KBC Group / Bank
Debt presentation
May 2021

More infomation: www.kbc.com

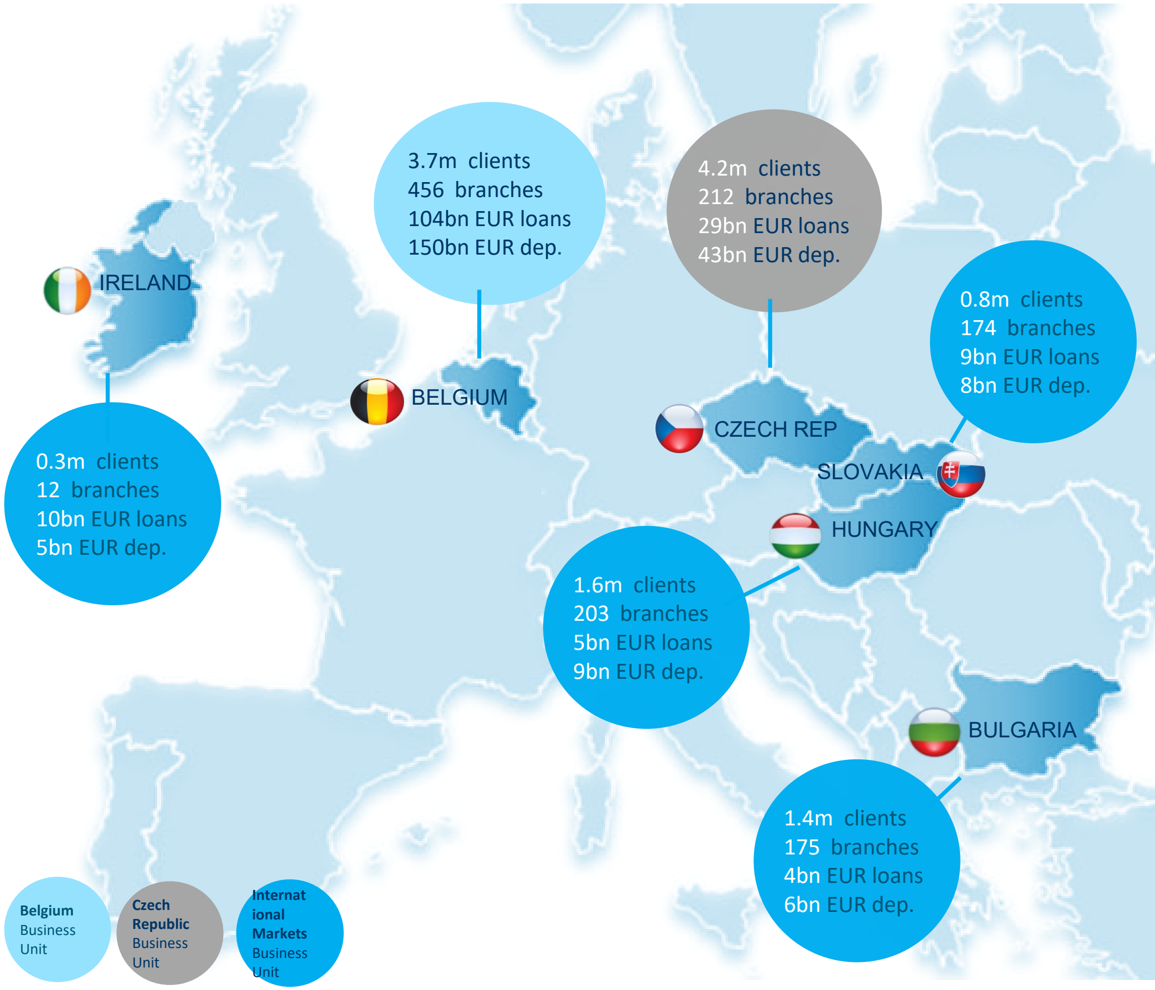
KBC Group - Investor Relations Office – E-mail: IR4U@kbc.be

Important information for investors

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

KBC Passport

Well-defined core markets



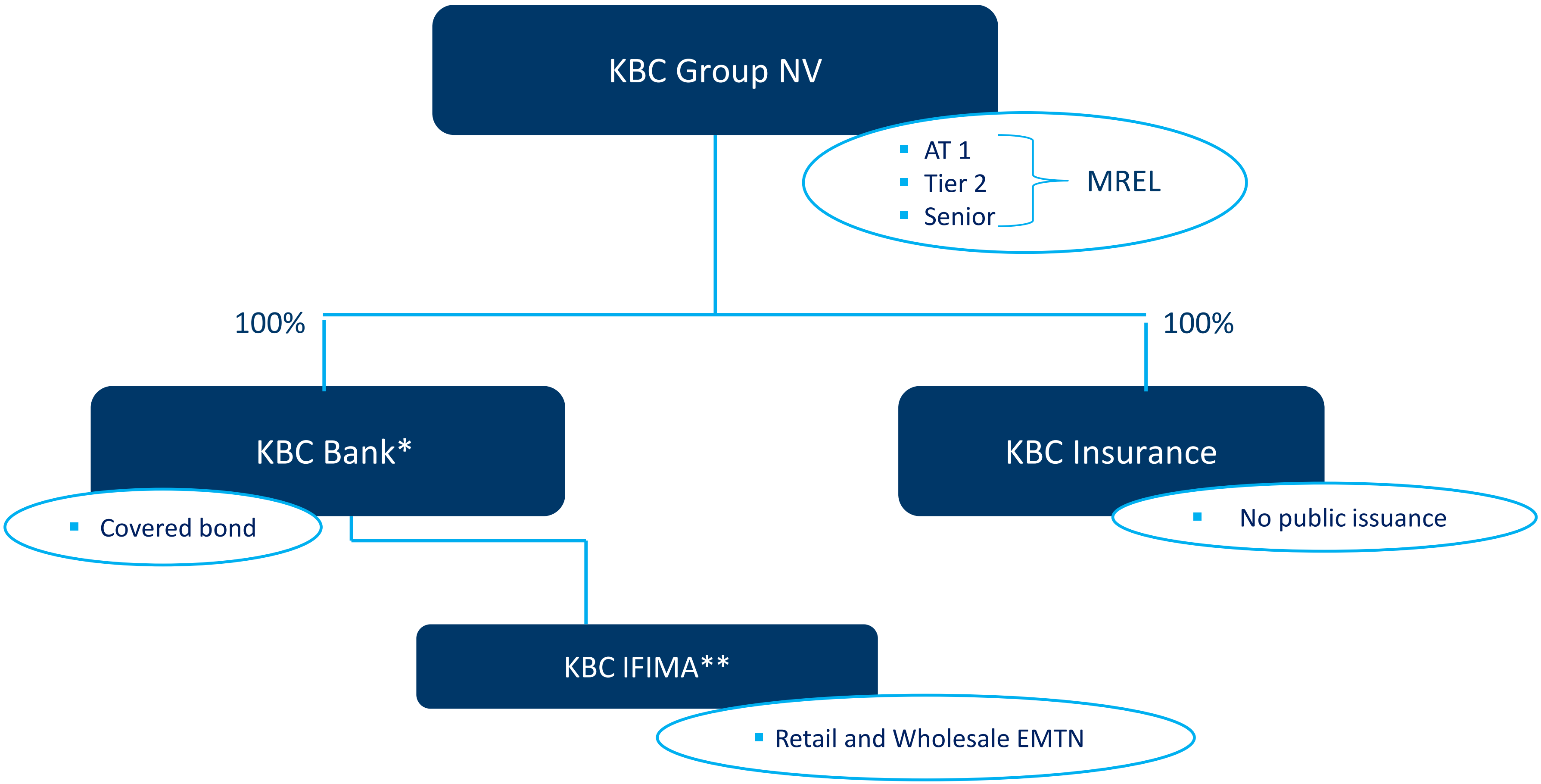
Market share (end 2020)	BE	CZ	SK	HU	BG	IRL
Loans and deposits	19%	21%	12%	11%	10%	8%*
Investment funds	28%	23%	12%	13%	18%	
Life insurance	13%	8%	3%	3%	28%	
Non-life insurance	9%	9%	4%	8%	10%	

Real GDP growth	BE	CZ	SK	HU	BG	IRL
% of Assets	63%	20%	3%	3%	2%	3%
2020	-6.3%	-5.6%	-5.2%	-5.1%	-3.8%	3.4%
2021e	4.1%	3.5%	4.2%	4.2%	3.0%	5.0%
2022e	4.0%	4.6%	4.2%	5.0%	4.0%	4.0%

GDP growth: KBC data, March '21
* Retail segment

KBC Passport

Group's legal structure and issuer of debt instruments

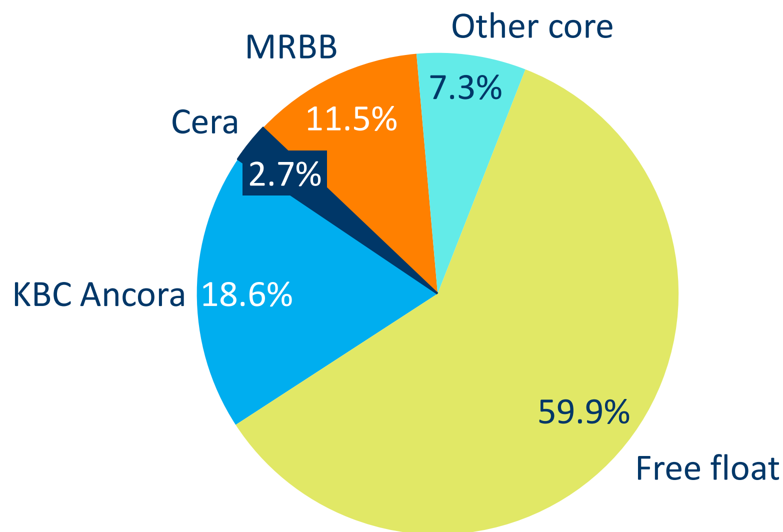


* End of April 2019 the opportunity was taken to simplify the shareholders' structure of KBC AM, the shares of KBC AM held by KBC Group NV (48%) shifted to KBC Bank

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

Contents

SHAREHOLDER STRUCTURE AT END 1Q21



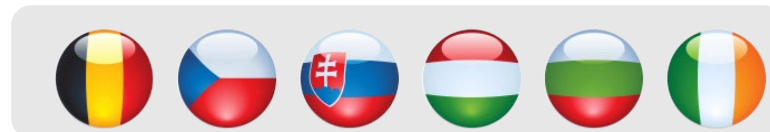
- Roughly 40% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of industrialist families
- The free float is held mainly by a large variety of international institutional investors

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

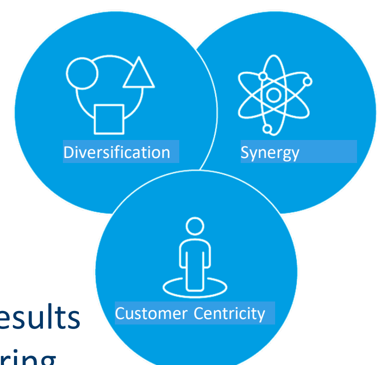


… geographically

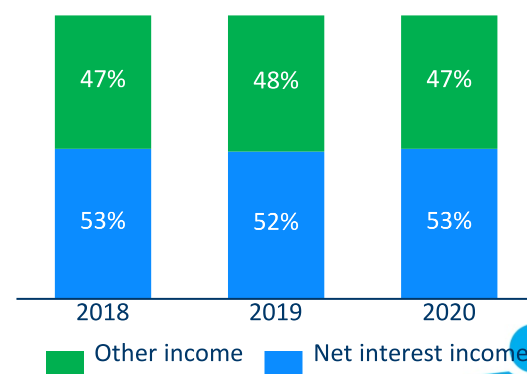
- Mature markets (BE, CZ, IRL) versus developing markets (SK, HU, BG)
- Economies of BE & 4 CEE-countries highly oriented towards Germany, while IRL is more oriented to the UK & US
- Robust market position in all key markets & strong trends in loan and deposit growth

… 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 2018-2020 (in %)



KBC Group in a nutshell (2)

✓ High profitability

C/I ratio*

57%

57%

Combined ratio

85%

90%

Net result

1440m EUR

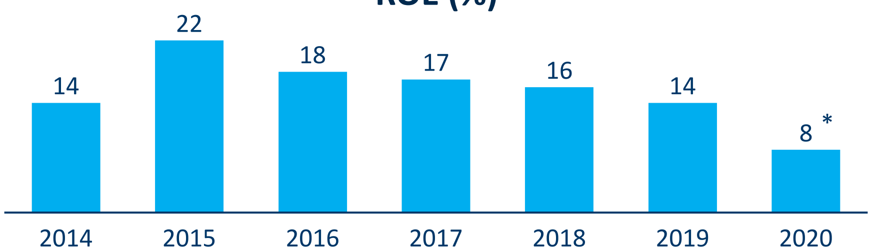
2489m EUR

FY20

FY19

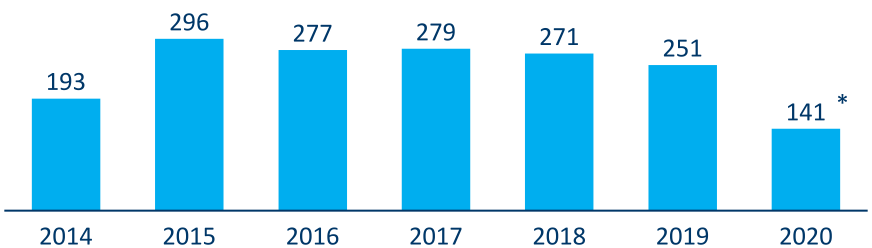
* Adjusted for specific items

ROE (%)



* 11% when adjusted for the collective covid-19 impairments

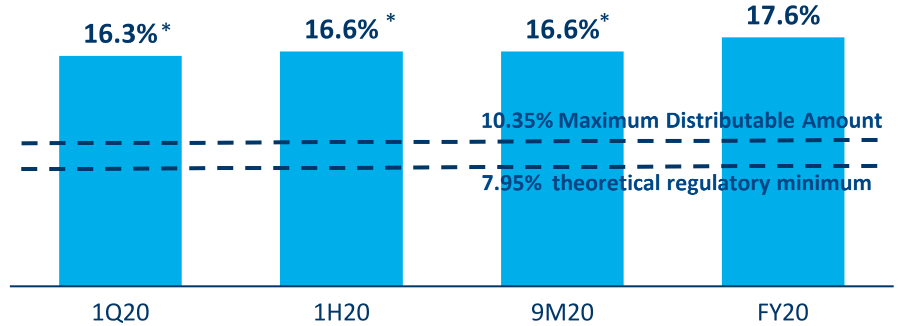
CET1 generation (in bps) before any deployment



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

✓ Solid capital position...

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



* No IFRS interim profit recognition given more stringent ECB approach

✓ ... and robust liquidity positions

NSFR

146%

136%

LCR

147%

138%

FY20

FY19

Differently: the next level

KBC is the reference: The winning factors

Trust

Capitalising on the trust customers place in us today

Customer experience

Providing zero-hassle, no-frills customer experience leveraging our unique strengths on data-security and data-privacy

Straight-through processes

This implies re-design of processes and avoiding to digitise the current ones. Aim is E2E digital processes

Personalised solutions

Using data and AI to offer proactively compelling, relevant and personalised financial solutions

Broad offer

Emphasising our broad financial offer and ensuring these solutions are Bigtech proof (pro-active, convenient & personalised)

Beyond bank-insurance

Staying focused on the financial wellness of our customers and offer services to become embedded in our customer's daily life

Kate, your digital assistant

Hyper personalised and trusted financial digital assistant

PERSONALISED & DATA DRIVEN

The interaction between the customer and Kate will be triggered by data analysis (approval granted by customer). Kate will be trained on the basis of the customer's profile, preferences and activities

RELEVANT & VALUABLE OFFER

Kate will only propose offers where sufficient added value is shown or when she can serve the client in an important moment in the client's live

DIGITAL FIRST & E2E

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

AT THE RIGHT TIME

Lead journeys driven by time or location are preferably taken care of by Kate, as notifications linked to a specific location or specifying moment in time are perceived as highly personal

SERVING: SECURE & FRICTIONLESS

Kate will help the client saving time and/or money, focusing more on the convenience factor. Kate will also serve the client regarding security and fraud

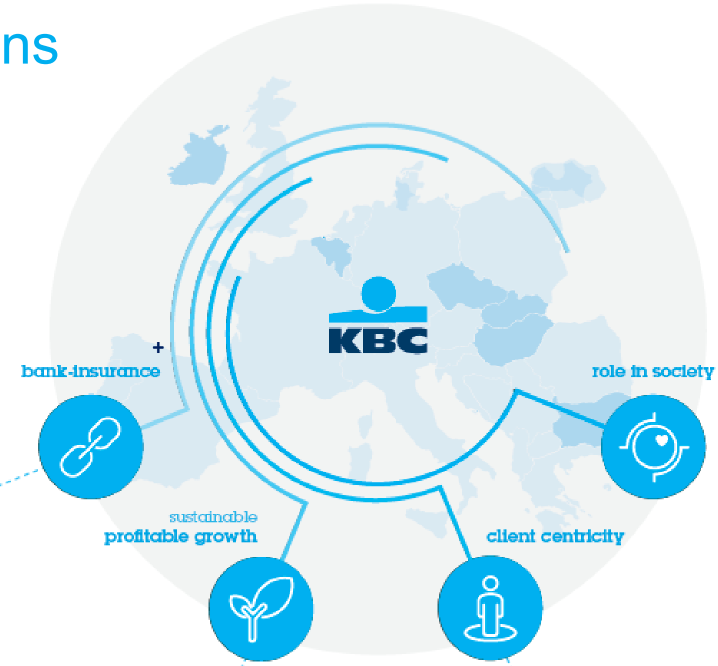
VOLUME

We want all our clients to meet Kate as much as possible. Kate will allow us to reach out to a sufficient volume of clients, in terms of transactions and in terms of number of targetable audience

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

KBC

The strong basis remains



We diversify our income

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

We build our future capabilities

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

pearl +

We think local. We create together

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

We embrace artificial intelligence

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

We partner

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

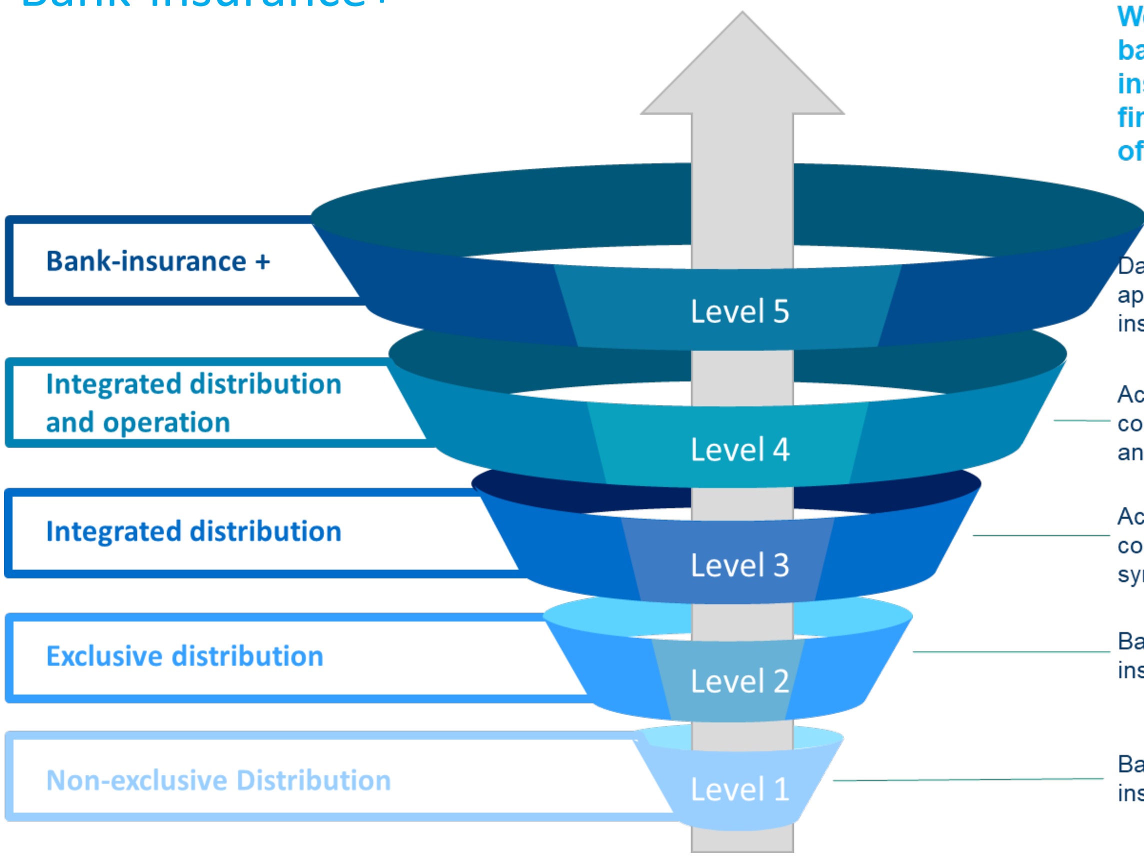
We think client. We act digital

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

Differently: the next level

Bank-insurance+

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



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

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

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

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

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

Introducing 4 new operational targets (1)

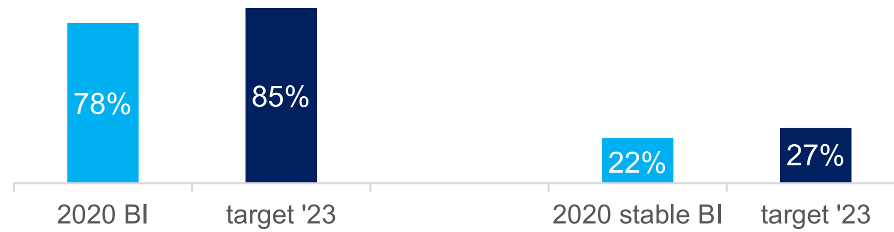
Customer NPS ranking

- ➢ Target is to remain the reference (top-2 score on group level)

Based on weighted avg of ranking in six core countries

* Based on the latest available data.

