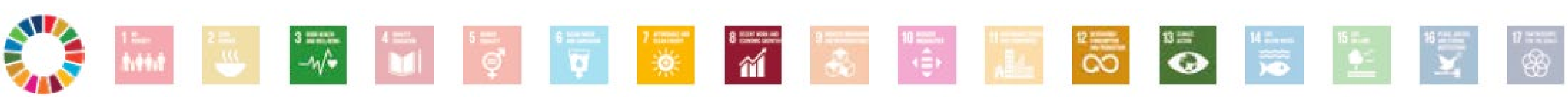
We apply strict sustainability rules to our business activities in respect of human rights, the environment, business ethics and sensitive or controversial social themes. In the light of constantly changing societal expectations and concerns, we review and update our sustainability policies at least every two years.

**Increasing our positive impact**

We are focusing on areas in which we, as a bank-insurer, can create added value: financial literacy, entrepreneurship, environmental awareness and demographic ageing and/or health. In doing so, we take into account the local context of our different home markets. Furthermore, we also support social projects that are closely aligned with our policy.

**Responsible behaviour**

Responsible behaviour is especially relevant for a bank-insurer when it comes to appropriate advice and sales. Therefore, we pay particular attention to training (including testing) and awareness. For that reason, responsible behaviour is also a theme at the KBC University, our senior management training programme, in which the theory is taught and practised using concrete situations. Senior managers are then tasked with disseminating it throughout the organisation.

KBC

# Our sustainability strategy

*Sustainability governance*

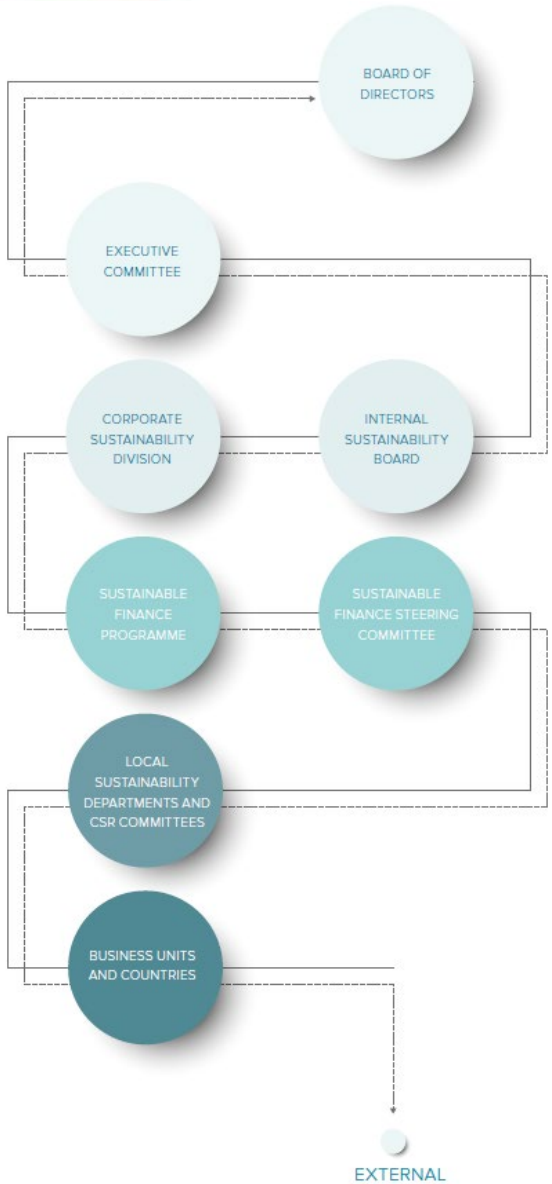
The EXECUTIVE COMMITTEE is the highest level with direct responsibility for sustainability, including policy on climate change.

The CORPORATE SUSTAINABILITY DIVISION is headed by the Corporate Sustainability General Manager and reports directly to the Group CEO. The team is responsible for developing the sustainability strategy and implementing it across the group. The team monitors and informs the Executive Committee and the Board of Directors on progress twice a year via the KBC Sustainability Dashboard.

A SUSTAINABLE FINANCE PROGRAMME to focus on integrating the climate approach within the group. It oversees and supports the business as it develops its climate-resilience in line with the TCFD recommendations and the EU Action Plan.

The LOCAL SUSTAINABILITY DEPARTMENTS in each of the core countries support the senior managers on the Internal Sustainability Board in integrating the sustainability strategy and organising & communicating local sustainability initiatives. CSR committees in each country supply and validate non-financial information.

Sustainability is anchored in our core activities – bank, insurance and asset management – IN ALL THREE BUSINESS UNITS AND SIX CORE COUNTRIES.




The Group Executive Committee reports to the BOARD OF DIRECTORS on the sustainability strategy, including policy on climate change.

The INTERNAL SUSTAINABILITY BOARD is chaired by the CEO and comprises senior managers from all core countries and the Corporate Sustainability General Manager. The sustainability strategy is drawn up, implemented and communicated under the authority of the Internal Sustainability Board.

The programme is overseen by a SUSTAINABLE FINANCE STEERING COMMITTEE chaired by the Group CFO. Via the KBC Sustainability Dashboard, progress is discussed regularly within the Internal Sustainability Board, the Executive Committee and the Board of Directors. The latter is used to evaluate the programme's status report once a year.

In addition to our internal organisation, we have set up EXTERNAL ADVISORY BOARDS to advise KBC on various aspects of sustainability. They consist of experts from the academic world:
An EXTERNAL SUSTAINABILITY BOARD advises the Corporate Sustainability Division on KBC sustainability policies and strategy.
An SRI ADVISORY BOARD acts as an independent body for the SRI funds and oversees screening of the socially responsible character of the SRI funds offered by KBC Asset Management.

# Our sustainability strategy

## *Our non-financial targets*

| Indicator | Goal/ambition level | 2019 | 2018 |
|---|---|---|---|
| Share of renewables in the total energy credit portfolio | Minimum 50% by 2030 | 57% | 44% |
| Financing of coal-related activities | Reduce financing of coal sector and coal-fired power generation to zero by 2023* | 36 million euros | 34 million euros |
| Volume of SRI funds at KBC Asset Management | 10 billion euros by year-end 2020<br>14 billion euros by year-end 2021<br>20 billion euros by year-end 2025 | 12 billion euros | 9 billion euros |
| Total GHG emissions excluding commuter travel (absolute and per FTE) | -25% for the period 2015-2020<br>-50% for the period 2015-2030<br>-65% for the period 2015-2040 | Absolute: -50%<br>Intensity: -48% | Absolute: -38%<br>Intensity: -37% |
| Own green electricity consumption | 90% green electricity by 2030 | 83% | 78% |

** We exclude oil, gas and coal extraction and oil and coal-fired power generation. ČSOB in the Czech Republic will be the sole and temporary exception to this with regard to the financing of ecological improvements to coal-fired, centrally controlled heating networks. Detailed information on this matter is provided in the KBC Energy Policy, which is available at www.kbc.com. KBC has recently announced a strengthening of its policy on coal-fired power generation, which will enter into effect on July 1, 2020. This will broaden the scope of reporting in the future. Figures exclude UBB in Bulgaria.*

| Our ESG ratings: | Score 2019 | Sustainability recognition and indices |
|---|---|---|
| S&P Global - RobecoSAM | 72/100 | Inclusion in the SAM Sustainability Yearbook 2020 |
| CDP | A- Leadership | CDP Supplier Engagement Leader 2019 |
| FTSE4Good | 4.6/5 | FTES4Good Index Series |
| ISS Oekom | C Prime | Prime (best-in-class) |
| Sustainalytics | 86/100 | STOXX Global ESG Leaders indices |
| Vigeo Eiris | Not publicly available | Euronext Vigeo Index: Benelux 20, Europe 120, Eurozone 120 and Ethibel Sustainability Index Excellence Europe |
| MSCI | AAA | MSCI Belgium Investable Market Index (IMI), MSCI Belgium Index |

# Our sustainability strategy

*2019 achievements*

## 2019 achievements:

- We signed the Collective Commitment to Climate Action, an initiative of the UNEP FI (Sep 2019)
- The entire range of KBC sustainable funds is fully compliant with the Febelfin quality standard for sustainable investment
- KBC signed the Tobacco-Free Finance Pledge drawn up by the international organisation Tobacco Free Portfolios
- KBC signed the 'Open letter to index providers on controversial weapons exclusions' – an investor initiative coordinated by Swiss Sustainable Finance
- We continued to build on 'Team Blue' – a group-wide initiative at KBC to strengthen ties and promote cooperation among all of the group's staff in the different countries in which KBC operates.

| Sustainable finance (KBC Group, in millions of euros) | 2019 | 2018 |
|---|---|---|
| **Green finance** | | |
| Renewable energy and biofuel sector | 1 768 | 1 235 |
| **Social finance** | | |
| Health care sector | 5 783 | 5 621 |
| Education sector | 975 | 943 |
| **Socially Responsible Investments** | | |
| SRI funds under distribution | 12 016 | 8 970 |
| **Total** | **20 542** | **16 769** |

For the latest sustainability report, we refer to the KBC.COM website:
*https://www.kbc.com/en/corporate-sustainability/reporting.html*

Annex 2

# Other items

# Loan loss experience at KBC

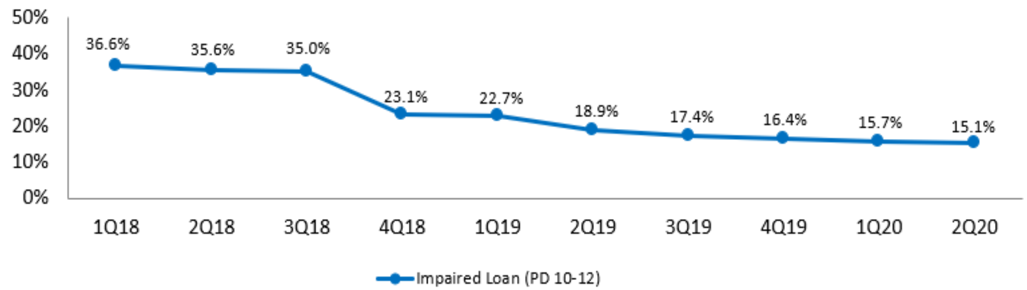
| | 1H20 CREDIT COST RATIO | FY19 CREDIT COST RATIO | FY18 CREDIT COST RATIO | FY17 CREDIT COST RATIO | FY16 CREDIT COST RATIO | AVERAGE ‘99 –’19 |
|---|---|---|---|---|---|---|
| **Belgium** | **0.63%** | 0.22% | 0.09% | 0.09% | 0.12% | n/a |
| **Czech Republic** | **0.62%** | 0.04% | 0.03% | 0.02% | 0.11% | n/a |
| **International Markets** | **0.82%** | -0.07% | -0.46% | -0.74% | -0.16% | n/a |
| **Group Centre** | **-0.53%** | -0.88% | -0.83% | 0.40% | 0.67% | n/a |
| **Total** | **0.64%** | **0.12%** | **-0.04%** | **-0.06%** | **0.09%** | **0.42%** |

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

# Ireland: impaired loans continues to improve, but Covid-19 reflects a headwind for further improvements in the short term

| LOAN PORTFOLIO €m | OUTSTANDING | IMPAIRED LOANS | IMPAIRED LOANS PD 10-12 | PROVISIONS PD 10-12 | IMPAIRED LOANS PD 10-12 COVERAGE |
|---|---|---|---|---|---|
| Owner occupied mortgages | 9,342 | 1,369 | 15% | 358 | 26% |
| Buy to let mortgages | 625 | 144 | 23% | 59 | 41% |
| Non Mortgage Retail & SME | 106 | 5 | 5% | 4 | 84% |
| Corporate | 8 | 8 | 100% | 6 | 77% |
| **Total** | **10,081** | **1,527** | **15%** | **427** | **28%** |