% bank-insurance (BI) clients



- ➢ ≥85% of active customers to be BI customers
- ➢ ≥27% of active customers to be stable BI customers

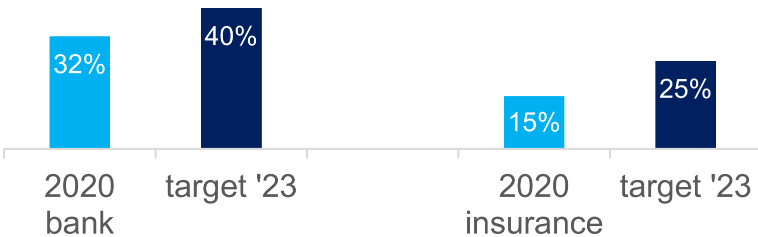
BI customers have at least 1 bank + 1 insurance product of our group.
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Differently: the next level

Translating strategy into non-financial targets

Introducing 4 new operational targets (2)

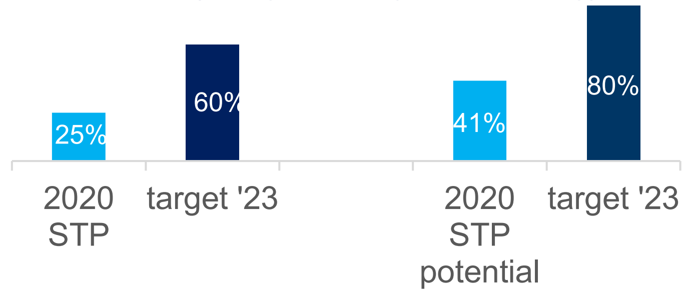
% digital sales
(bank / insurance)



- Digital sales ≥40% of bank sales
- Digital sales ≥25% of insurance sales

Based on weighed avg of selected core products

STP score*
(straight through processing)



- STP ≥60% and STP potential ≥80%

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

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

* Based on analysis of core commercial products.

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

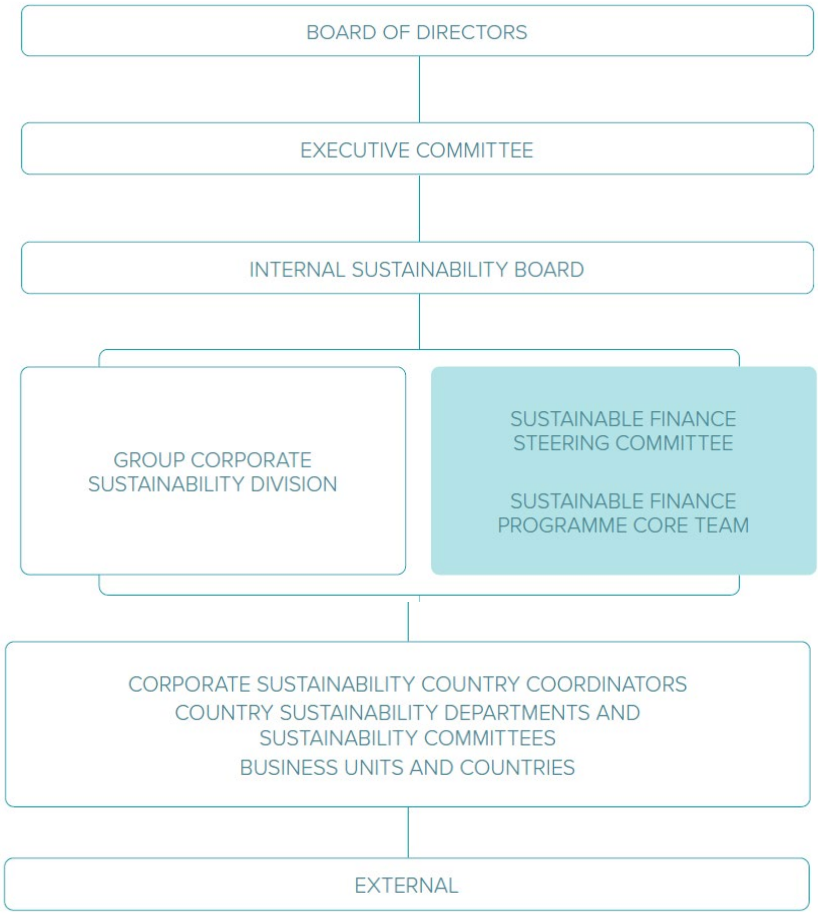
We are focusing on areas in which we, as a bank-insurer, can create added value: financial literacy, entrepreneurship, environmental awareness and longevity and/or health. In doing so, we take into account the local context of our different home markets. Furthermore, we also support social projects that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

Our sustainability governance

Sustainability embedded in our organization



- **Top level responsibility** for sustainability and climate strategy
  - The **Executive committee** has the highest level of direct responsibility for sustainability and climate change and reports on it to the **Board of Directors**
  - **Direct responsibility of the Group CEO and Group CFO** for sustainability and climate as chairman in the different governance bodies
- Nomination of **country coordinators in all our core markets** to effectively implement centrally-decided strategies, senior representation of all core countries in **Internal Sustainability Board.**
- Specific **Sustainable Finance Programme** to integrate our policy on climate change and climate action plan within the group
- **External advisory boards** to advise and challenge us on our sustainable strategy

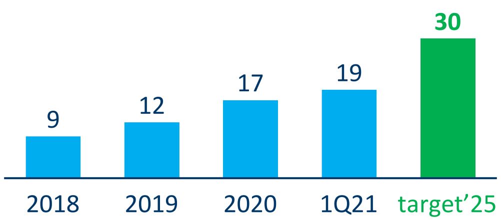
- **Sustainability integrated into our remuneration policy:**
  - The variable remuneration of **Executive Committee members** is linked to - amongst others - progress made in the area of sustainability. The Board of Directors, through its Remuneration Committee, assesses the criteria for evaluating the members of the Executive Committee in this respect
  - At least 10% of the variable remuneration received by **senior management** depends on the achievement of individual targets agreed in advance as part of the group's sustainability strategy, including our climate policy
  - The non-recurrent results-based bonus KBC pays its **employees** in Belgium has been partially linked to our direct footprint target – reducing paper consumption – but also to employee development (training days, digitality and progress management) and to cybersecurity (phishing tests)

Our sustainability ambitions

We substantially raise the bar for our climate-related ambitions

Volume of SRI Funds

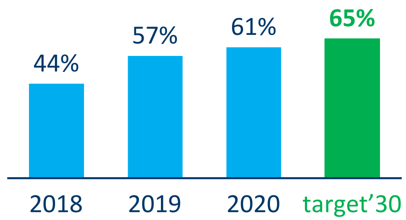
(In billions of EUR)



- Almost doubling of SRI funds by '25 (vs 2020)
- SRI funds ≥ 50% of new fund production by '21
- *During 2021 KBC will re-evaluate this target and its definition of SRI funds in line with the new EU Sustainable Finance Disclosure Regulation (SFDR).*

Renewable energy loans

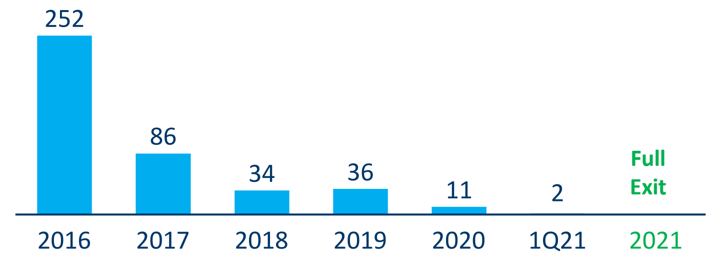
(In % of total energy-sector loan portfolio)



- Target raised from 50% to 65% by '30

Direct coal-related finance

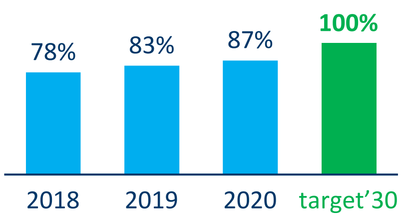
(In millions of EUR)



- Proven track record in building down direct coal exposure
- Firm commitment to exit coal, supporting existing clients in their transition. In order to remain eligible for any kind of financing, the related client must commit not to engage into any new coal project and must submit a coal-phase-out plan

Green electricity

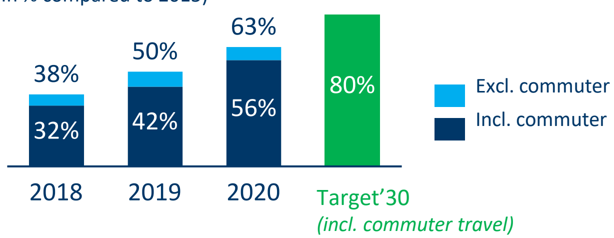
(In % of own electricity consumption)



- Target raised from 90% to 100% by '30

Reduction own GHG emissions (incl. commuter travel)

(In % compared to 2015)



- Target reduction of own emissions raised from 65% to 80% by '30
- KBC will achieve full climate neutrality as of the end of 2021 by offsetting the balance

Our ESG ratings:	Latest Score *(End of April 2021)*
CDP	A - Leadership
FTSE4Good	4.7/5
ISS ESG	C Prime
MSCI	AAA
Sustainalytics	Low Risk (16.0): 4th percentile of 388 diversified banks *(risk view)*
S&P Global - RobecoSAM	85^{th} percentile of 253 banks assessed (within top 15%)
Vigeo Eiris	Not publicly available

Sustainable finance

Our commitment to contribute to a sustainable society

Sustainable finance (*) (KBC Group, in millions of euros)	2019	2020
Green finance		
Renewable energy and biofuel sector	1 768	1 840
Green mortgages*		8 817
Social finance		
Health care sector	5 783	6 085
Education sector	975	1 031
Socially Responsible Investments		
SRI funds under distribution	12 016	16 780
Total	**20 542**	**34 553**

(*) from 2020 we extended the overview with the green mortgage volumes of Belgium, Czech Republic, Slovakia and Ireland. This amount covers newly built houses and apartments of our outstanding mortgage loans with energy labels A and B (based on the EU's Energy Performance of Buildings Directive)

Green products and business solutions :

- **Business solutions to promote energy efficiency in buildings, industrial processes and mobility**, e.g.: programmes to help companies prepare for energy audits and a sustainable transition, EIB loan for SMEs to finance climate-improving investments at discounted interest rate, green car loan and lease products, bicycle leasing, mobility services through mobile apps, etc.
- Regarding **social finance** we have specific departments that guide social profit institutions and local authorities in areas such as payments, asset management and financing solutions
- SRI as a **key focus area** of our sustainability strategy:
    - Belgian ***Towards Sustainability*** quality label for all our SRI funds
    - Clear **targets**: volume of SRI and % of new production (first offer and preferred investment solution)
    - **Strict exclusion criteria** on top of general exclusion policies for conventional funds
    - **Positive impact** by investing in companies and countries that score well on sustainability
    - **SRI Advisory Board** = external panel of **independent** experts

For the sustainability report of 2020, we refer to the KBC.COM website

Our sustainability strategy

Our commitment to the climate, following the 'double materiality' approach

FINANCIAL MATERIALITY*

Committed to manage the impact of climate change on our company

ENVIRONMENTAL & SOCIAL MATERIALITY

Committed to manage the direct and indirect impact of our company on climate

- **Impact on our business** as a financial institution, in the shape of both **transition and physical risks and opportunities** arising from climate change

- **Direct environmental impact** through our own operations
- **Indirect impact on the climate** through financing, investing and insuring other parties who could have a direct impact on the climate

- We are committed to **manage our direct environmental impact** and we have substantially raised our ambitions in relation to our direct environmental footprint
- We apply **strict sustainability policies** with respect to human rights, environment, climate and biodiversity, business ethics and sensitive/ controversial societal issues. KBCs sustainability policies **are regularly reviewed**, i.e. at least every two years or more frequently if necessary, and challenged by independent experts in various domains (External Sustainability Board)
- **Updated strategies on the most carbon-intensive industrials sectors and product-lines** (5 out of 11 assessed in 2020) of our lending book. First results and new & updated targets where relevant are presented in so-called **white papers** for the *energy*, *commercial real estate* and *agriculture* sectors, as well as for the following product lines: *mortgage loans* and *car leasing*
- **Ongoing methodological tracks** to understand the potential financial impact of climate-related transition risks on our lending and investment activities and implement new measuring instruments. Based on these methodologies, KBC will be able to publish clear quantitative targets by the end of 2022, in line with the Paris Agreement
- We report on our ongoing climate actions in accordance with **the four pillars of the TCFD Framework** and in line with our commitment to the **Collective Commitment to Climate Action**

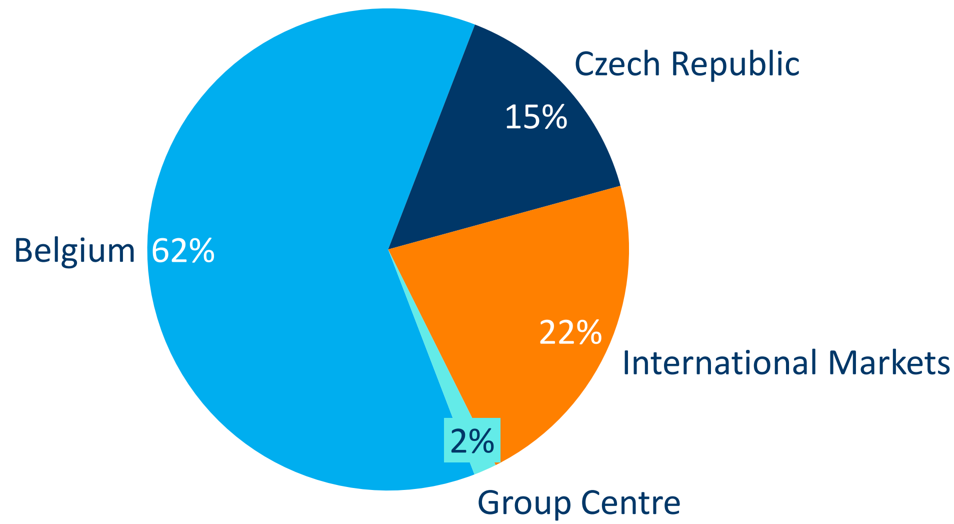
PCAF Partnership for Carbon Accounting Financials | UNEP FINANCE INITIATIVE | PACTA Paris Agreement Capital Transition Assessment | Trucost ESG Analysis** S&P Global | TCFD | Collective Commitment to Climate Action

* *Financial materiality is used here in the broad sense of affecting the value of the company, not just in the sense of affecting financial measures recognised in the financial statements.*

*** S&P Trucost Limited © Trucost 2021*

Contents

BREAKDOWN OF ALLOCATED CAPITAL BY BUSINESS UNIT AS AT 31 March 2021



1Q 2021 key takeaways

1Q21 financial performance

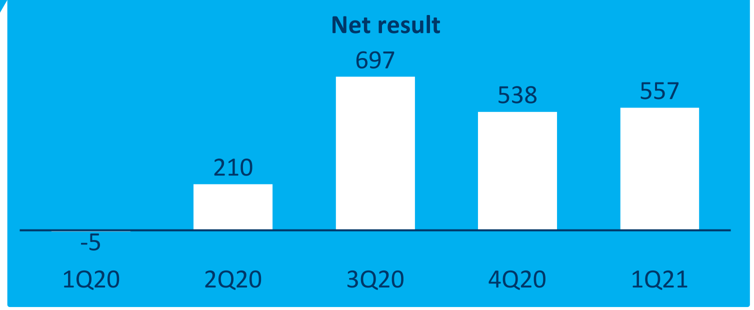
- **Commercial bank-insurance franchises** in core markets performed very well
- **Customer loans** and **customer deposits** increased y-o-y in most of our core countries
- Higher **net interest income** and net interest margin
- Higher **net fee and commission income**
- Higher **net gains from financial instruments at fair value** and higher **net other income**
- Higher sales of **non-life** and **life** insurance y-o-y
- Strict **cost** management, but higher bank taxes (recognized upfront)
- Net **impairment releases**
- Solid **solvency** and **liquidity**

Comparisons against the previous quarter unless otherwise stated

Excellent net result of 557m EUR in 1Q21

1Q21

- **ROE 16%***
- **Cost-income ratio excluding bank taxes 46%**
- **Combined ratio 78%**
- **Credit cost ratio -0.17% (-0.11% without collective Covid-19 impairments**)**
- **Common equity ratio 17.6%** (B3, DC, fully loaded)
- **Leverage ratio 5.8%** (fully loaded)
- **NSFR 148% & LCR 157%**

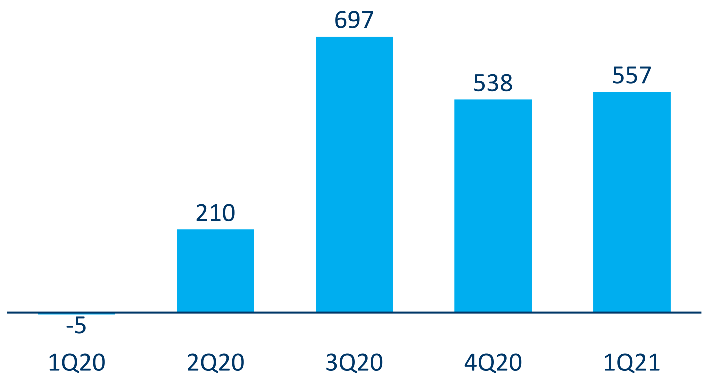


* when evenly spreading the bank tax throughout the year

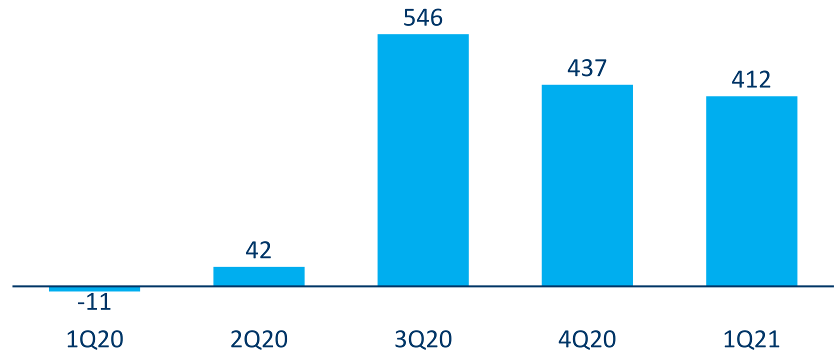
** Collective Covid-19 impairments lowered from 783m EUR at end 2020 to 757m EUR at end 1Q21