PROPORTION OF HIGH RISK AND IMPAIRED LOANS



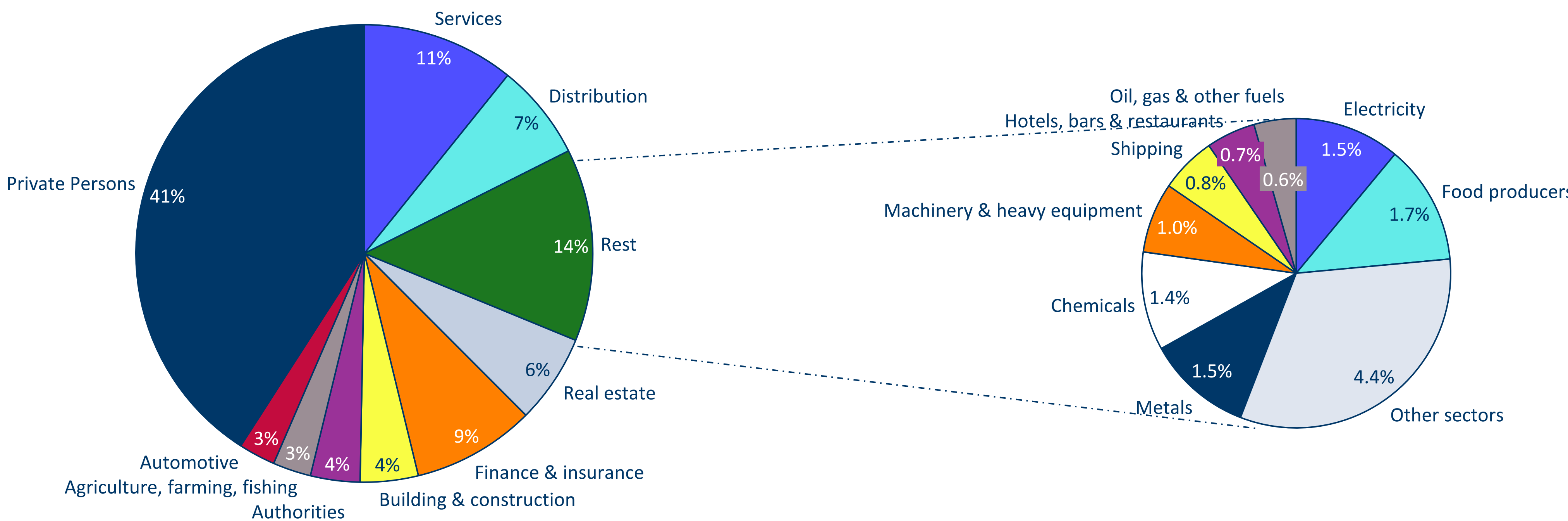

**2Q20 Total Portfolio**

| | PD | Exposure | Impairment Provisions | Cover % |
|---|---|---|---|---|
| Performing | PD 1-8 | 7,979 | 18 | 0.2% |
| Performing | Of which non Forborne | 7,977 | | |
| Performing | Of which Forborne | 1 | | |
| Performing | PD 9 | 576 | 45 | 7.9% |
| Performing | Of which non Forborne | 162 | | |
| Performing | Of which Forborne | 414 | | |
| Impaired | PD 10 | 715 | 88 | 12.3% |
| Impaired | PD 11 | 677 | 242 | 35.8% |
| Impaired | PD 12 | 135 | 97 | 72.4% |
| | **TOTAL PD1-12** | **10,081** | **490** | |
| | *PD 10-12 Impairment Provisions /(PD 10-12)* | | | *28.0%* |
| | *Impaired loans (PD 10-12)/ Total Exposure* | | | *15.1%* |

- Forborne loans (in line with EBA Technical Standards) comprise loans on a live restructure or continuing to serve a probation period post-restructure/cure to Performing

- The Irish economy began 2020 on a strong footing, but saw a severe curtailment of output in 2Q20 because of Covid-19 related disruptions. There has been evidence of a partial rebound in some recent indicators and some areas of multinational activity have experienced only limited disruption. However, a significantly negative outturn for Irish economic activity for 2020 as a whole remains likely
- Health-related restrictions and a broader deterioration in economic activity have resulted in a marked weakening of the Irish jobs market. Although recent data suggest some reversal of earlier layoffs, unemployment is still expected to end the year about double the 5% rate seen at the beginning of the year
- While the pandemic prompted a sudden and sharp drop in housing transactions in the spring, residential property prices proved more resilient initially than might have been expected. However, a weaker profile for employment and incomes is likely to weigh on housing related activity and prices as 2020 progresses
- Impaired loan portfolio decreased by roughly 58m EUR q-o-q, resulting in an impaired loan ratio reducing to 15.1%
- The 97m EUR net impairment charge in 2Q20 was driven by updated IFRS 9 macroeconomic variables and scenario probability weightings for Covid-19 and a Covid-19 related management overlay
- Coverage ratios q-o-q for stage 2 (7.9% in 2Q20 versus 1.9% in 1Q20) and stage 3 (28.0% in 2Q20 versus 24.4% in 1Q20) have increased reflecting the additional impairment charge recognised in 2Q20

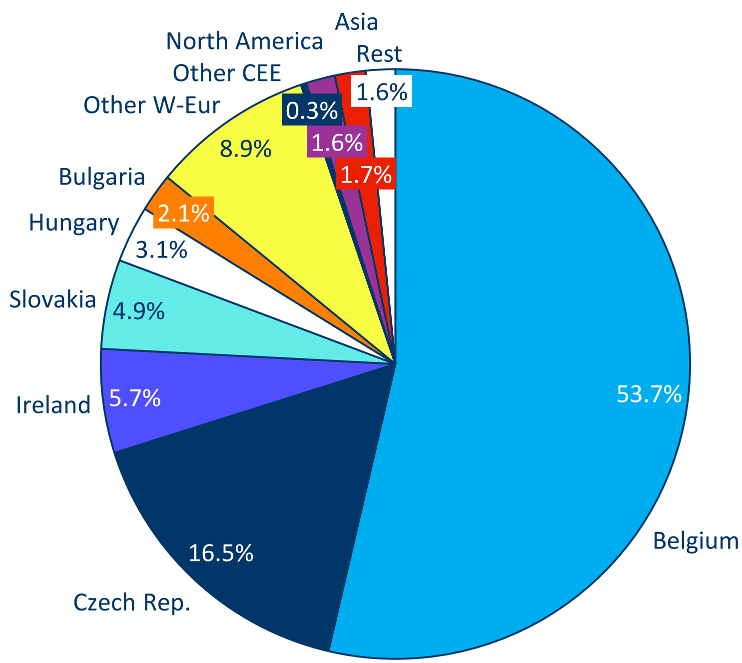
# Sectorial breakdown of outstanding loan portfolio (1) (179bn EUR*) of KBC Bank Consolidated