Net result at KBC Group

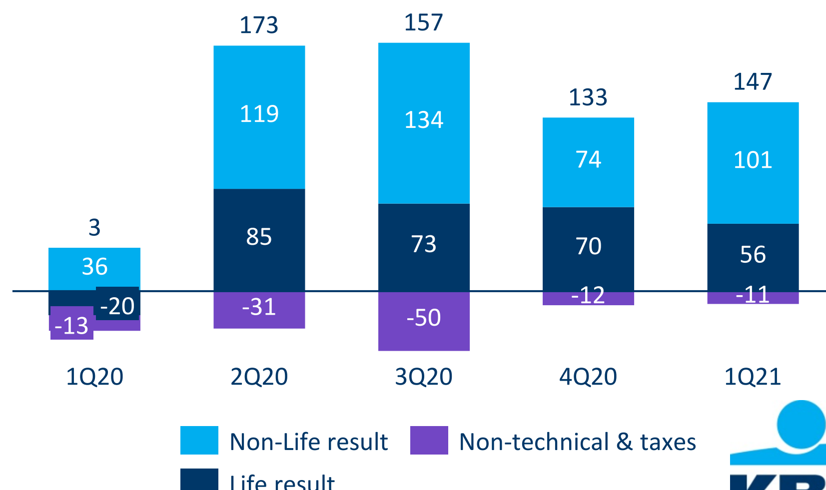
NET RESULT AT KBC GROUP*



CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP NET RESULT*

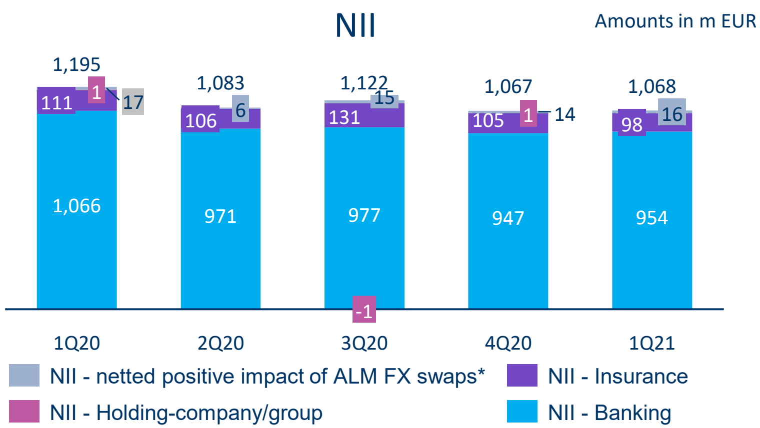


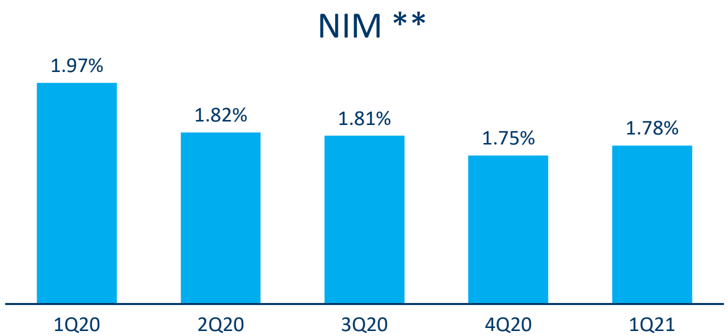
CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP NET RESULT*



* 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

Higher net interest income and net interest margin





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

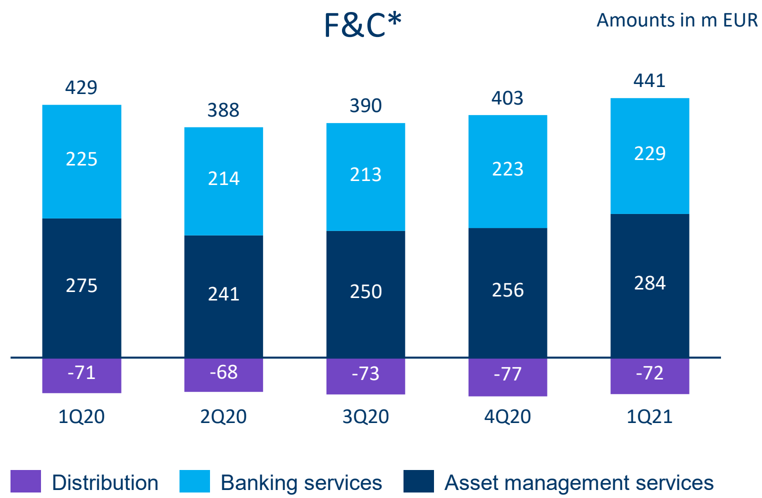
- **Net interest income (1,068m EUR)**
  - NII increased by 1% q-o-q excluding the positive one-off item at NII insurance of 5m EUR in 4Q20
  - NII banking increased by 1% q-o-q, driven primarily by:
    - organic loan volume growth
    - higher margin on new production mortgages than the margin on the outstanding portfolio in Belgium and Slovakia
    - intensified charging of negative interest rates on certain current accounts to corporates and SMEs
    - lower funding costs
    - +7m EUR NII due to the consolidation of OTP SK (as of 1Q21)
    - appreciation of the CZK versus the EUR
    - slightly higher netted positive impact of ALM FX swaps

    partly offset by:
    - lower reinvestment yields
    - lower number of days (-15m EUR q-o-q)
  - The 11% y-o-y NII decrease was mainly the result of the CNB rate cuts, the depreciation of the CZK & HUF versus the EUR, the negative impact of lower reinvestment yields and a 12m EUR positive one-off in 1Q20
- **Net interest margin (1.78%)**
  - Increased by 3 bps q-o-q and decreased by 19 bps y-o-y for the reasons mentioned above

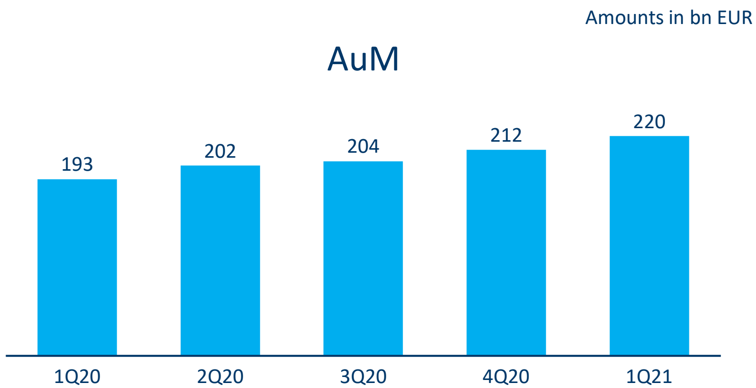
ORGANIC VOLUME TREND	Total loans**	o/w retail mortgages	Customer deposits***	AuM	Life reserves
Volume	161bn	73bn	232bn	220bn	28bn
Growth q-o-q*	+1%	+1%	+8%	+4%	+1%
Growth y-o-y	+1%	+8%	+10%	+14%	+3%

* 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 +4% q-o-q and +12% y-o-y**

Higher net fee and commission income



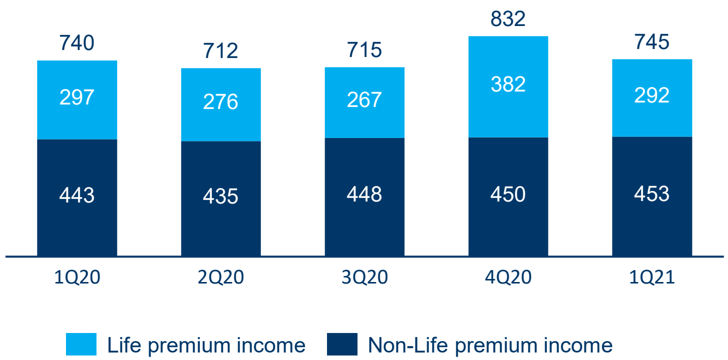
* The building blocks of the 2020 F&C figures were restated, resulting in a shift of roughly 5m EUR per quarter from Banking services to Asset Management services, related to F&C income from CSOB CZ Pension company



- **Net fee and commission income (441m EUR)**
  - Up by 9% q-o-q and by 3% y-o-y
  - Q-o-q increase was the result of the following:
    - Net F&C income from Asset Management Services increased by 11% q-o-q as a result of higher management fees and entry fees from mutual funds and unit-linked life insurance products
    - Net F&C income from banking services rose by roughly 3% q-o-q as higher securities-related fees and higher network income were partly offset by lower fees from payment services (partly seasonal effect, partly due to stricter Covid-19 lockdowns) and lower fees from credit files & bank guarantees. Note that the consolidation of OTP SK (as of 1Q21) contributed 2m EUR
    - Distribution costs fell by 5% q-o-q due chiefly to lower commissions paid linked to banking products and decreased life insurance sales
  - Y-o-y increase was mainly the result of the following:
    - Net F&C income from Asset Management Services rose by 3% y-o-y as a result of higher management fees, partly offset by lower entry fees
    - Net F&C income from banking services increased by 2% y-o-y (+3% y-o-y excluding FX effect) driven mainly by higher securities-related fees, higher network income and higher fees from credit files & bank guarantees, partly offset by lower fees from payment services
    - Distribution costs rose by 3% y-o-y
- **Assets under management (220bn EUR)**
  - Increased by 4% q-o-q due to net inflows (+1%) and a positive price effect (+3%)
  - Increased by 14% y-o-y due almost entirely to a positive price effect

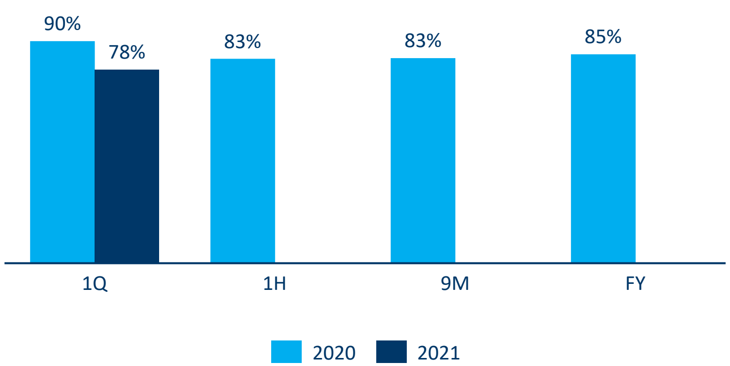
Insurance premium income up y-o-y and excellent combined ratio

PREMIUM INCOME (GROSS EARNED PREMIUMS)



- **Insurance premium income** (gross earned premiums) **at 745m EUR**
  - Non-life premium income (453m EUR) increased by 2% y-o-y
  - Life premium income (292m EUR) fell by 24% q-o-q and by 2% y-o-y

COMBINED RATIO (NON-LIFE)

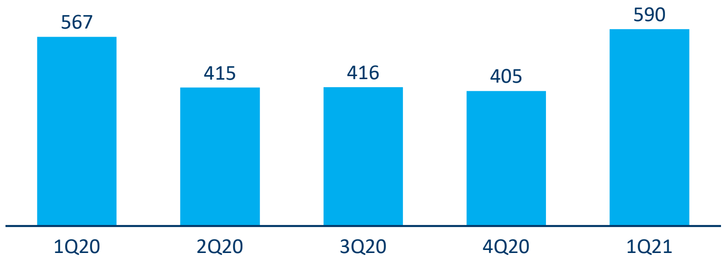


- The non-life **combined ratio** for 1Q21 amounted to an excellent **78%** (90% in 1Q20). This is the result of 2% y-o-y earned premium growth combined with 17% y-o-y lower technical charges. The latter was due mainly to lower storm claims (6m EUR in 1Q21 compared with 51m EUR in 1Q20) and lower normal claims (especially in 'Motor', due largely to Covid-19), partly offset by higher major claims (especially in 'General third-party liability')

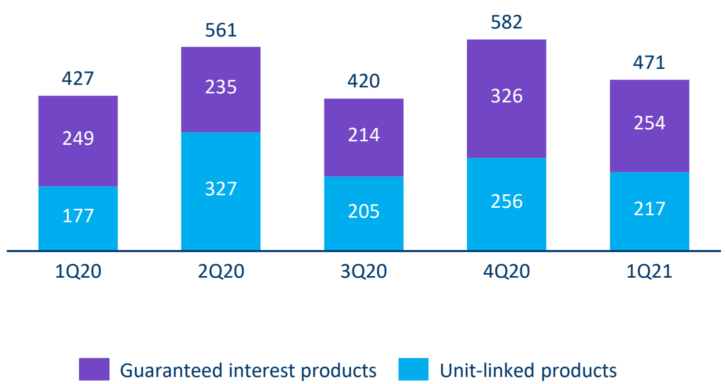
Amounts in m EUR

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

NON-LIFE SALES (GROSS WRITTEN PREMIUM)



LIFE SALES

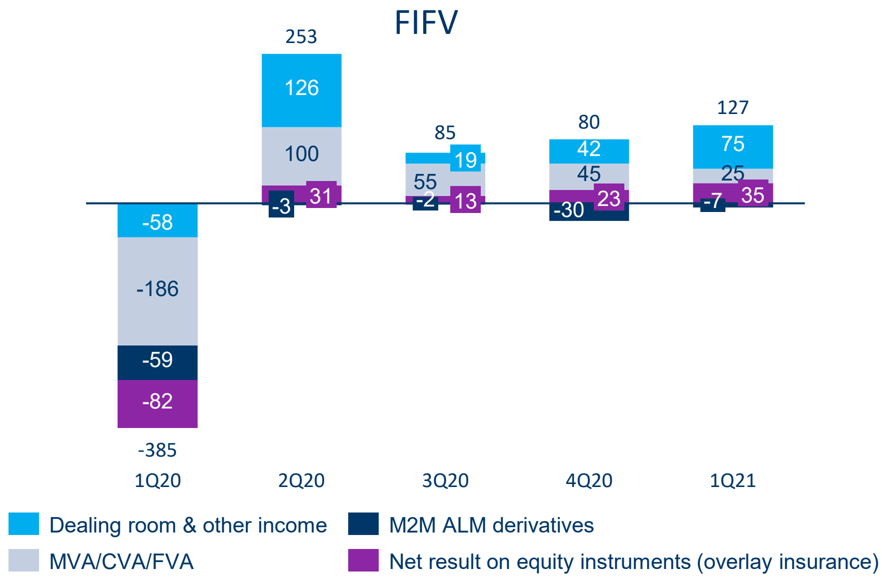


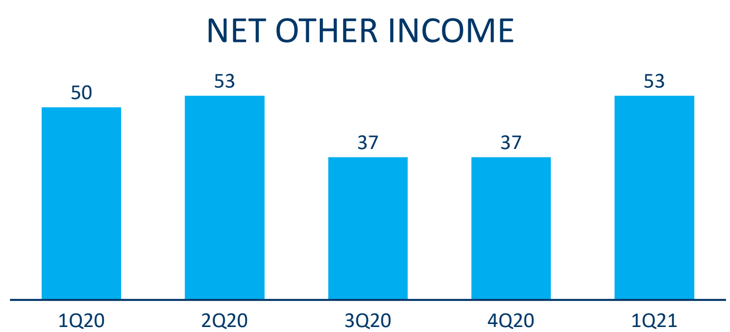
Amounts in m EUR

- **Sales of non-life insurance products**
  - Up by 4% y-o-y chiefly in classes 'Fire', 'General third-party liability' and 'Workmen's compensation'

- **Sales of life insurance products**
  - Decreased by 19% q-o-q and increased by 10% y-o-y
  - The q-o-q decrease was driven by both lower sales of guaranteed interest products in Belgium (attributable chiefly to traditionally higher volumes in tax-incentivised pension savings products in 4Q20) and unit-linked products in Belgium and the Czech Republic
  - The y-o-y increase was driven mainly by higher sales of unit-linked products in Belgium (chiefly due to the strong performance in Private Banking and CBC in 1Q21)
  - Sales of unit-linked products accounted for 46% of total life insurance sales in 1Q21

Higher FIFV and higher net other income





Amounts in m EUR

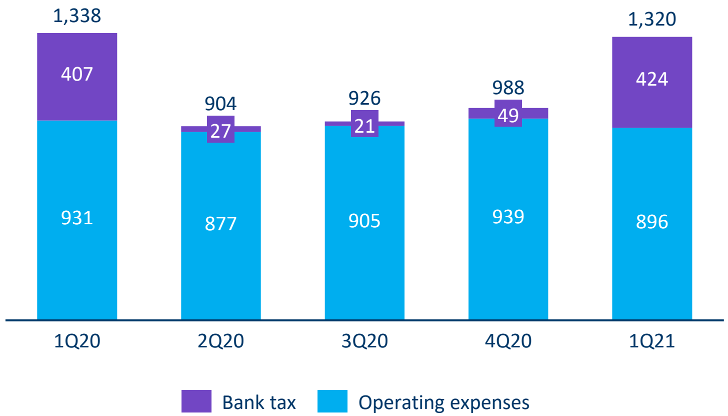
- The q-o-q increase in **net gains from financial instruments at fair value** was attributable mainly to:
  - higher dealing room & other income
  - a positive change in ALM derivatives
  - a higher net result on equity instruments (insurance)

  partly offset by:
  - lower credit and funding value adjustments due to stable counterparty credit and KBC funding spreads in 1Q21 versus decreasing counterparty credit and KBC funding spreads in 4Q20, which more than offset the effect of lower derivative exposures (increasing yield curve) and higher market value adjustments
    - FVA: 8m EUR (-10m EUR q-o-q)
    - CVA: 18m EUR (-13m EUR q-o-q)
    - MVA: -2m EUR (+2m EUR q-o-q)

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

Strict cost management, higher bank taxes

OPERATING EXPENSES



Amounts in m EUR

BANK TAX SPREAD IN 2021 (PRELIMINARY)**

	TOTAL	Upfront	Spread out over the year			
	1Q21	1Q21	1Q21	2Q21e	3Q21e	4Q21e
BE BU	**311**	311	0	0	0	0
CZ BU	**50**	50	0	0	0	0
Hungary	**44**	25	18	21	22	23
Slovakia	**6**	3	3	0	0	1
Bulgaria	**9**	9	0	0	0	0
Ireland	**4**	3	1	1	1	20
GC	**0**	0	0	0	0	0
TOTAL	**424**	**402**	**22**	**22**	**23**	**44**

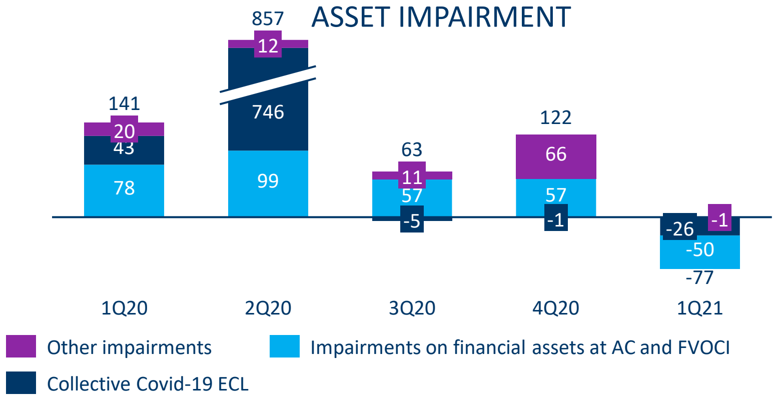
- **The C/I ratio excluding bank taxes amounted to 46% in 1Q21**
- Operating expenses excluding bank taxes decreased by 5% q-o-q primarily as a result of:
  - lower staff expenses
  - seasonally lower marketing costs and professional fees

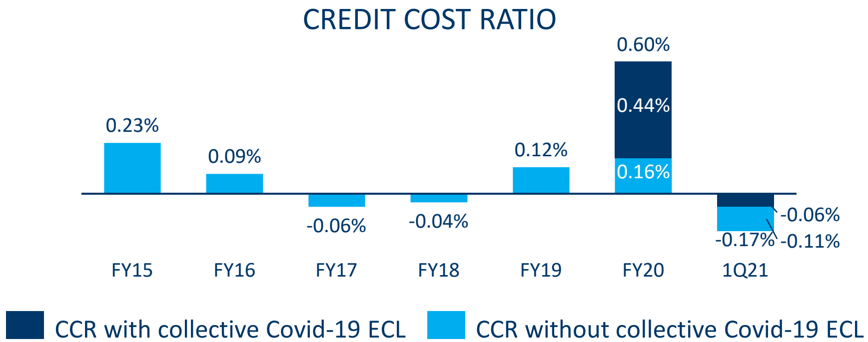
  partly offset by:
  - 8m EUR costs due to the consolidation of OTP SK (as of 1Q21)
  - appreciation of the CZK versus the EUR
- Operating expenses excluding bank taxes decreased by 4% y-o-y due chiefly to:
  - lower staff expenses (despite consolidation of OTP SK in 1Q21)
  - cost savings triggered by Covid-19, such as lower marketing & facilities costs and lower professional fees
  - lower software depreciations
  - depreciation of the CZK & HUF versus the EUR
- Cost/income ratio (group) adjusted for specific items* at 53% in 1Q21 (57% in FY20). Cost/income ratio (group): 68% in 1Q21, distorted by bank taxes
- **Our FY21 guidance for opex excluding bank taxes remains unchanged: +2% y-o-y like-for-like**
- Total bank taxes (including ESRF contribution) are expected to increase by 2% y-o-y to 512m EUR in FY21