* It includes all payment credit, guarantee credit (except for confirmations of letters of credit and similar export/import related commercial credit), standby credit and credit derivatives, granted by KBC to private persons, companies, governments and banks. Bonds held in the investment portfolio are included if they are corporate or bank issued, hence government bonds and trading book exposure are not included

* Outstanding amount includes all on-balance sheet commitments and off-balance sheet guarantees

# Geographical breakdown of the outstanding loan portfolio (2) (179bn EUR*) of KBC Bank Consolidated

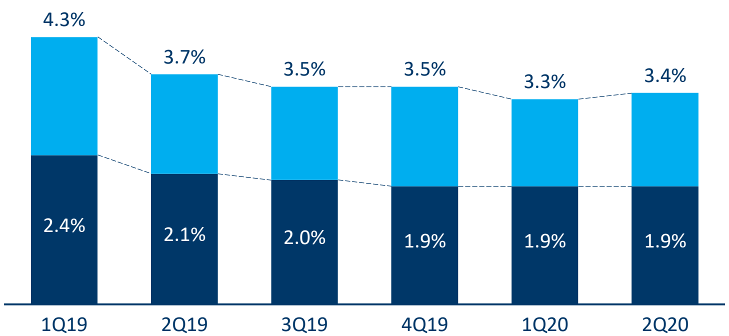



* It includes all payment credit, guarantee credit (except for confirmations of letters of credit and similar export/import related commercial credit), standby credit and credit derivatives, granted by KBC to private persons, companies, governments and banks. Bonds held in the investment portfolio are included if they are corporate or bank issued, hence government bonds and trading book exposure are not included

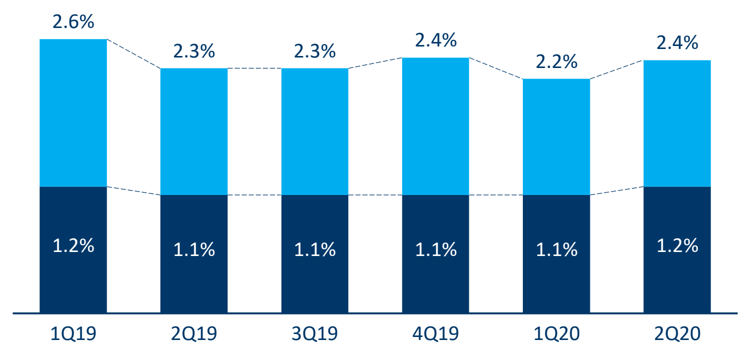
* Outstanding amount includes all on-balance sheet commitments and off-balance sheet guarantees