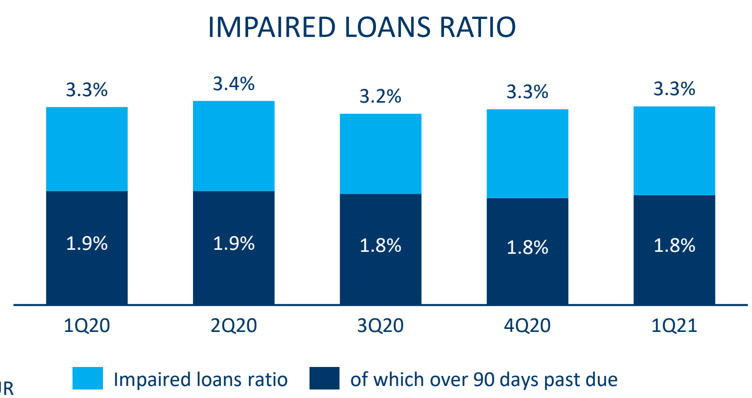
* See glossary (slide 95) for the exact definition

** Still subject to changes

Net impairment releases and excellent credit cost ratio







Amounts in m EUR

- **Net impairment releases**
  - Next to a 26m EUR reversal of collective Covid-19 ECL (lowering the total collective Covid-19 impairments from 783m EUR at end 2020 to 757m EUR at end 1Q21), 1Q21 also benefited from impairment releases in some corporate files in Belgium and the Czech Republic
  - 1m EUR impairment release on ‘other’

- The **credit cost ratio in 1Q21** amounted to:
  - -11 bps (16 bps in FY20) without collective Covid-19 ECL
  - -17 bps (60 bps in FY20) with collective Covid-19 ECL

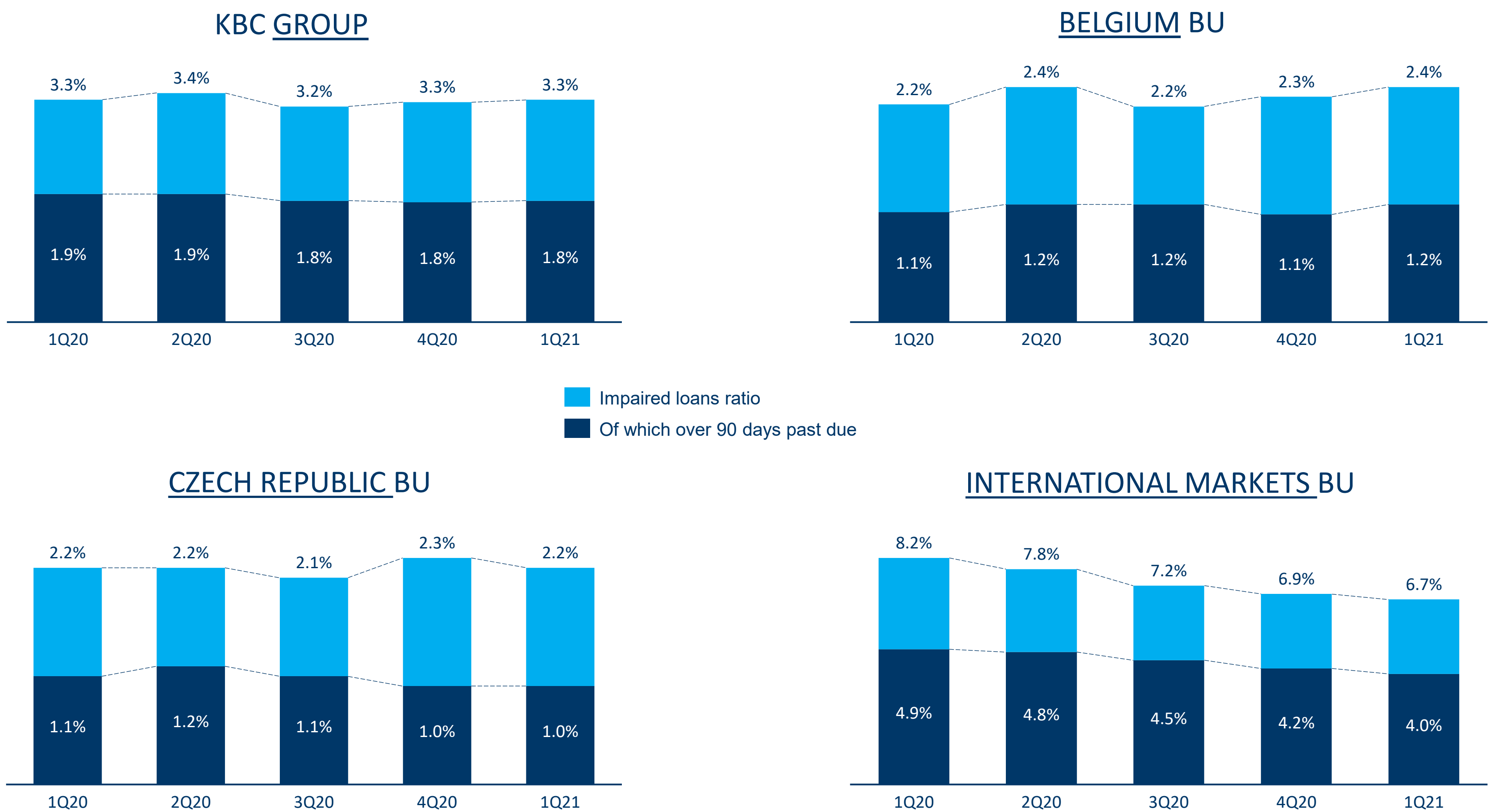
- The **impaired loans ratio** amounted to 3.3%, 1.8% of which over 90 days past due

Loan loss experience at KBC

	1Q21 CREDIT COST RATIO	FY20 CREDIT COST RATIO	FY19 CREDIT COST RATIO	FY18 CREDIT COST RATIO	FY17 CREDIT COST RATIO	AVERAGE '99 –'20
Belgium	**-0.21%**	0.57%	0.22%	0.09%	0.09%	n/a
Czech Republic	**-0.16%**	0.67%	0.04%	0.03%	0.02%	n/a
International Markets	**0.00%**	0.78%	-0.07%	-0.46%	-0.74%	n/a
Group Centre	**-0.09%**	-0.23%	-0.88%	-0.83%	0.40%	n/a
Total	**-0.17%**	**0.60%**	**0.12%**	**-0.04%**	**-0.06%**	**0.43%**

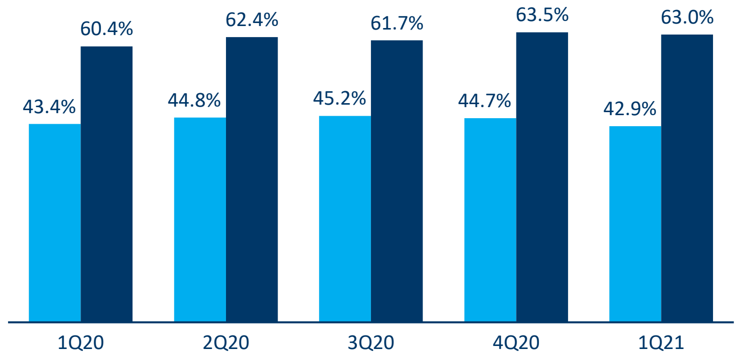
Credit cost ratio: amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

Impaired loans ratios, of which over 90 days past due

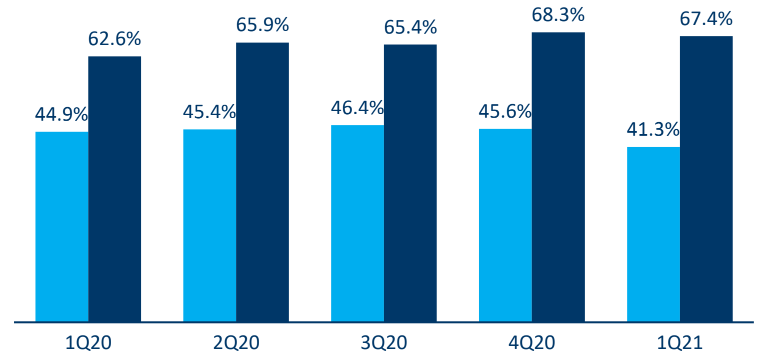


Cover ratios

KBC GROUP



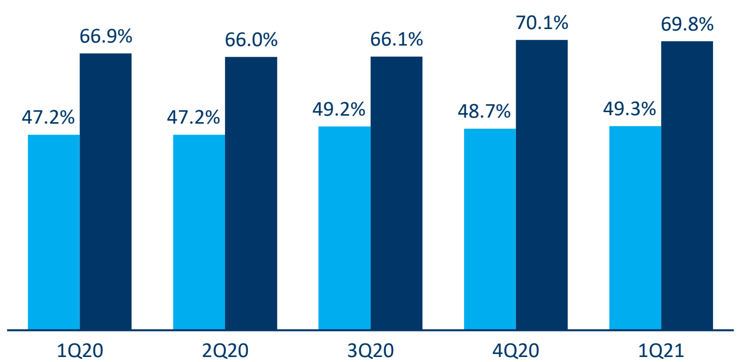
BELGIUM BU



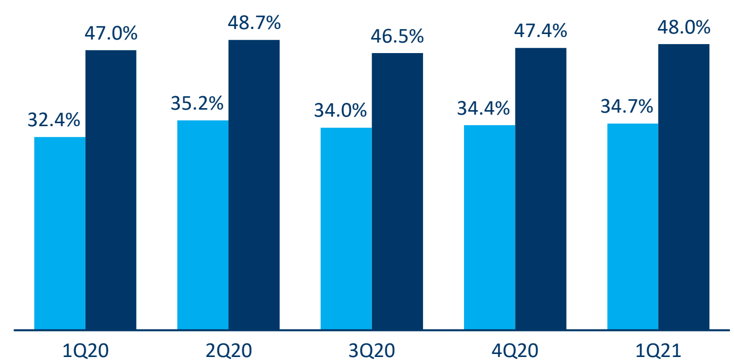
Impaired loans cover ratio

Cover ratio for loans with over 90 days past due

CZECH REPUBLIC BU



INTERNATIONAL MARKETS BU

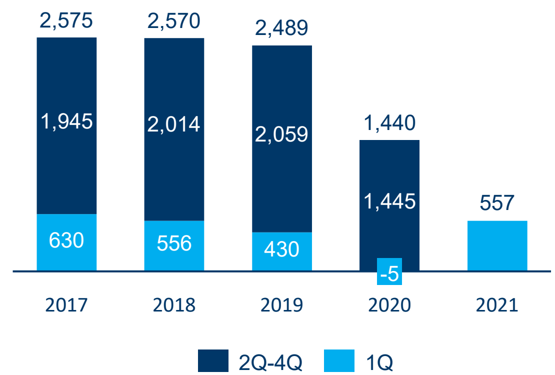


Overview of contribution of business units to 1Q21 result

Amounts in m EUR

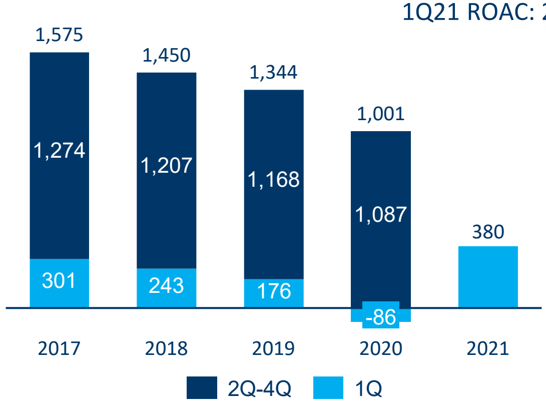
NET PROFIT – **KBC GROUP**

1Q21 ROAC: 19%



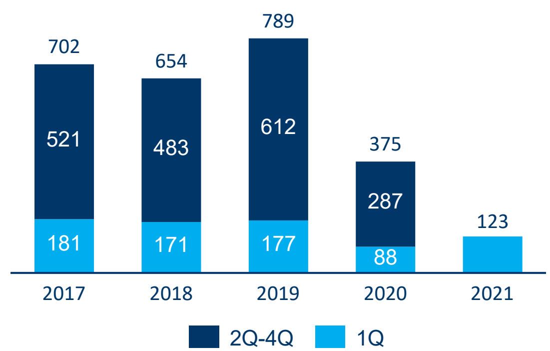
NET PROFIT – **BELGIUM**

1Q21 ROAC: 21%



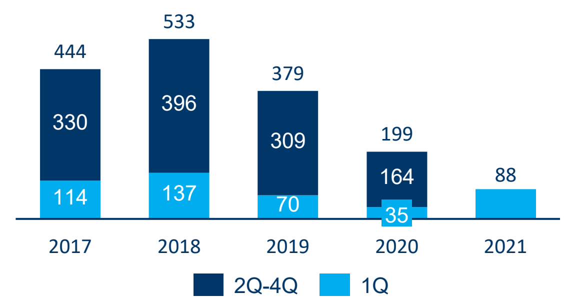
NET PROFIT – **CZECH REPUBLIC**

1Q21 ROAC: 28%



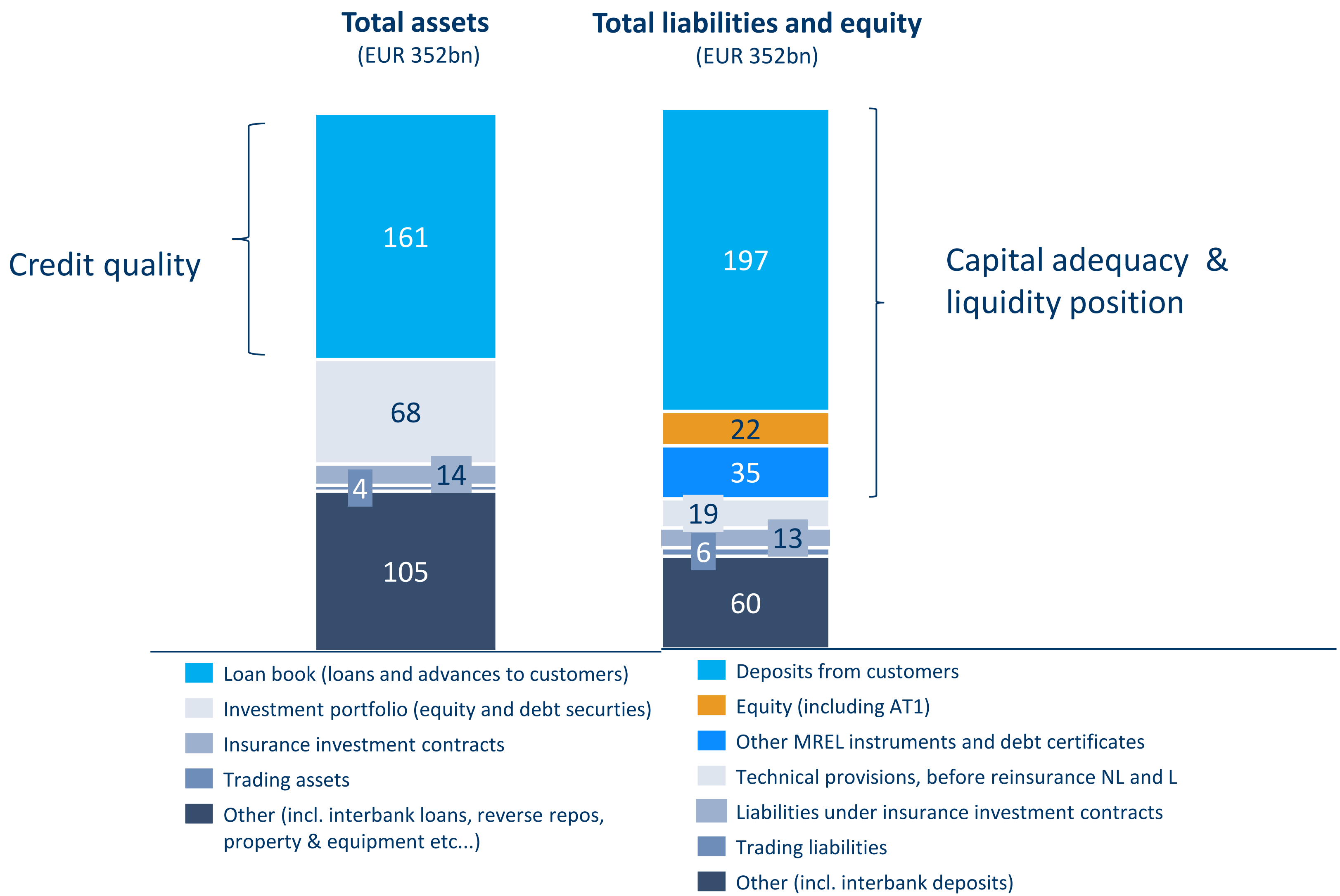
NET PROFIT – **INTERNATIONAL MARKETS**

1Q21 ROAC: 14%



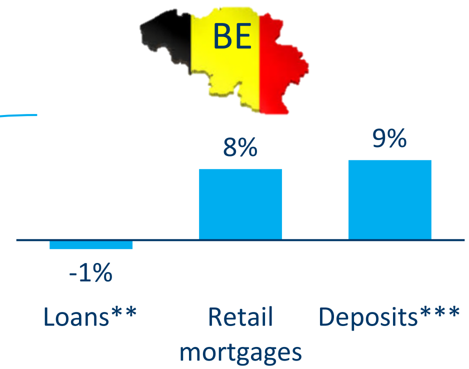
Balance sheet

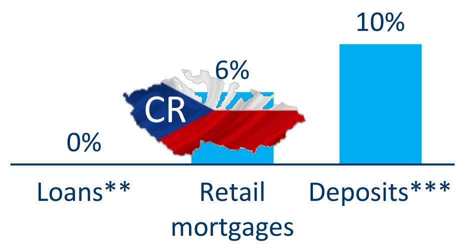
KBC Group consolidated at the end of March 2021

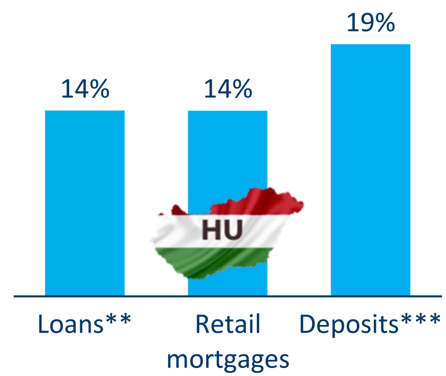


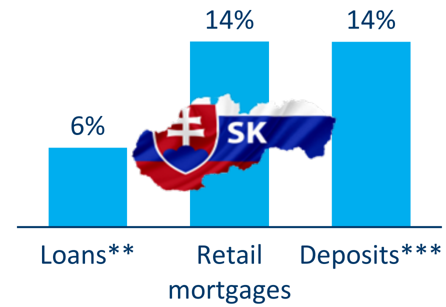
Balance sheet:
Loans and deposits continue to grow in most countries

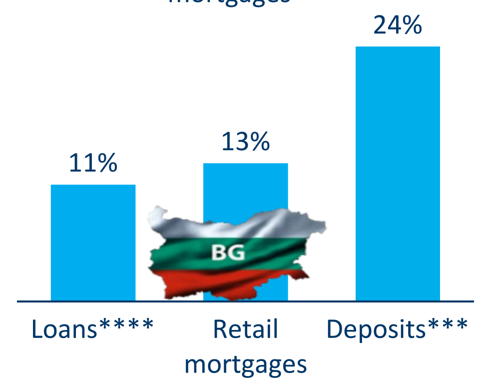
Y-O-Y ORGANIC[*] VOLUME GROWTH

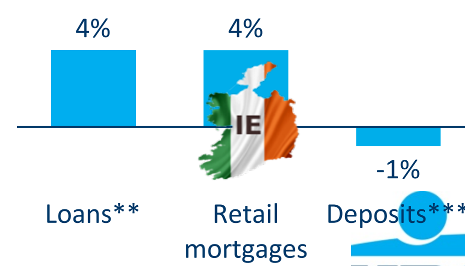






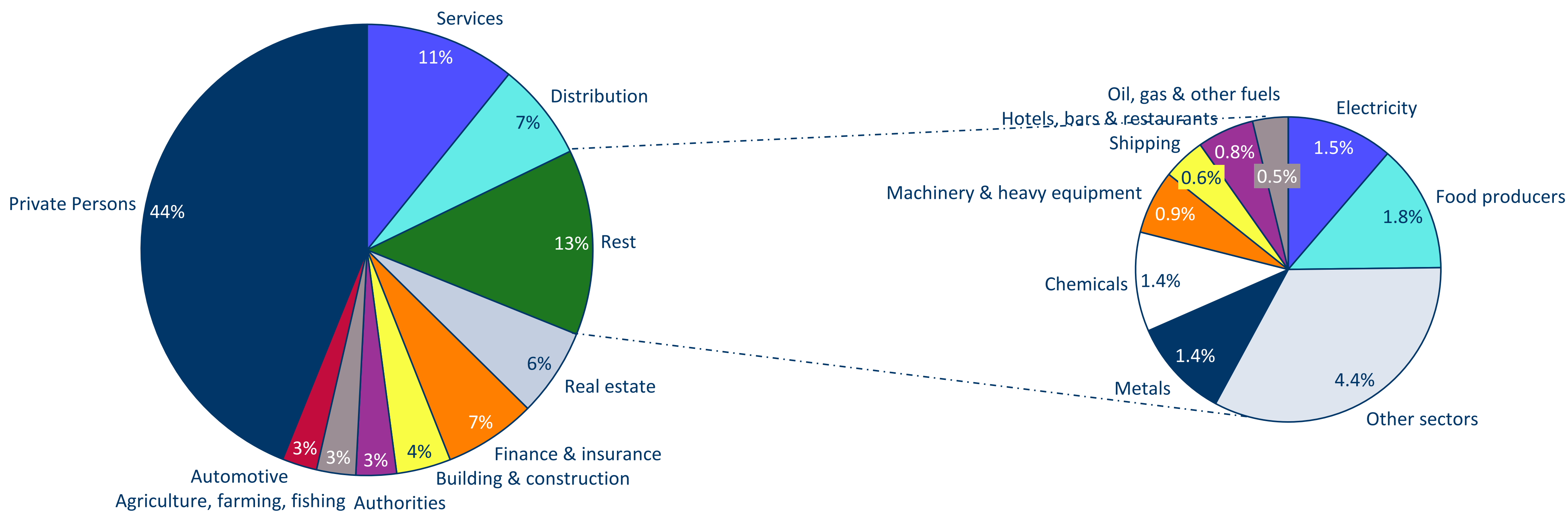






* Volume growth excluding FX effects, divestments/acquisitions and collective Covid-19 ECL
** Loans to customers, excluding reverse repos (and bonds)
*** Customer deposits, including debt certificates but excluding repos
**** Total customer loans in Bulgaria: new bank portfolio +12% y-o-y, while legacy -17% y-o-y

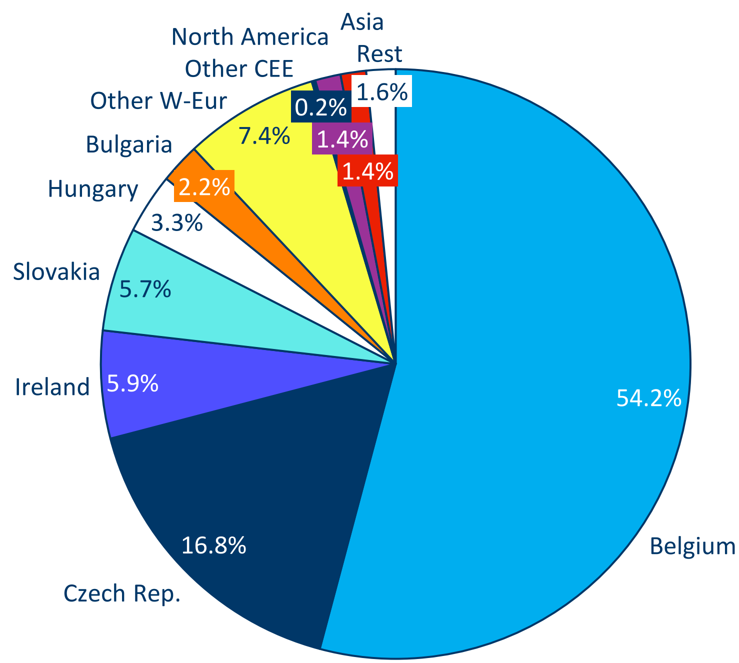
Sectorial breakdown of outstanding loan portfolio (1) (180bn EUR*) of KBC Bank Consolidated



* 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) (180bn EUR*) of KBC Bank Consolidated



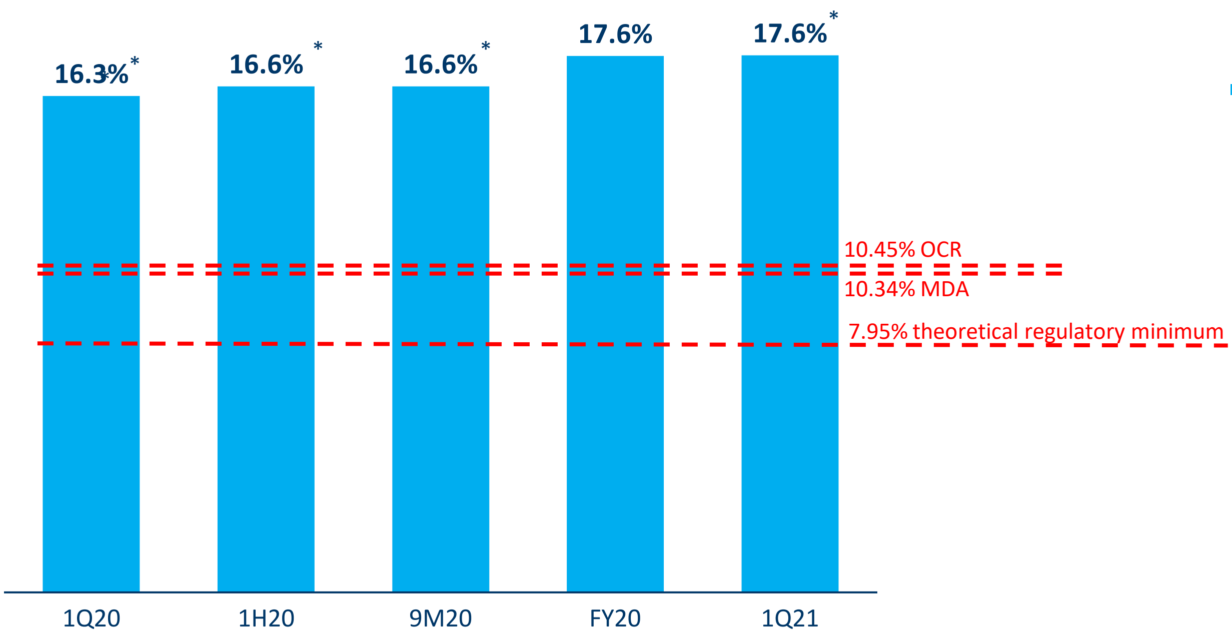
* It includes all payment credit, guarantee credit (except for confirmations of letters of credit and similar export/import related commercial credit), standby credit and credit derivatives, granted by KBC to private persons, companies, governments and banks. Bonds held in the investment portfolio are 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

Contents

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

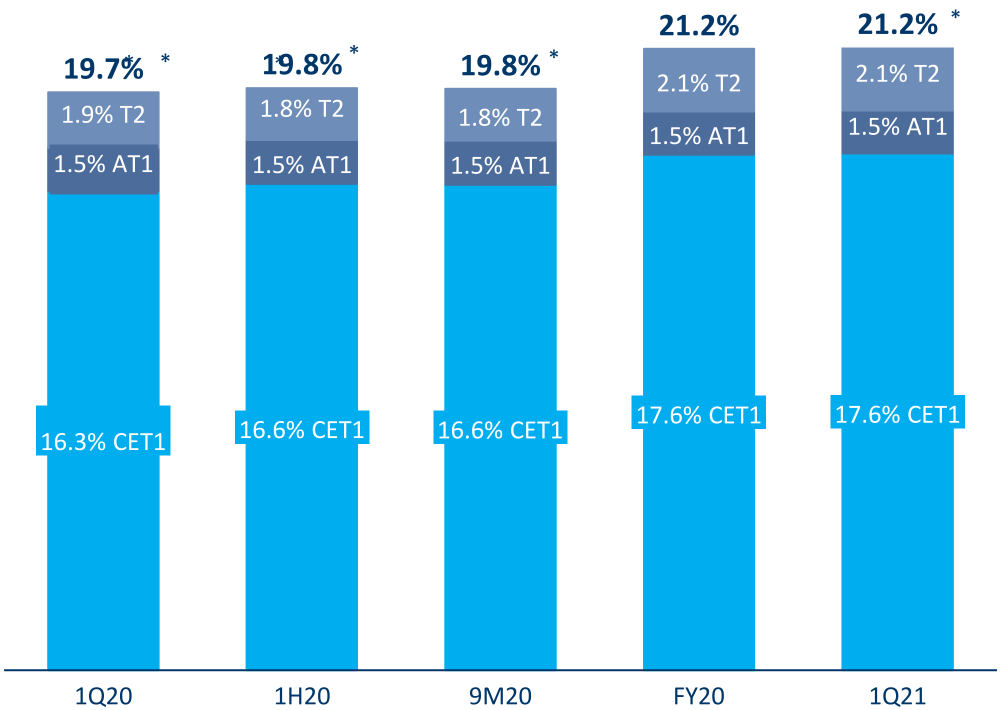
Total distributable items (under Belgian GAAP) KBC Group 10.4bn EUR at 1Q21, of which:

- available reserves: 949m
- accumulated profits: 9 260m

- **The fully loaded common equity ratio stabilised q-o-q at 17.6%** at the end of 1Q21 based on the Danish Compromise
- KBC's CET1 ratio of 17.6% at the end of 1Q21 represents a solid capital buffer:
  - **9.7% 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)
  - **7.3% capital buffer compared with the Maximum Distributable Amount (MDA) of 10.34%** (given small shortfall in AT1 bucket)
  - **7.2% 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%)
- At the end of 1Q21, the impact of the application of the transitional measures resulted in a positive impact on CET1 ratio of 51 bps compared to fully loaded (transitional CET1 ratio amounted to 18.1% at the end of 1Q21)

Strong capital position (2)

Fully loaded Basel 3 total capital ratio (Danish Compromise)

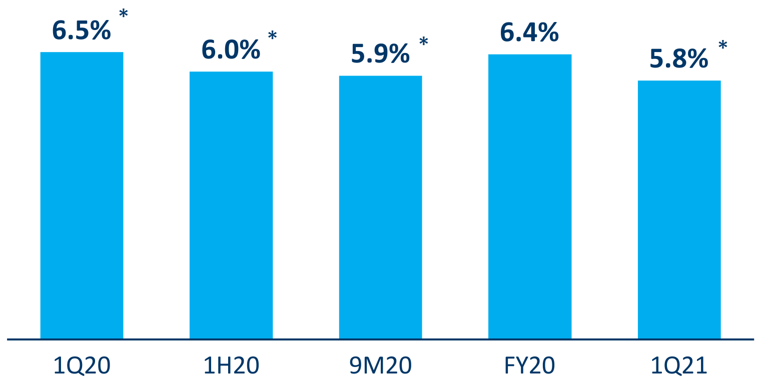


* No IFRS interim profit recognition given more stringent ECB approach

- **The fully loaded total capital ratio stabilised q-o-q at 21.2% at the end of 1Q21**

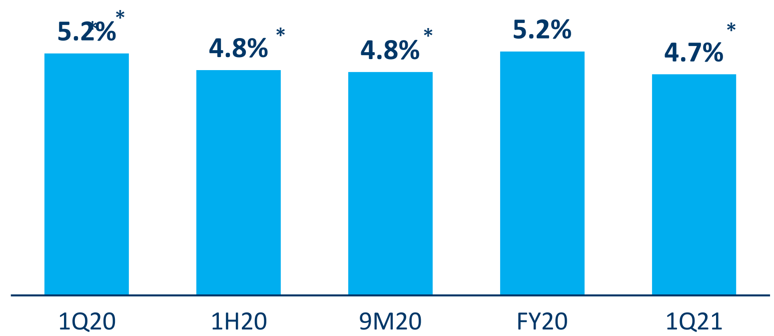
Fully loaded Basel 3 leverage ratio and Solvency II ratio

Fully loaded Basel 3 leverage ratio at KBC Group



* No IFRS interim profit recognition given more stringent ECB approach

Fully loaded Basel 3 leverage ratio at KBC Bank



* No IFRS interim profit recognition given more stringent ECB approach

- The decrease of the leverage ratio was mainly the result of increased short-term money market and repo opportunities

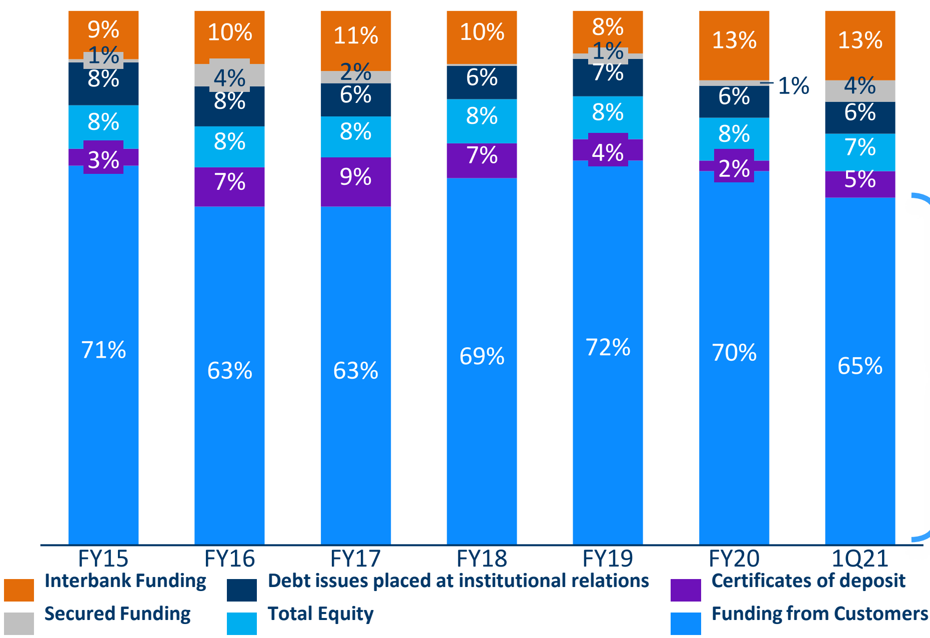
Solvency II ratio

	FY20	1Q21
Solvency II ratio	222%	235%

- The q-o-q delta in the Solvency II ratio was mainly driven by an increase of the interest rates combined with a steepening of the yield curve

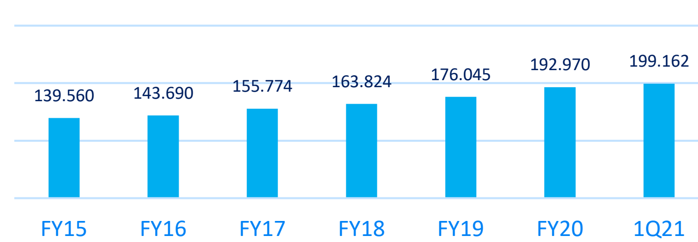
Strong and growing customer funding base with liquidity ratios remaining very strong

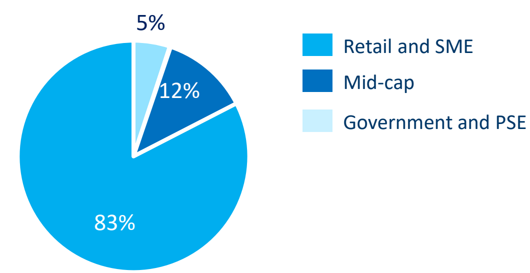
- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Drop in % customer funding** as growth in interbank/CD/secured funding was even outpacing growth in customer funding – monetising several **short-term money market and repo opportunities**
- KBC Bank **participated to the TLTRO III.7 transaction for an amount of 2.2bn EUR** in March 2021 (bringing the total TLTRO exposure to 24.2bn EUR), which is reflected in the 'Interbank Funding' item below



65% customer driven

Funding from customers (m EUR) of KBC Banking Group



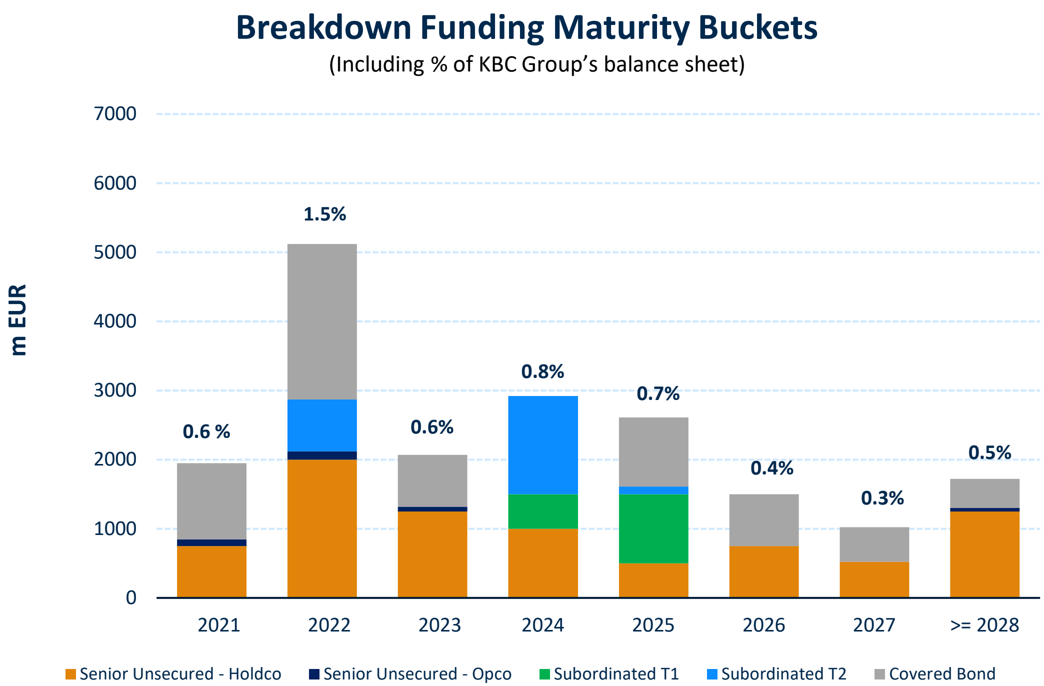


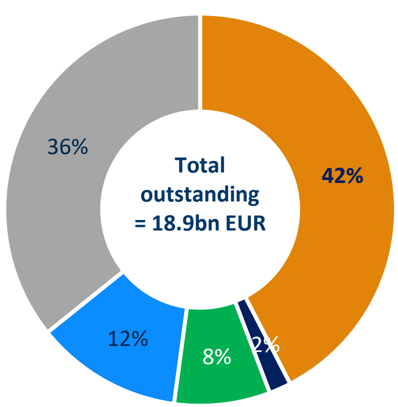
Ratios	FY20	1Q21	Regulatory requirement
NSFR*	146%	148%	≥100%
LCR**	147%	157%	≥100%

- **NSFR is at 148% and LCR is at 157% by the end of 1Q21**
  - 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.*