# Impaired loans ratios, of which over 90 days past due

## KBC GROUP

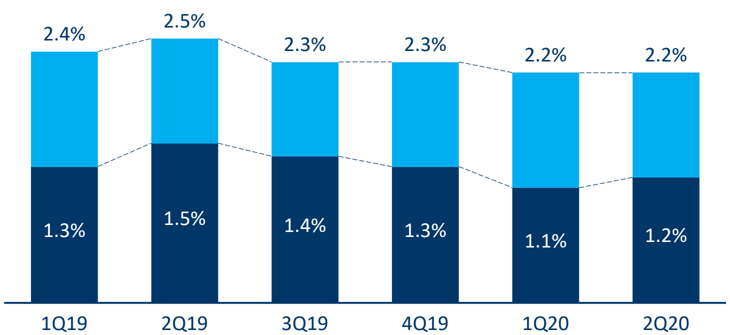



## BELGIUM BU

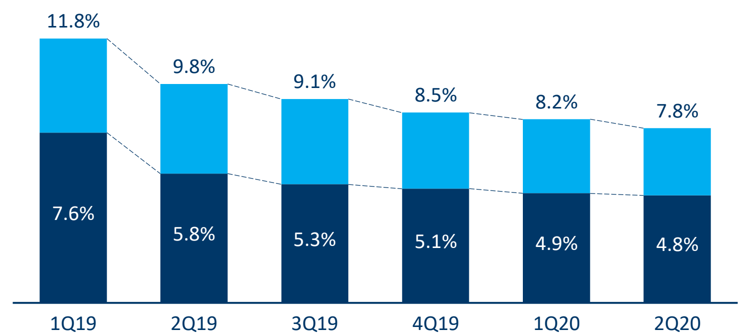



Impaired loans ratio
Of which over 90 days past due

## CZECH REPUBLIC BU

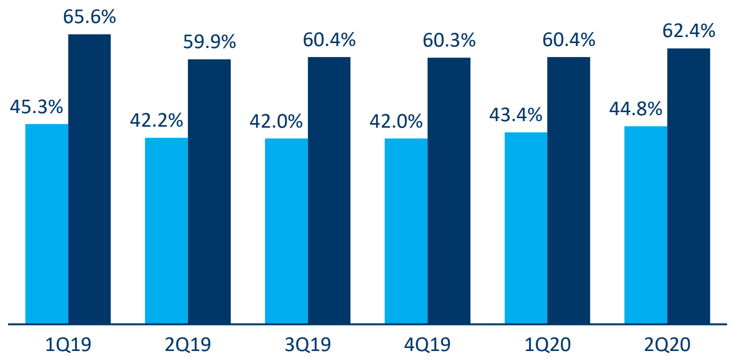



## INTERNATIONAL MARKETS BU

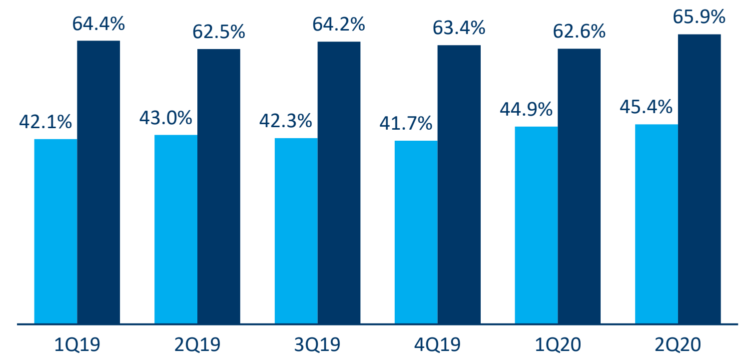


# Cover ratios

## KBC GROUP



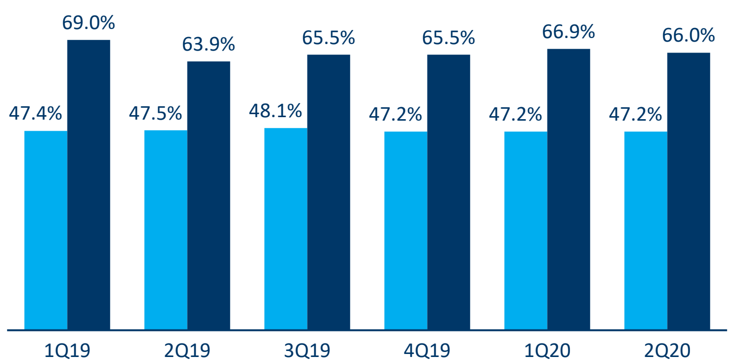

## BELGIUM BU



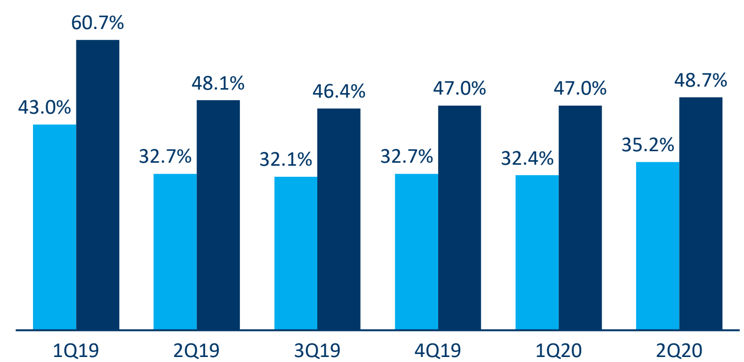

Impaired loans cover ratio

Cover ratio for loans with over 90 days past due

## CZECH REPUBLIC BU

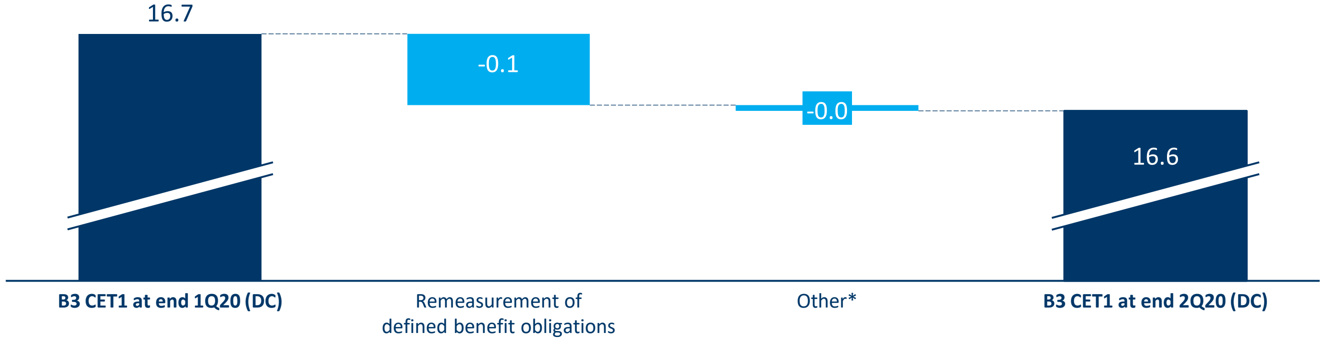



## INTERNATIONAL MARKETS BU

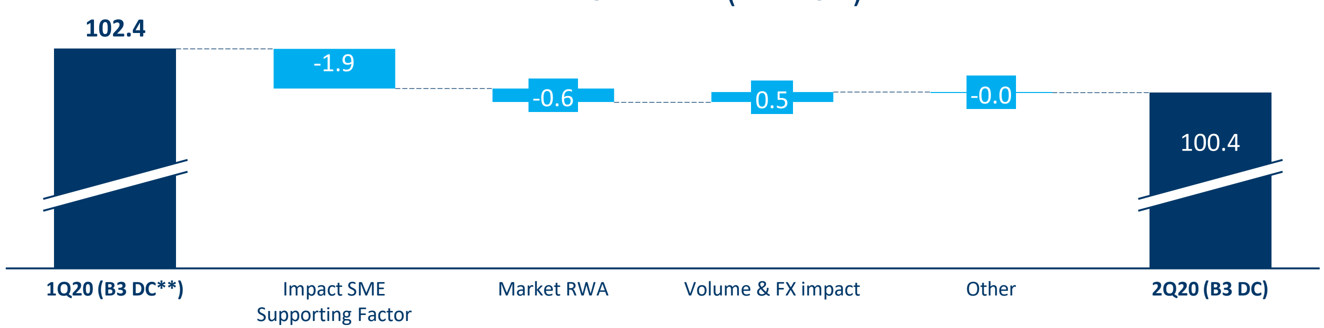


# Fully loaded B3 CET1 based on the Danish Compromise (DC) from 1Q20 to 2Q20

DELTA AT NUMERATOR LEVEL (BN EUR)




DELTA ON RWA (BN EUR)




- Fully loaded B3 common equity ratio amounted to 16.6% at end 1H20 based on the Danish Compromise
- This clearly exceeds the Overall Capital Requirement (OCR) of 10.45% and the Maximum Distributable Amount (MDA) of 10.68%

* Includes the q-o-q delta in translation differences, deferred tax assets on losses carried forward, IRB provision shortfall, deduction re. financing provided to shareholders, deduction re. irrevocable payment commitments, intangible fixed assets, AT1 coupon, prudent valuation, 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 | 17,178 | 111,202 | 15.4% |
| DC**, fully loaded | 16,636 | 100,354 | 16.6% |
| DM***, fully loaded | 15,837 | 95,395 | 16.6% |