Upcoming mid-term funding maturities

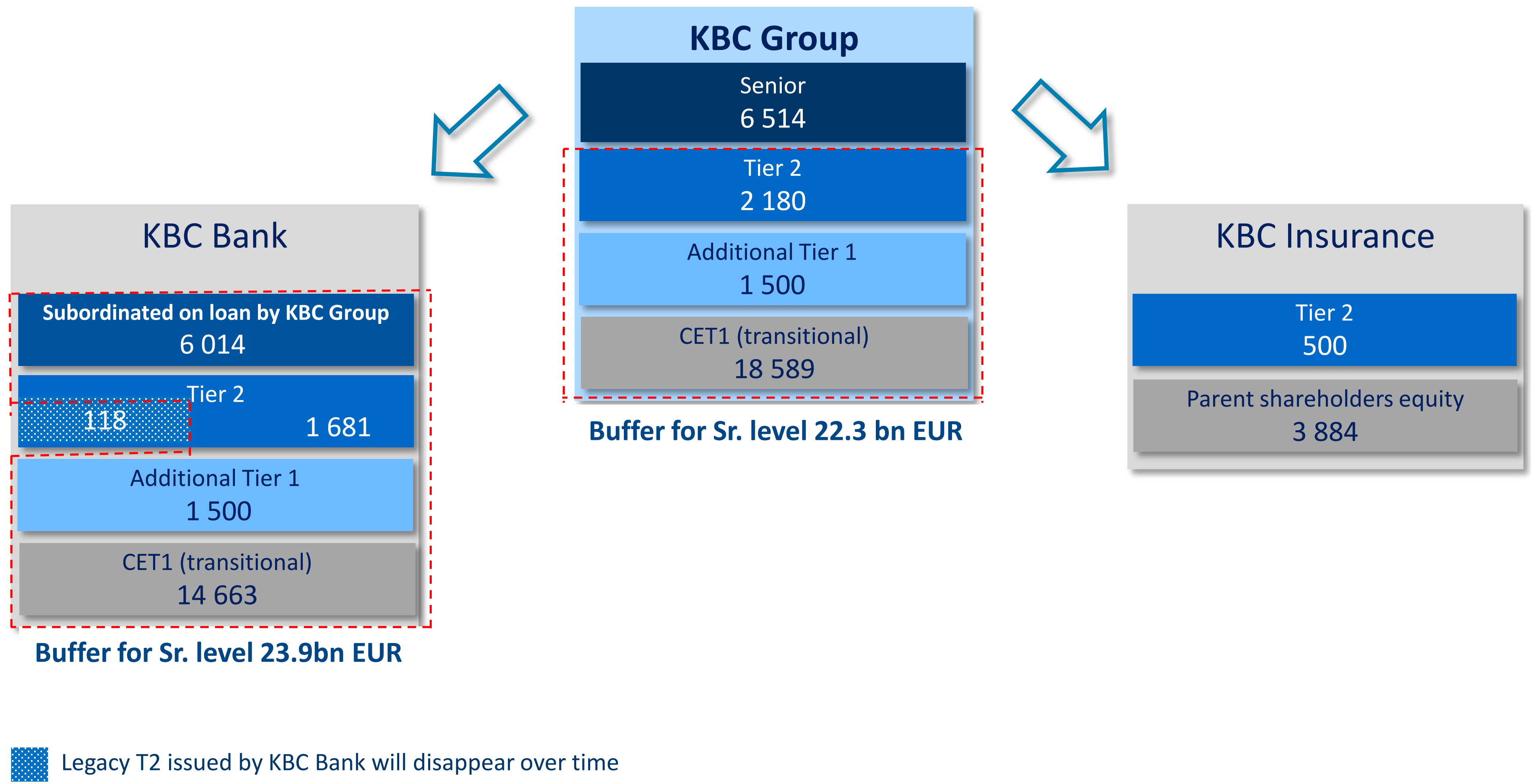




- In May 2020, KBC Bank issued a covered bond for an amount of 1bn EUR with a 5.5-year maturity
- In June 2020, KBC Group issued its second Green senior benchmark for an amount of 500m EUR with a 7-year maturity with call date after 6 years
- In September 2020, KBC Group issued a senior benchmark for an amount of 750m EUR with a 6-year maturity with call date after 5 years
- In January 2021, KBC Group issued a senior benchmark for an amount of 750m EUR with an 8-year maturity with call date after 7 years

- 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

KBC has strong buffers cushioning Sr. debt at all levels (1Q21)

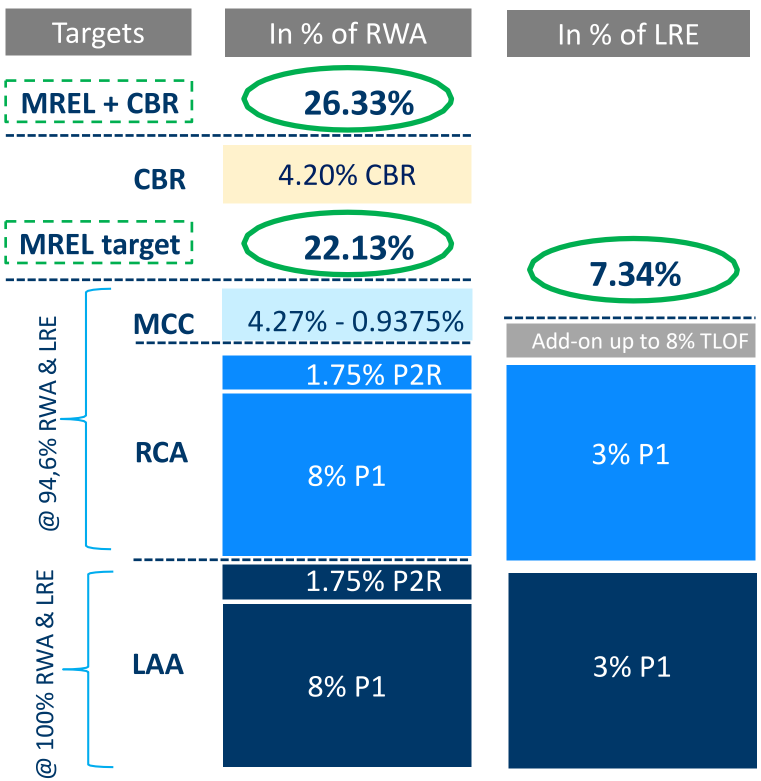


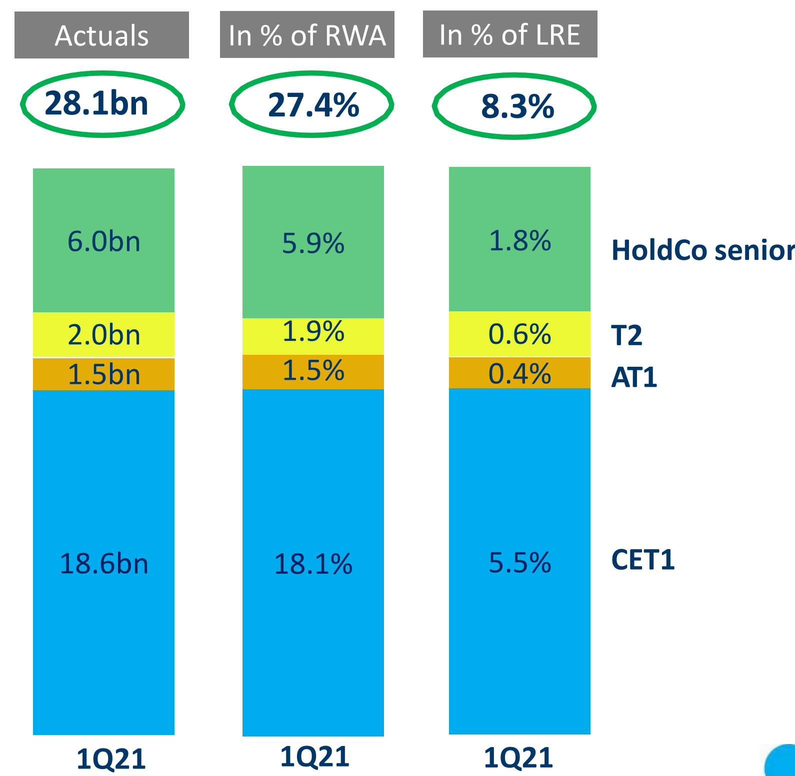
nominal amounts in million EUR

KBC complies with resolution requirements

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

- ✓ The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- ✓ The SRB communicated to KBC new draft MREL targets (under BRRD2), expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE), which will replace the current MREL target of 9.67% of TLOF (which needed to be achieved by 31-12-2021)
- ✓ The **new binding MREL targets** are:
  - ➢ **22.13% of RWA** as from 01-01-2024 with an intermediate target of **21.63%** as from 01-01-2022 **(the CBR needs to be met on top)**
  - ➢ **7.34% of LRE** as from 01-01-2022





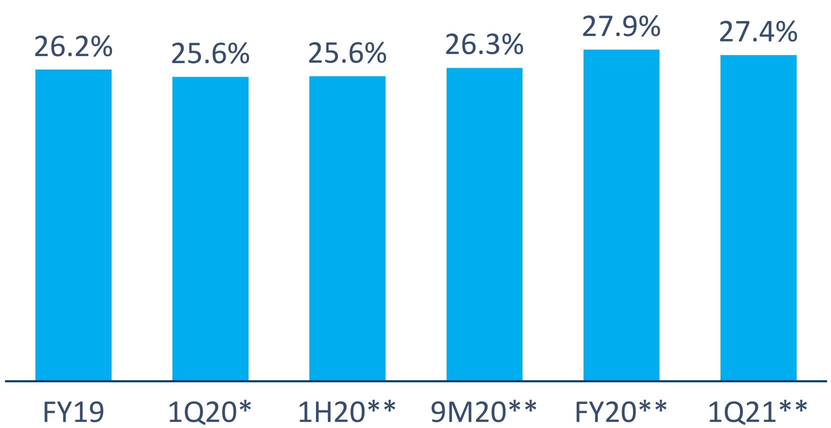
TLOF Total Liabilities and Own Funds LAA **L**oss **A**bsorbing **A**mount RCA **ReC**apitalisation **A**mount

MCC **M**arket **C**onfidence **C**harge = CBR (4.27% as at 2Q 2020) minus 93.75 bps; the discount will decrease in the next years to reach the BRRD2 reference level of CBR minus the Countercyclical Buffer

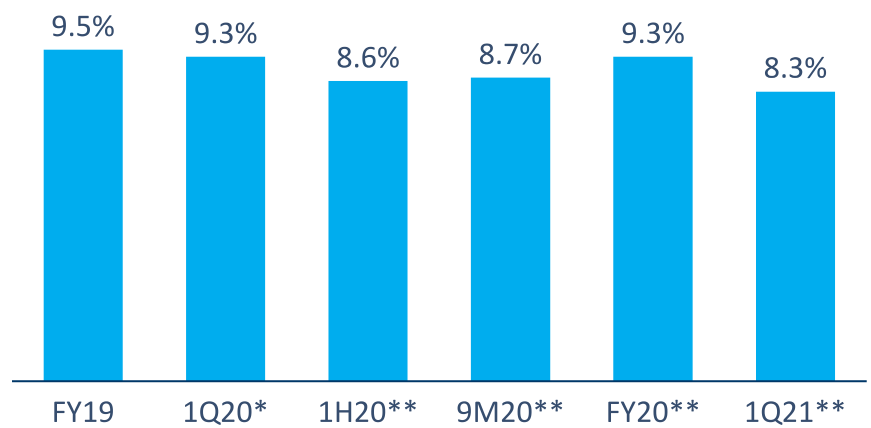
CBR **C**ombined **B**uffer **R**equirement = Conservation Buffer (2.5%) + O-SII buffer (1.5%) + Countercyclical Buffer (0.20%), comes on top of the MREL target

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

Available MREL as a % of RWA



Available MREL as a % of LRE



- The MREL ratio decreased both in % of RWA and in % of LRE as 1.25bn EUR available MREL instruments became ineligible (as their maturity date is now < 1 year), only partly offset by a 750m EUR Senior Holdco issuance in 1Q21
- Furthermore, increased short-term money market and repo opportunities also impacted available MREL as a % of LRE

** Taking into account the withdrawal of the final gross dividend over 2019 profit of 2.5 EUR per share*
*** As of 1H20, MREL ratio includes the impact of IFRS9 transitional measures*

Latest credit ratings

		Moody's	S&P	Fitch
Group	**Senior Unsecured**	**Baa1**	**A-**	**A**
	Tier II	-	BBB	BBB+
	Additional Tier I	Ba1	BB+	BBB-
	Short-term	P-2	A-2	F1
	Outlook	Stable	Negative	Negative
Bank	Covered Bonds	Aaa	-	AAA
	Senior Unsecured	**A1**	**A+**	**A+**
	Tier II	-	BBB	-
	Short-term	P-1	A-1	F1
	Outlook	Stable	Stable	Negative
Insurance	Financial Strength Rating	-	A	-
	Issuer Credit Rating	-	A	-
	Outlook	-	Negative	-

Latest updates triggered by the COVID-19 pandemic:

- *23 Apr 2020:* S&P revised KBC Group and KBC Insurance outlook to negative. The outlook for KBC Bank remains Stable because of the substantial buffers of already existing bail-in-able debt.
- *30 Mar 2020*: Fitch revised KBC Group and KBC Bank outlook to negative. Next to that, driven by methodology changes, Fitch downgraded Tier 2 debt by one notch to 'BBB+ and upgraded AT1 debt by one notch to 'BBB-'.

Contents

Section 2

Covid-19

COVID-19 (1/9)

The government & sector measures in each of our core countries are unchanged q-o-q

Belgium

Deferral of payments

Opt-in: 3 months for consumer finance , 6-9 months for mortgages and non-retail loans (originally until 31 Oct 2020)

Application period extended for a second time (to 31 Mar 2021). All deferrals to expire at the end of June (max. total deferral period of 9 months)

- 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, apart from families with net income of less than 1,700 EUR. For the latter group, this results in a modification loss for the bank *(-11m EUR booked in 2Q20)*

Guarantee Scheme & liquidity assistance

- **A state guarantee scheme** of up to 40bn EUR to cover losses incurred on future non-retail loans granted before 31 Dec 2020 to viable companies, with a tenor of max. 12 months and a maximum interest rate 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** of up to 10bn EUR has been in place to cover losses on future SME loans granted before 31 Dec 2020 (extended until Jun 2021), with a tenor between 1 and 3 years (extended to 5 years) and with a maximum interest rate of 2% (or 2.5% if tenor > 3 years). Guarantee covers 80% of all losses

Czech Republic

Deferral of payments

Opt-in: 3 or 6 months

Application period finished on 30 Sep 2020, however end of Oct 2020 all deferrals expired

- 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 must be paid in the final instalment, resulting in a modification loss for the bank *(-5m EUR, booked in 2Q20)*
- For consumer loans, the interest during the deferral period may not exceed the 2-week repo rate + 8%

Guarantee Scheme & liquidity assistance

- The **Czech-Moravian Guarantee and Development Bank (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). COVID III extended until year-end 2021
- **The Export Guarantee and Insurance Corporation (EGAP)** under its COVID Plus program offers guarantees on loans provided by commercial banks. EGAP guarantees up to 90% of the loan amount, depending on the rating of the debtor. The program is aimed at companies in which exports accounted for more than 20% of turnover in 2019

Hungary

Deferral of payments

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

Extension of the deferral period until 30 Jun 2021

- Applicable for retail and non-retail clients
- Extension conditions are the same as the original moratorium
- Deferral of principal and interest payments
- Interest is accrued over the deferral period, but unpaid interest cannot be capitalised and must be collected on a linear basis during the remaining (extended) lifetime. This resulted in a modification loss for the bank *(-18m EUR booked in 1Q20; revised to -11m EUR in 2Q20 and increased to -12m EUR in 4Q20 due to the extension)*

Guarantee Scheme & liquidity assistance

- **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 term 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 and at a 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 (until 31 Dec 2020)

COVID-19 (2/9)

The government & sector measures in each of our core countries are unchanged q-o-q

Deferral of payments

Slovakia

Opt-in: 9 months or 6 months (for leases)
Application period is still running (but most payment holidays ended in 1Q 2021)

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

Bulgaria

Opt-in: 9 months (deferral until 31 Dec 2021 at the latest)
Application period expired on 31 Mar 2021

- Applicable for retail and non-retail customers
- Deferral of principal with or without deferral of interest payments
- For both, full and partial deferrals, the tenor is extended by 9 months (or 6+3)
- Interest is accrued over the deferral period and repaid in 12 months for consumers; in 18 months (or 12+6) for non-retail or 60 months for mortgages in equal instalments

Ireland

Opt-in: 3 to 6 months
Application period expired on 30 Sep 2020

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

Guarantee Scheme & liquidity assistance

Slovakia

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

Bulgaria

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

Ireland

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

COVID-19 (3/9)

Overview of EBA-compliant payment holidays and public Covid-19 guarantee schemes

Payment holidays – by country:

Status: 31 Mar 2021	Loan deferrals granted		Expired loan deferrals
	Total *(bn EUR)*	% of total loan portfolio	% of deferrals granted
KBC Group	**13.1**	**8%**	**91%***
of which:			
Belgium	7.3	7%	89%
Czech Republic	2.1	7%	100%
Hungary *(opt-out)*	1.6	31%	No longer EBA-compliant
Slovakia	0.8	9%	83%
Bulgaria	0.2	6%	70%
Ireland	1.2	12%	100%

Payment holidays – by segment:

Status: 31 Mar 2021	Loan deferrals granted		Expired loan deferrals
	Total *(bn EUR)*	% of total loan portfolio	% of deferrals granted
KBC Group	**13.1**	**8%**	**91%***
of which:			
Mortgages	4.7	6%	98%
SME	4.0	12%	89%
Corporate	3.7	8%	87%

Loans and advances under public Covid-19 guarantee schemes:

Status: 31 Mar 2021	Loans granted *(m EUR)*	# obligors k
KBC Group	**929**	**12**
of which:		
SME	513	
Corporate	399	

By the end of March 2021:

- The volume of loans granted payment holidays, according to the EBA definitions, amounted to 13.1bn EUR or 8% of the total loan book**
- Approx. 91%* of EBA-compliant moratoria already expired, of which 98% have resumed payments, whilst only 1% are new defaults
- Government-guaranteed loans (under the Covid-19 scheme) amounted to 929m EUR

* *Excluding Hungary (opt-out)*
** *Loans to customers, excluding reverse repos (and bonds)*

COVID-19 (4/9)

IFRS 9 scenarios

OPTIMISTIC SCENARIO	**BASE-CASE SCENARIO**	PESSIMISTIC SCENARIO
Virus spread and impact more quickly under control thanks to earlier than expected large-scale availability of vaccines, allowing social distancing measures and other precautionary measures to be lifted sooner	Start of vaccination process and wider testing and tracing will allow only a very moderate easing of precautionary measures in H1 2021. From mid-2021 on, the normalisation of socio-economic interactions will be helped by the mass rollout of effective vaccines. However, as the vaccination process will take time, socio-economic interactions will not return to normal before 2022	The virus reappears and continues to weigh on society and the economy, because of setbacks in the vaccination process (e.g., logistical problems, disappointing immunity results, etc.)
Steep and steady recovery from the first half of 2021 onwards, with a fast return to pre-Covid-19 levels of activity	The recovery will be gradual. It will take until the second half of 2021 for the mass rollout of vaccines to reinforce the recovery to pre-Covid-19 levels of activity by mid-2022	Another (series of) shock(s) takes place, leading to an interrupted and unsteady path to recovery

- One year into the pandemic, the vaccination campaigns are paving the way for (future) gradual re-openings of the economy. However, vaccination is progressing more slowly than expected in the EU and new surges in the pandemic have hit several EU countries during the first quarter.
- 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 reflects the latest virus-related and economic developments, with the following probabilities: **60% for the base-case, 30% for the pessimistic and 10% for the optimistic scenario** (versus 55%-35%-10% at the end of FY20)

Macroeconomic scenarios*

March 2021

Real GDP growth	2021			2022		
	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Euro area	7.3%	3.8%	-0.5%	4.1%	4.1%	1.8%
Belgium	7.5%	4.1%	0.2%	3.6%	4.0%	1.6%
Czech Republic	4.4%	3.5%	0.7%	5.1%	4.6%	2.1%
Hungary	5.5%	4.2%	2.5%	5.5%	5.0%	3.5%
Slovakia	5.6%	4.2%	2.2%	4.8%	4.2%	3.5%
Bulgaria	4.0%	3.0%	-1.0%	3.0%	4.0%	2.0%
Ireland	8.0%	5.0%	1.0%	7.0%	4.0%	1.0%

- The economic outlook for the home markets remains aligned to that of the euro area and confirms the better-than-expected level of resilience. However, the high rate of Covid-19 infections in the first quarter of 2021 has led to extended lockdown measures and continues to weigh on the recovery in the short run

- *The macroeconomic information does not yet reflect the official macroeconomic figures for 1Q 2021 as reported by different authorities*

COVID-19 (5/9)

IFRS 9 scenarios

Macroeconomic scenarios

March 2021

Unemployment rate	2021			2022		
	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Belgium	6.2%	7.2%	8.2%	5.9%	6.9%	8.0%
Czech Republic	3.5%	3.7%	4.5%	2.8%	3.0%	4.8%
Hungary	3.9%	4.2%	5.8%	3.7%	4.0%	5.5%
Slovakia	8.5%	9.5%	10.0%	7.8%	8.0%	9.5%
Bulgaria	5.0%	5.0%	8.0%	4.3%	4.8%	7.0%
Ireland (*)	5.5%	7.0%	14.0%	4.0%	6.0%	10.0%

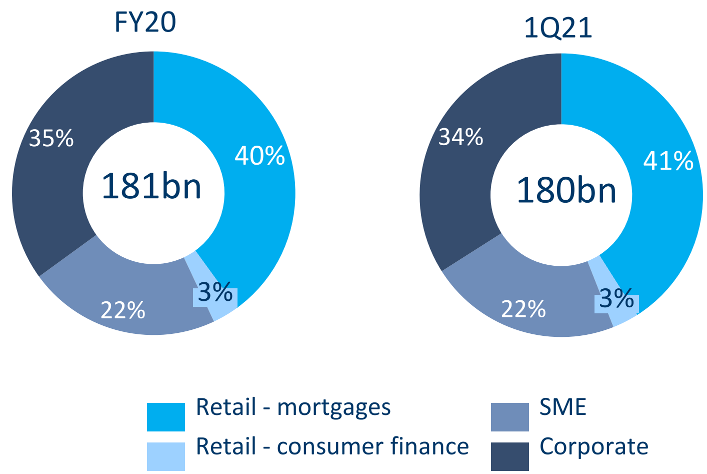
(*) Note: includes temporary layoffs rather than permanent job losses, and as such, may improve rapidly once vaccine rollout becomes better established in Ireland

House-price index	2021			2022		
	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Belgium	3.0%	-1.0%	-3.0%	2.5%	1.5%	-1.0%
Czech Republic	5.0%	3.7%	-1.0%	4.1%	2.4%	-0.9%
Hungary	5.5%	2.0%	-2.0%	6.0%	3.0%	-1.0%
Slovakia	5.0%	2.0%	-2.0%	4.0%	2.5%	-1.0%
Bulgaria	3.0%	2.5%	2.0%	3.5%	3.2%	3.0%
Ireland	3.0%	1.0%	-2.0%	4.0%	1.0%	-2.0%

COVID-19 (6/9)

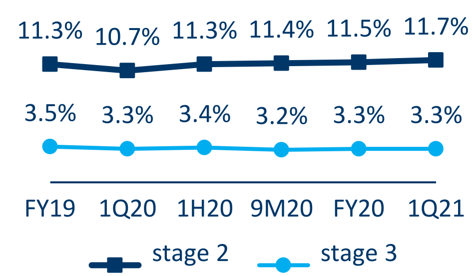
Steady staging of loan portfolio

Total loan portfolio outstanding by segment*

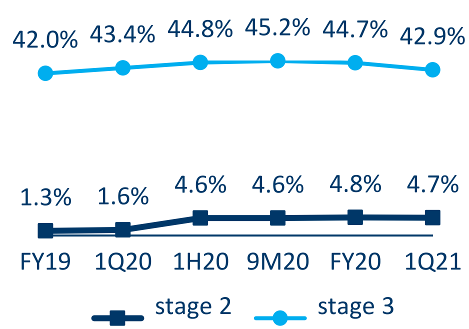


- To be consistent with the approach in 2020, **we updated the Covid-19 ECL (incl. management overlay) for the total loan portfolio at the end of March 2021, including the latest economic scenarios and changed scenario weightings**

Total loan portfolio outstanding by IFRS 9 ECL stage*



Coverage ratio*



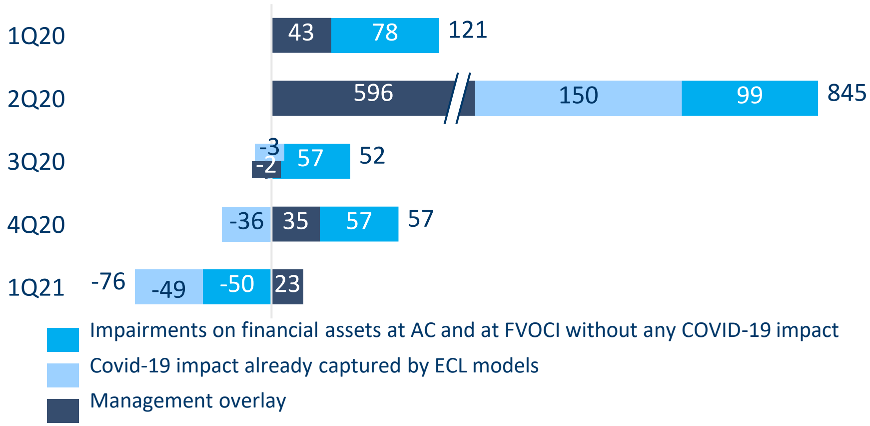
- Until now, only minor PD shifts have been observed in our portfolio, which is reflected in stable staging percentages. Note that any EBA-compliant payment holiday (i.e., fulfilling the conditions set in this respect, such as a maximum 9-month tenor of the payment break), does not attract a forbearance flag and accordingly does not result in automatic staging

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

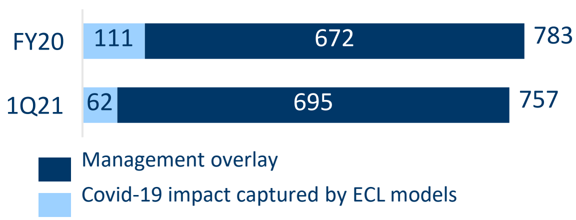
COVID-19 (7/9)

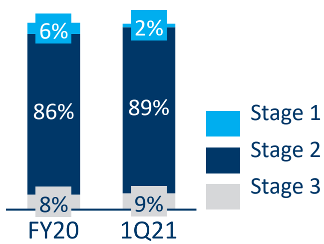
Change in collective Covid-19 ECL, q-o-q decrease of 26m EUR

Impairment on financial assets at AC and at FVOCI



Collective Covid-19 ECL





Credit Cost % *(annualised)*	FY19	FY20	1Q21
Without collective Covid-19 ECL	0.12%	0.16%	-0.11%
With collective Covid-19 ECL		0.60%	-0.17%

Note. a negative sign means a release

- The updated assessment of the impact of Covid-19 on the performing and non-performing portfolios after 3M21 *(see details in following slides)*, **resulted in a total collective Covid-19 ECL of 757m EUR (q-o-q decrease of 26m EUR)** of which:
  - the **ECL models** captured an impact of 62m EUR, resulting in a **q-o-q decrease of 49m EUR**. The decrease can be explained by the improved forward-looking macroeconomic assumptions of -58m EUR, partly offset by a Covid-19-related impact of +9m EUR following PD migrations in stage 1 and stage 2
  - a total **management overlay** of 695m EUR, with **a q-o-q increase of 23m EUR**

- **The total collective Covid-19 ECL of 757m EUR consists of 2% stage 1, 89% stage 2 and 9% stage 3 impairments.** The higher relative share of stage 2 and stage 3 is driven by the decrease of 26m EUR in stage 1

- Including the collective Covid-19 ECL, the Credit Cost Ratio for 3M21 amounted to -0.17%
- Note that our full year guidance for the 2021 Credit Cost Ratio is at the lower end of the average through-the-cycle 30-40bps

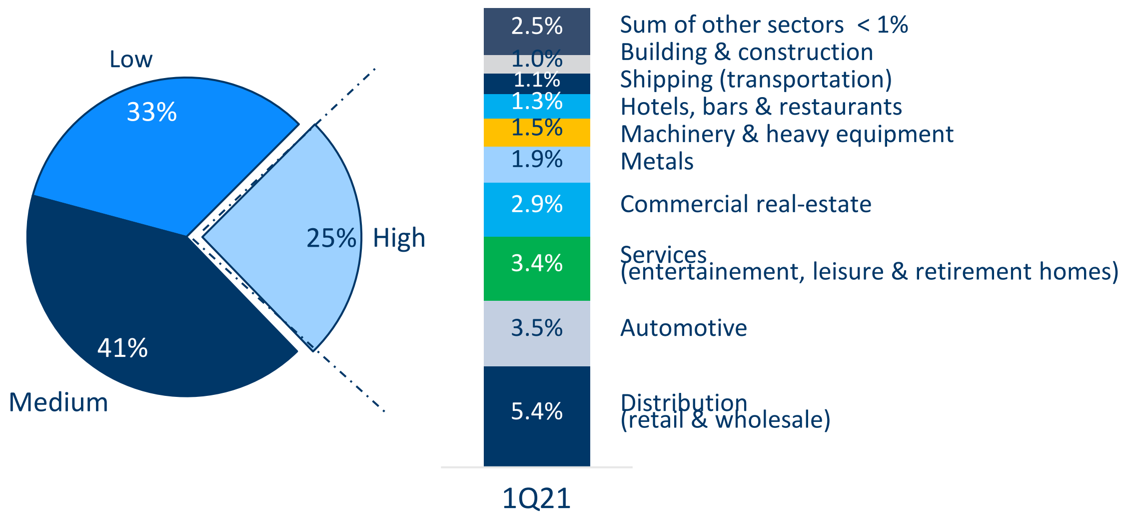
Amounts in m EUR

COVID-19 (8/9)

Collective Covid-19 ECL in more detail: no changes in the classification of sector risk

- There were **no changes in the sector split** between high-medium-low risk compared to the previous quarter

SME & Corporate loan portfolio* of 101bn EUR broken down by sector sensitivity to Covid-19 :



Composition of 'other sectors <1%', of which:

Aviation sector	As in the previous quarter, both sectors categorised as 'high risk', but with a limited share of 0.3% and 0.2%, respectively
Exploration and production of oil, gas & other fuels	

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

COVID-19 (9/9)

Collective Covid-19 ECL in more detail : q-o-q decrease of 26m EUR

Collective Covid-19 ECL by country:

End of March'21	Performing portfolio impact				Non-Performing portfolio	Total 3M21	1Q21	4Q20	3Q20	2Q20	1Q20
EUR m	*Optimistic* 10%	*Base* *60%*	*Pessimistic* *30%*	Probability weigthed							
KBC Group	**501**	**609**	**917**	**691**	**66**	**757**	**-26**	**-1**	**-5**	**746**	**43**
By country:											
Belgium	326	344	445	373	20	393	-20	3	-3	378	35
Czech Republic	98	141	203	155	9	164	2	-5	9	152	6
Slovakia	22	33	48	36	0	36	-1	0	-3	39	1
Hungary	25	45	79	53	0	53	-3	2	-1	54	1
Bulgaria	7	17	26	19	5	24	0	1	-5	28	n/a
Ireland	23	29	116	55	32	87	-4	-2	-2	95	n/a

Contents

KBC's covered bond programme

Residential mortgage covered bond programme

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

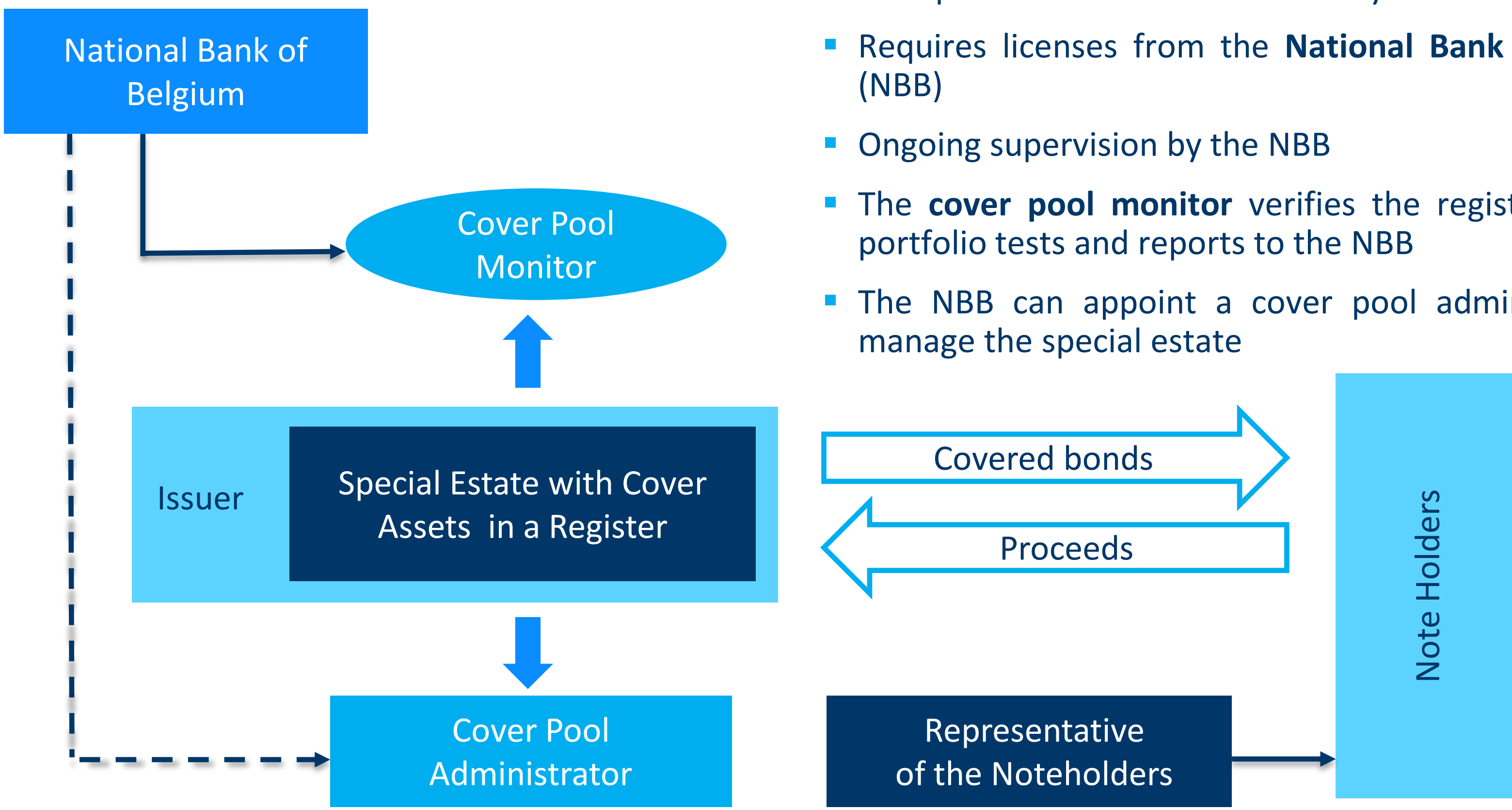
Issuer:	• KBC Bank NV
Main asset category:	• min 105% of covered bond outstanding is covered by residential mortgage loans and collections thereon
Programme size:	• **17,5bn EUR** • **Outstanding amount of 12,77bn EUR**
Interest rate:	• Fixed rate, floating rate or zero coupon
Maturity:	• Soft bullet: payment of the principal amount may be deferred past the final maturity date until the **extended final maturity date** if the issuer fails to pay • Extension period is 12 months for all series
Events of default:	• Failure to pay any amount of principal on the extended final maturity date • A default in the payment of an amount of interest on any interest payment date
Rating agencies:	• Moody's Aaa / Fitch AAA

	Moody's	Fitch
Over-collateralisation	**11.5%**	**4,5%**
	TPI Cap Probable	**D-cap 4 (moderate risk)**

KBC's covered bond programme

Belgian legal framework

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



KBC's covered bond programme

Strong legal protection mechanisms

1 Collateral type

- The value of one asset category must be at least 85% of the nominal amount of covered bonds
  - KBC Bank selects residential mortgage loans and commits that their value (including collections) will be at least 105%

2 Over-collateralisation Test

- The value of the cover assets must at least be 105% of the covered bonds
  - The value of residential mortgage loans:
    1) is limited to 80% LTV
    2) must be fully covered by a mortgage inscription (min 60%) plus a mortgage mandate (max 40%)
    3) 30 day overdue loans get a 50% haircut and 90 days (or defaulted) get zero value

3 Cover Asset Coverage Test

- The sum of interest, principal and other revenues of the cover assets must at least be the interest, principal and costs relating to the covered bonds
  - Interest rates are stressed by plus and minus 2% for this test

4 Liquidity Test

- Cover assets must generate sufficient liquidity or include enough liquid assets to pay all unconditional payments on the covered bonds falling due the next 6 months
  - Interest rates are stressed by plus and minus 2% for this test

5 Cap on Issuance

- Maximum 12,5% of a bank's assets can be used for the issuance of covered bonds (temporary increase)

KBC’s covered bond programme

Cover pool

- **COVER POOL: BELGIAN RESIDENTIAL MORTGAGE LOANS**
  - Exclusively, this is selected as main asset category
  - Value (including collections) at least 105% of the outstanding covered bonds
  - Branch originated prime residential mortgages predominantly out of Flanders
  - Selected cover assets have low average LTV (64.2%) and high seasoning (51.7 months)

- **KBC HAS A DISCIPLINED ORIGINATION POLICY**
  - 2009 to 2020 residential mortgage loan losses below 4 bp
  - Arrears in Belgium approx. stable over the past 10 years:
    - (i) Cultural aspects, stigma associated with arrears, importance attached to owning one’s property
    - (ii) High home ownership also implies that the change in house prices itself has limited impact on loan performance
    - (iii) Well established credit bureau, surrounding legislation and positive property market

Contents

Sustainability
KBC Green bond framework

Rationale: enhancing the KBC sustainability strategy

- KBC is convinced that the financial industry has a key role to play in the transition to a low carbon economy and is willing to contribute to the development of a sustainable financial market
- Green funding provides an opportunity to KBC Bank to further enhance its ability to finance the green projects of its clients and to mobilise all its stakeholders around this objective

KBC Green Bond Framework

- KBC is implementing a comprehensive sustainability bond strategy to support the development of the Green Bond markets in Belgium and Europe
- KBC Green Bonds can be issued under the KBC Green Bond Framework via KBC Group NV, KBC Bank NV or any of its other subsidiaries
- In case of Green Bonds issued at the holding company level (KBC Group NV), KBC will allocate an equivalent amount of the proceeds to KBC Bank or its subsidiaries where the Eligible Assets are located
- The KBC Green Bond Framework is intended to accommodate secured and unsecured transactions in various formats and currencies

Aligned with best practices and market developments

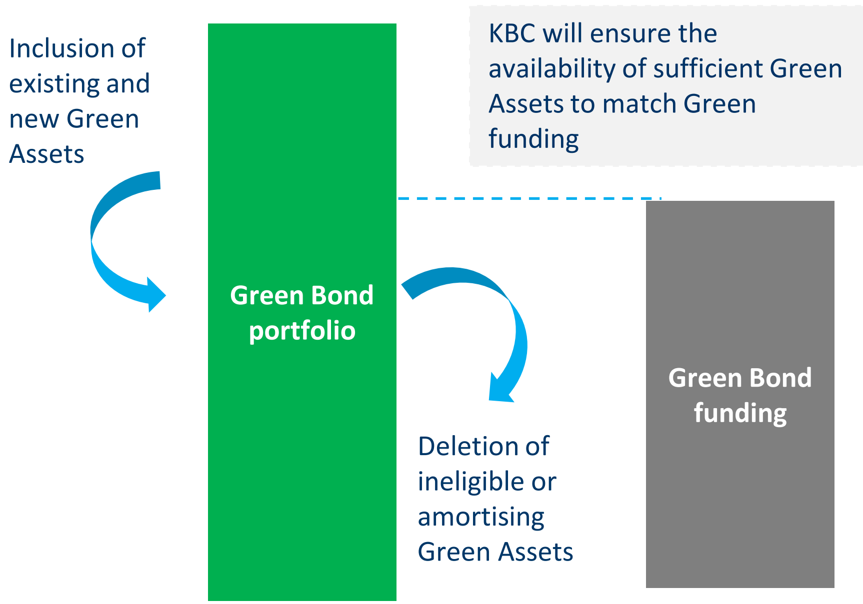
- The KBC Green Bond Framework is in line with the Green Bond Principles (2017)
- Second party opinion provided by Sustainalytics and Pre-issuance- certification by the Climate Bonds Initiative
- KBC intends to align its Green Bond Framework with emerging good practices, such as a potential European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

KBC

Sustainability

Green bonds

KBC GREEN PORTFOLIO APPROACH



- In the context of the Green Bond, KBC allocated the proceeds to two green asset categories: **renewable energy** (share of 50%) and **residential real-estate loans** (share of 50%).
- For future transactions, in cooperation with the relevant business teams, KBC aims to capture more green assets from other categories and expand the green eligibility to more business lines and clients.

Certification

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

Verification

- One year after issuance and until maturity, a limited assurance report on the allocation of the Green Bond proceeds to Eligible Assets to be provided by an external auditor
- See latest impact report March 2021 available on KBC.COM website.