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

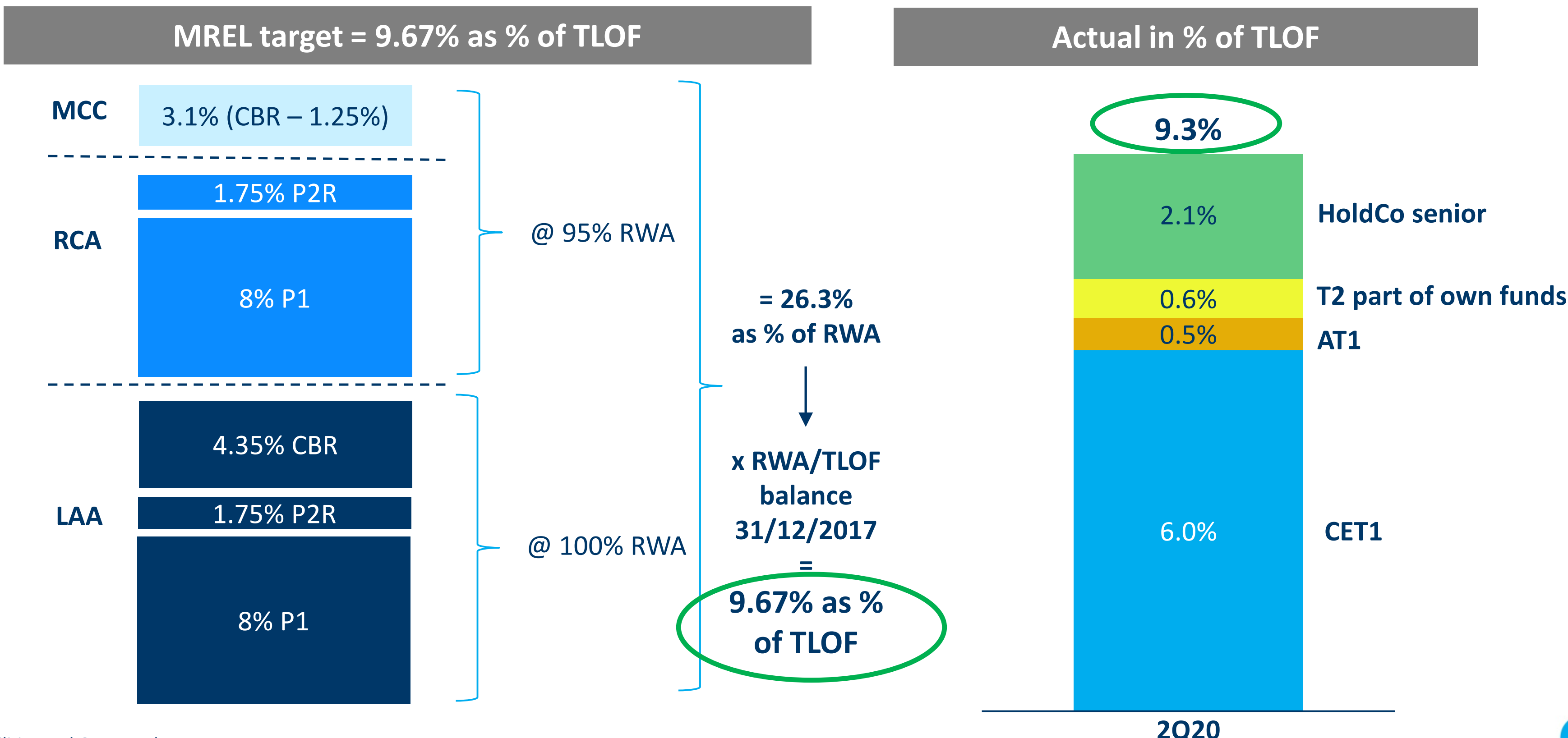
# Application of regulatory quick fixes

| Quick fix topic | Applied by KBC | Timing of implementation | Estimated impact on CET1 ratio | Comment |
|---|---|---|---|---|
| **SME supporting factor** | ✓ | 2Q 2020 | **+32bps** | Pulled forward from mid 2021 by regulator |
| **Outliers in Market risk VaR models** | ✓ | 2Q 2020 | **+8bps** | Permission granted to exclude COVID-19 outliers |
| **Sovereigns under the Standardised approach** | ✓ | 2Q 2020 | **+10bps** | Only applicable for UBB (sovereign exposure in EUR) |
| **IFRS9 transitional measures** | ✓ | 2Q-4Q 2020 | **+52bps** at 4Q20 (of which +2bps at 2Q20) | 4Q20 estimated impact |
| **Infrastructure supporting factor** | ✓ | 2H 2020 | **+2bps** | Pulled forward from mid 2021 by regulator |
| **Prudential treatment of software** | ✓ | 2H 2020 | **+22bps** | Estimated impact based on draft RTS |
| **Filter for FVOCI gains/losses on government exposures** | ✗ | | | Not applied by KBC given temporary and immaterial impact |
| **Retail under the Standardized approach** | ✗ | | | Not applied by KBC given limited exposure and immaterial impact |
| **Leverage ratio and exclusion of central banks exposure** | ✗ | | | Not applied by KBC given already very strong leverage ratio |

# KBC complies with resolution requirements

*MREL target applicable as from 31-12-2021*

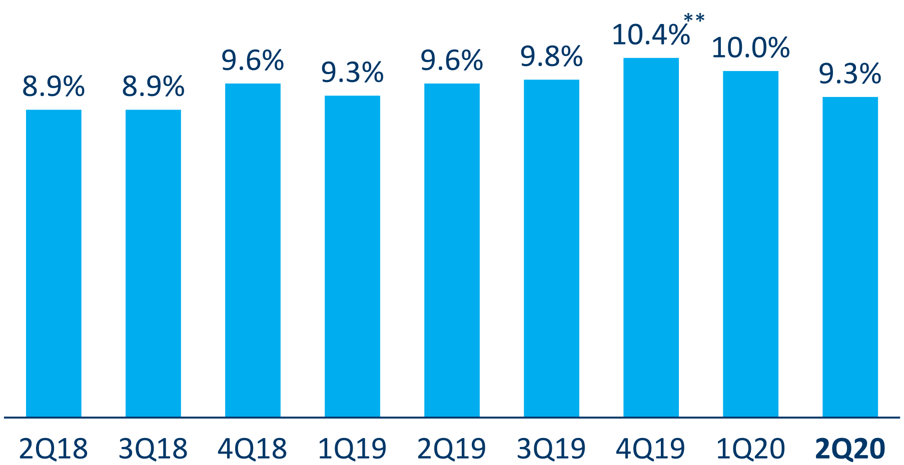
- ✓ The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- ✓ SRB's currently applicable approach to **MREL** is defined in the '2018 SRB Policy for the 2nd wave of resolution plans' published on 16 January 2019, which is based on the current legal framework (BRRD 1)
- ✓ The **actual binding target is 9.67% as % of TLOF** as from 31-12-2021




| | |
|---|---|
| TLOF | Total Liabilities and Own Funds |
| LAA | **L**oss **A**bsorbing **A**mount |
| RCA | **ReC**apitalisation **A**mount |
| MCC | **M**arket **C**onfidence **C**harge |
| CBR | **C**ombined **B**uffer **R**equirement = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + countercyclical buffer (0.15% in previous target; 0.35% in revised target) |

# Available MREL (fully loaded) as a % of TLOF

## Available MREL (*) as a % of TLOF (fully loaded)




- The q-o-q decrease of MREL as a % of TLOF can be fully explained by the participation in TLTRO III for an amount of 19.5bn EUR in June 2020. Excluding this, MREL would have amounted to 10.0%

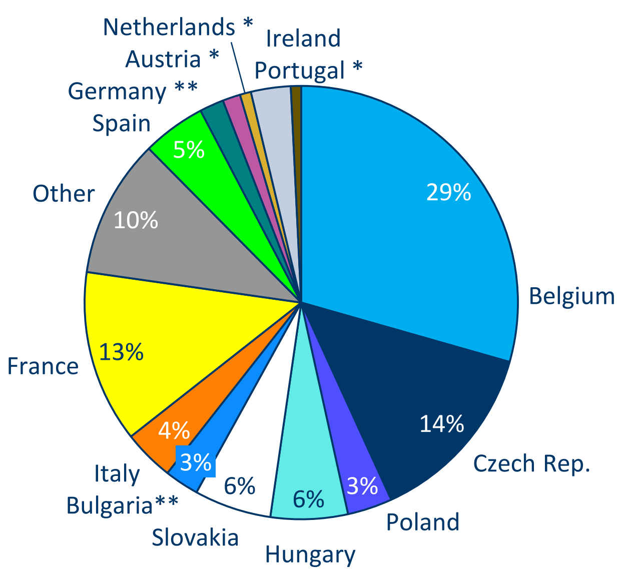
** Hybrid approach*

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

# Government bond portfolio – Notional value

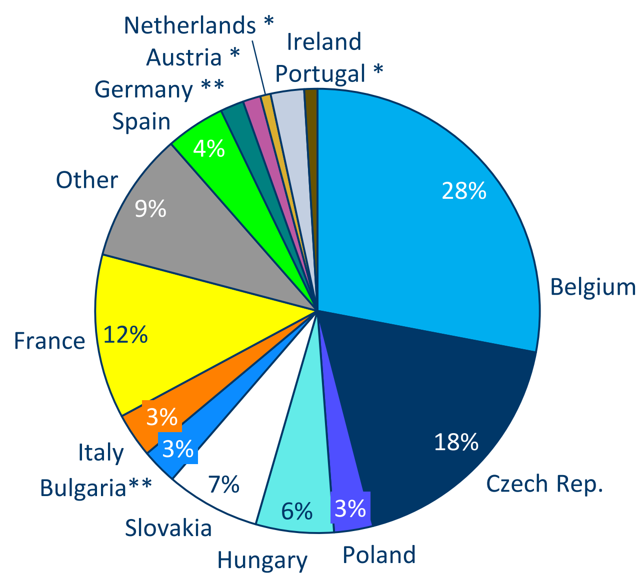
- Notional investment of 50.5bn EUR in government bonds (excl. trading book) at end of 1H20, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Notional value of GIIPS exposure amounted to 5.5bn EUR at the end of 1H20

END OF FY19
(Notional value of 46.1bn EUR)




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

END OF 1H20
(Notional value of 50.5bn EUR)

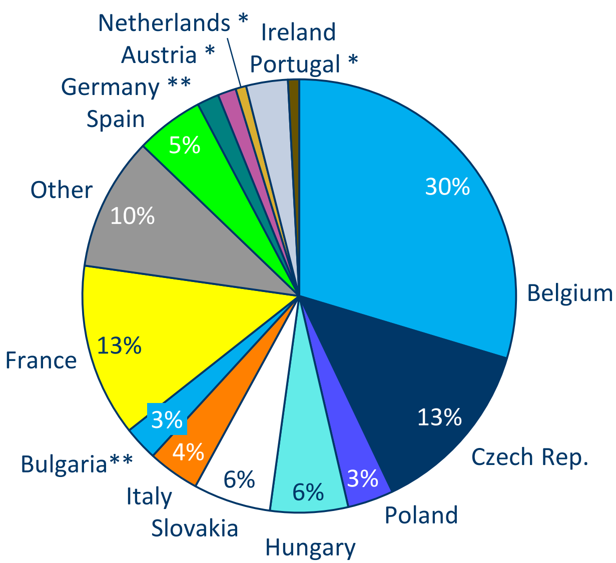



(*) 1%, (**) 2%

# Government bond portfolio – Carrying value

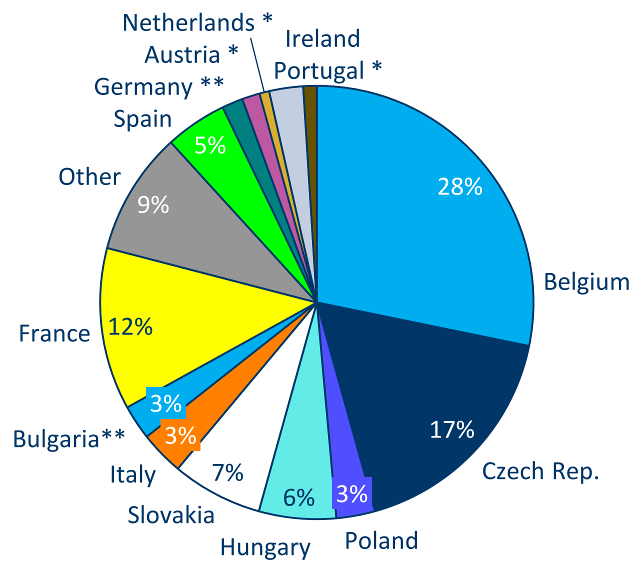
- Carrying value of 54.1bn EUR in government bonds (excl. trading book) at end of 1H20, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- Carrying value of GIIPS exposure amounted to 6.2bn EUR at the end of 1H20

END OF FY19
(Carrying value of 49.4bn EUR)




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

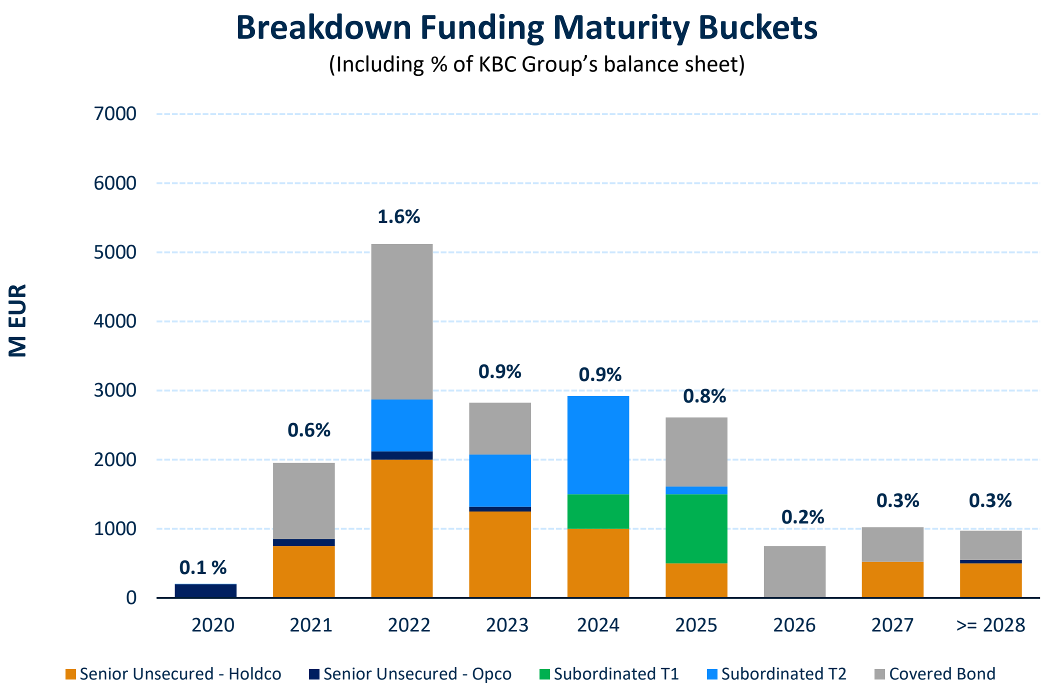
END OF 1H20
(Carrying value of 54.1bn EUR)

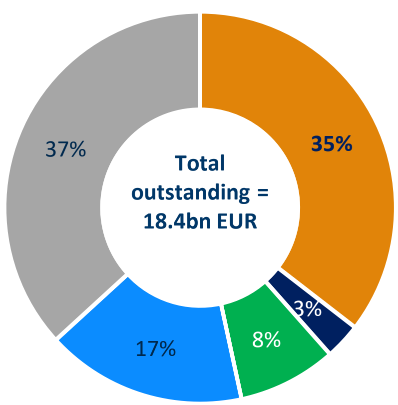



(*) 1%, (**) 2%

* 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




- In May 2020, KBC Bank issued a covered bond for an amount of 1bn EUR with a 5.5 year maturity
- In June 2020, KBC Group issued its second Green senior benchmark for an amount of 500m EUR with a 7 year maturity with call date after 6 years
- In June 2020, KBC Bank participated in TLTRO III for an amount of 19.5bn EUR, which brings the total TLTRO exposure to 21.9bn EUR maturing in 2023

- KBC Bank has 6 solid sources of long-term funding:
  - Retail term deposits
  - Retail EMTN
  - Public benchmark transactions
  - Covered bonds
  - Structured notes and covered bonds using the private placement format
  - Senior unsecured, T1 and T2 capital instruments issued at KBC Group level and down-streamed to KBC Bank

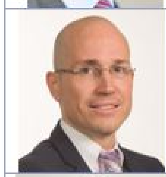
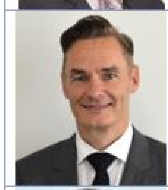
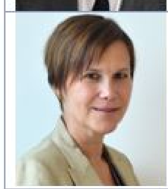
# Glossary (1)

| | |
|---|---|
| **AQR** | Asset Quality Review |
| **B3** | Basel III |
| **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 (banking)** | [operating expenses of the banking activities of the group] / [total income of the banking activities 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:<br>• MtM ALM derivatives (fully excluded)<br>• bank 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)<br>• 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] |
| **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] |

# Glossary (2)

| | |
|---|---|
| **MARS** | Mortgage Arrears Resolution Strategy |
| **MREL** | Minimum requirement for own funds and eligible liabilities |
| **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<br>KBC Group CEO | |
|  | Rik Scheerlinck<br>KBC Group CFO | |
|  | Kurt De Baenst<br>Investor Relations<br>General Manager | Direct + 32 2 429 35 73<br>Mobile +32 472 500 427<br>Kurt.debaenst@kbc.be |
|  | Ilya Vercammen<br>Investor Relations<br>Manager | Direct + 32 2 429 21 26<br>Mobile +32 472 727 777<br>Ilya.vercammen@kbc.be |
|  | Dominique Agneesens<br>Investor Relations<br>Manager | Direct + 32 2 429 14 41<br>Mobile +32 473 657 294<br>Dominique.agneesens@kbc.be |

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