Overview of the KBC Green Bond assets and annual impact		
Green Bond 2018		
	Renewable Energy	Green Buildings
Allocated amount	EUR 187.5m	EUR 300m
Electricity produced/energy saved (MWh)	320,100	26,752
Avoided CO_2 emissions (tonnes)	60,073	5,011
Green Bond 2020		
	Renewable Energy	Green Buildings
Allocated amount	EUR 255.5m	EUR 200m
Electricity produced/energy saved (MWh)	455,062	17,816
Avoided CO_2 emissions (tonnes)	124,194	3,341

Contents

Looking forward

Economic outlook

- The recent pandemic waves continue to hold most of the continental European countries firmly in their grip. In particular the circulation of more infectious and dangerous virus strains is putting pressure on health systems again, necessitating the extension or introduction of strict lockdown policy measures in many countries. Substantial progress in the health situation can only be expected as the ongoing vaccination campaigns make further progress. The impact of the vaccination programmes on the economic recovery will probably become increasingly visible in the second half of 2021 as the economies gradually reopen. Therefore, we expect European economic growth to accelerate in the second half of 2021 and the level of European economic activity to return to its pre-pandemic level in the course of 2022

Group guidance for 2021

- Our FY21 guidance for NII and opex excluding bank taxes remains unchanged:
  - FY21 NII guidance of 4.3bn EUR ballpark figure
  - FY21 opex excluding bank taxes +2% y-o-y like-for-like (excluding the impact of the OTP SK acquisition) as some cost savings announced in 2020 (actions immediately taken after first lockdown in March 2020) are not sustainable in 2021 and cost savings from our digital first strategy are rather back-end loaded.
- The Credit Cost Ratio (CCR) for FY21 is expected to be in line with the low end of our average through-the-cycle CCR (of 30 - 40bps) instead of the high end

Differently: the next level

Long-term financial guidance

Long-term financial guidance		
CAGR total income ('20-'23)	± 2%	by 2023
CAGR OPEX excl. bank taxes ('20-'23)	± 1%	by 2023
Combined ratio	≤ 92%	by 2023
Common equity ratio*	14.5%, with a management buffer of 1% on top of	as of now

* Fully loaded, Danish Compromise

Regulatory requirements		
Overall capital requirement (OCR)**	≥ 10.45%	by 2021
MREL as a % of RWA***	≥ 21.63%	by 2022
MREL as a % of LRE***	≥ 7.34%	by 2022
NSFR	≥ 100%	as of now
LCR	≥ 100%	as of now

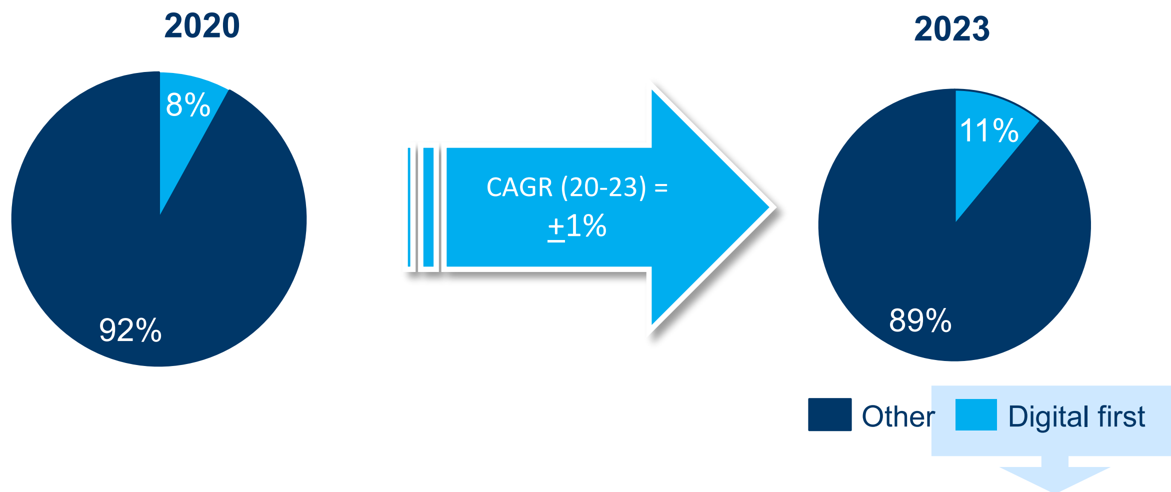
** Excluding Pillar 2 guidance of 100 bps

*** The SRB communicated the new draft MREL targets (under BRRD2) in % of RWA and in % of LRE to KBC. Final confirmation letter expected shortly. Regarding MREL as a % of RWA; (i) an intermediate MREL target of 21.63% as from 01-01-2022 and (ii) a final MREL target of 22.13% as from 01-01-2024. The Combined Buffer Requirement needs to be met on top of the MREL target as a % of RWA

Differently: the next level

Digital investment 2021-2023

OPEX excl. bank taxes



Forecast Cashflow only digital first strategy

2021-2023 = 1.4bn EUR

Forecast OPEX only digital first strategy

2021-2023 = 1.1bn EUR

Amounts in m EUR

Differently: the next level

Dividend policy & capital distribution: unchanged guidance

- **In calendar year 2021, KBC has the intention to pay out 3.44 EUR gross DPS in total:**
  - For the accounting year 2020, a gross DPS of 0.44 EUR was approved at the AGM and will be paid out on 19 May 2021
  - It is the intention of the Board of Directors of KBC Group to distribute an extra DPS of 2.0 EUR over the accounting year 2020 in 4Q21. The final decision of the Board of Directors is subject to restrictions on dividends being lifted by the ECB
  - an interim DPS of 1 EUR as an advance of the total dividend for the accounting year 2021, paid out in November 2021

- **KBC's pre-Basel IV capital deployment plan implies that:**
  - We aim to be amongst the better capitalised financial institutions in Europe
  - On top of the payout ratio of at least 50% of consolidated profit, all capital > 15.5% (the current reference capital position of 14.5% + the current 1% management buffer) will be considered for distribution to the shareholders. Each year, the Board of Directors will take this decision at its discretion when announcing the full year results (next FY results on 10 February 2022)
  - Current capital deployment plan gives much more flexibility to our Board of Directors than in the past:
    - In line with the potential evolutions of our peers' CET1 ratio, our BoD can adjust accordingly the current reference capital position of 14.5% at its discretion
    - the BoD has the flexibility to lower the 1% management buffer at its discretion e.g. in case of an acquisition or in case of buoyant market circumstances
  - From the moment Basel IV will apply, the capital deployment plan will be updated (as from 1 January 2023 at the earliest… but according to rumours, rather from 1 January 2024)

Appendices

1. Overview of outstanding benchmarks
2. Summary of KBC's covered bond programme
3. Solvency: details on capital
4. Details on business unit international markets
5. Details on credit exposure of Ireland

Annex 1 - Outstanding benchmarks

Overview till end of April 2021

Type	Issuer	Amount (in mio)	Maturity	coupon	ISIN	reset spread	Trigger	Level	Own funds	MREL
Additional Tier1										
AT1 24/04/2018	KBC Group	1 000 €	Perpetual	4,250%	BE0002592708	MS 5Y+ 359,4bps	temporary write-down	5,125%	☑	☑
AT1 10/03/2019	KBC Group	500 €	Perpetual	4,750%	BE0002638196	MS 5Y+ 468,9bps	temporary write-down	5,125%	☑	☑
Tier2: subordinated notes										
T2 11/03/2015	KBC Group	750 €	11/03/2027	1,875%	BE0002485606	MS 5Y+ 150bps	regulatory+ tax call		☑	☑
T2 18/09/2017	KBC Group	500 €	18/09/2029	1,625%	BE0002290592	MS 5Y+ 125bps	regulatory+ tax call		☑	☑
T2 03/09/2019	KBC Group	750 €	3/12/2029	0,500%	BE0002664457	MS 5Y+ 110bps	regulatory+ tax call		☑	☑

Type	Issuer	Amount (in mio)	Maturity	coupon	ISIN	MREL
Senior						
Senior 18/10/2016	KBC Group	750 €	18/10/2023	0,750%	BE0002266352	☑
Senior 01/03/2017	KBC Group	1.250 €	01/03/2022	0,750%	BE0002272418	☑
Senior 24/05/2017	KBC Group	750 €	24/11/2022	3M+0,55%	BE0002281500	☑
Senior 27/06/2018	KBC Group	500 €	27/06/2023	0,875%	BE0002602804	☑
Senior 07/02/2019	KBC Group	1.000 €	25/01/2024	1,125%	BE0002631126	☑
Senior 10/04/2019	KBC Group	500 €	10/04/2025	0,625%	BE0002645266	☑
Senior 24/01/2020	KBC Group	500 €	24/01/2030	0,750%	BE0002681626	☑
Senior 16/06/2020	KBC Group	500 €	16/06/2027 (7NC6)	0,375%	BE0974365976	☑
Senior 03/09/2020	KBC Group	750 €	03/09/2026 (6NC5)	0,125%	BE0002728096	☑
Senior 14/01/2021	KBC Group	750 €	14/01/2029 (8NC7)	0,125%	BE0002766476	☑
Covered bonds						
CB 31/01/2013	KBC Bank	750 €	31/01/2023	2,000%	BE0002425974	
CB 22/01/2015	KBC Bank	1.000 €	22/01/2022	0,450%	BE0002482579	
CB 01/03/2016	KBC Bank	1.250 €	01/09/2022	0,375%	BE0002498732	
CB 24/10/2017	KBC Bank	500 €	24/10/2027	0,750%	BE0002500750	
CB 08/03/2018	KBC Bank	750 €	08/03/2026	0,750%	BE0002583616	
CB 03/06/2020	KBC Bank	1.000 €	03/12/2025	0,000%	BE0002707884	

Annex 2 – KBC's covered bond programme

Key cover pool characteristics

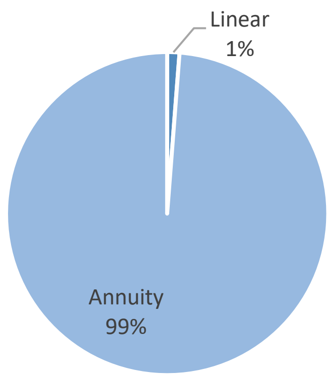
Investor reports, final terms and prospectus are available on www.kbc.com/covered_bonds

Portfolio data as of :	31 March 2021
Total Outstanding Principal Balance	16 719 430 002
Total value of the assets for the over-collateralisation test	15 117 485 590
No. of Loans	220 939
Average Current Loan Balance per Borrower	118 843
Maximum Loan Balance	1 000 000
Minimum Loan Balance	1 000
Number of Borrowers	140 660
Longest Maturity	359 months
Shortest Maturity	1 month
Weighted Average Seasoning	51.7 months
Weighted Average Remaining Maturity	188 months
Weighted Average Current Interest Rate	1.72%
Weighted Average Current LTV	64.2%
No. of Loans in Arrears (+30days)	231
Direct Debit Paying	98%

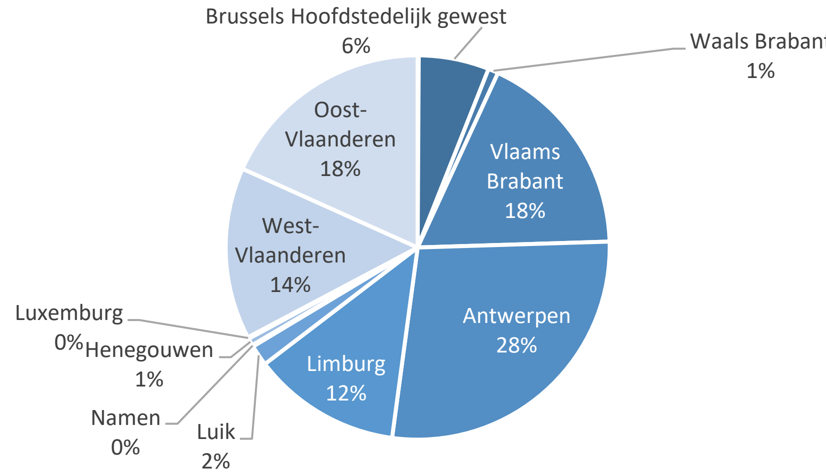
Annex 2 – KBC's covered bond programme

Key cover pool characteristics

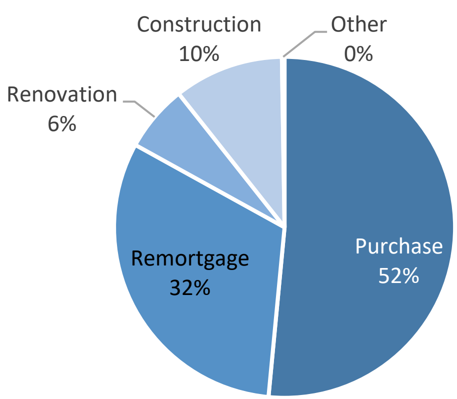
REPAYMENT TYPE (LINEAR VS. ANNUITY)



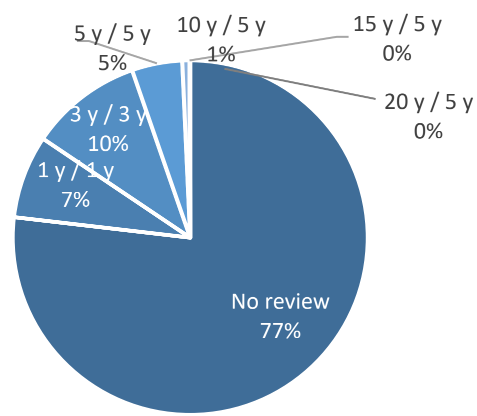
GEOGRAPHICAL ALLOCATION



LOAN PURPOSE



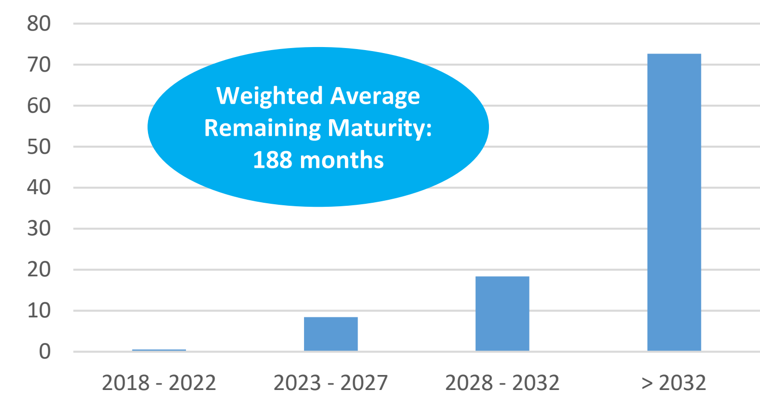
INTEREST RATE TYPE (FIXED PERIODS)



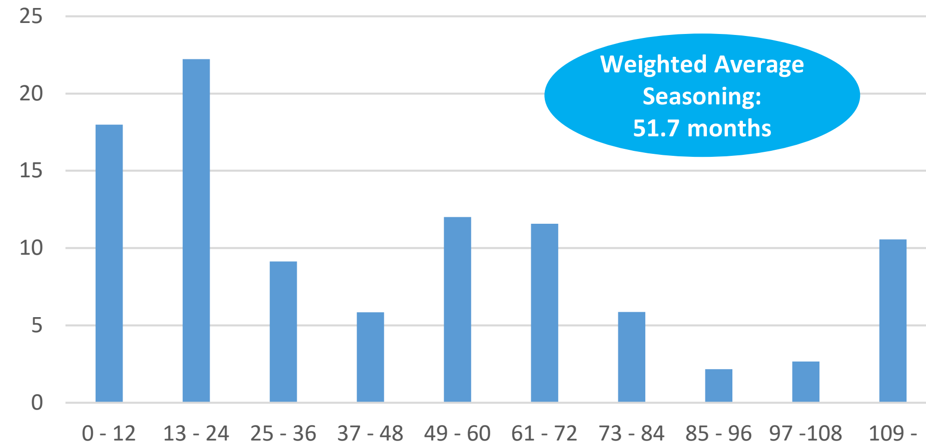
Annex 2 – KBC's covered bond programme

Key cover pool characteristics

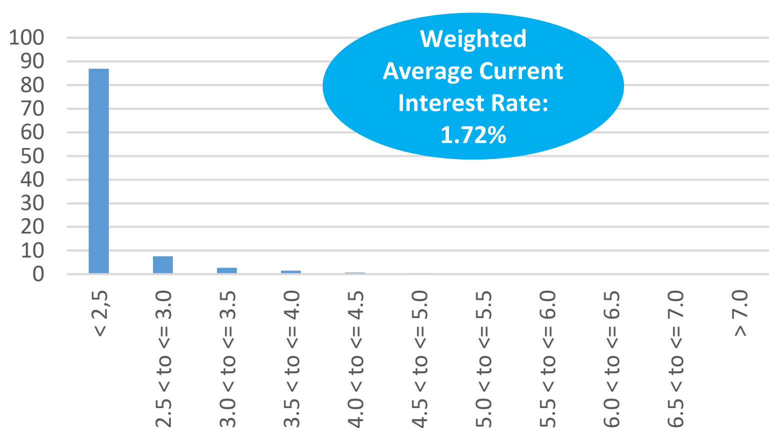
FINAL MATURITY DATE



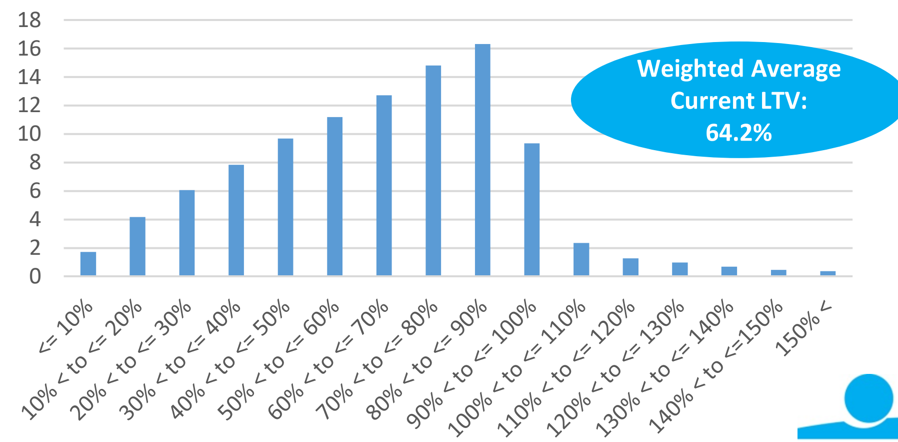
SEASONING



INTEREST RATE



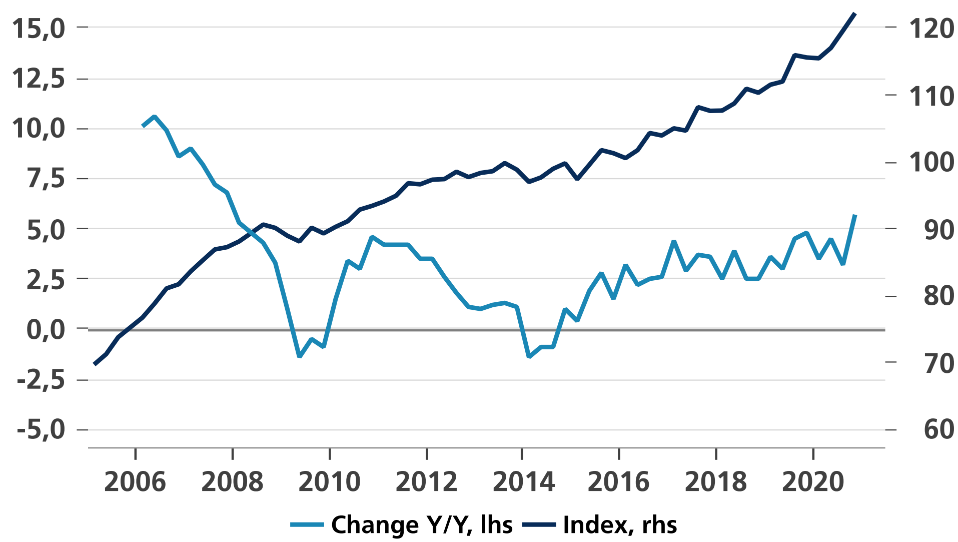
CURRENT LTV



Annex 2 - Belgian real estate market

Housing market still strong in 2020 due to strong investor appetite for real estate

Belgium - Eurostat house price index
(total dwellings)

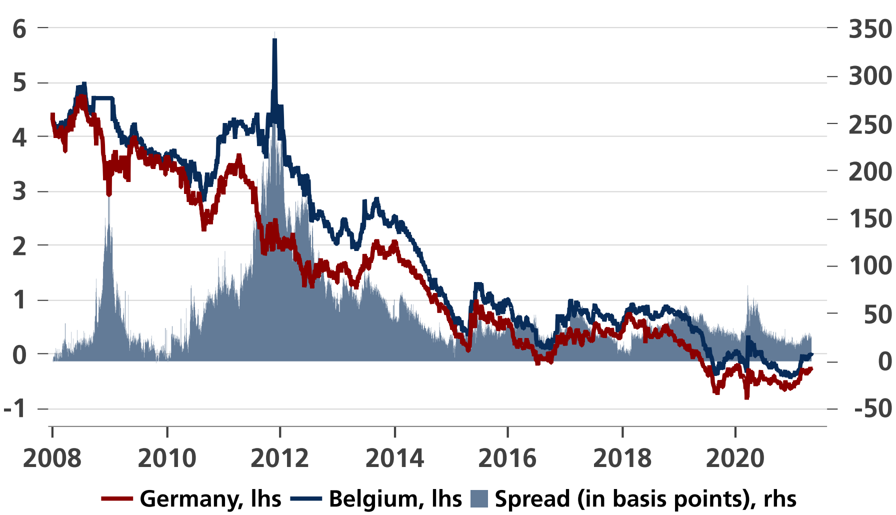


Source: KBC Economics based on Eurostat

Annex 2 - Interest rates

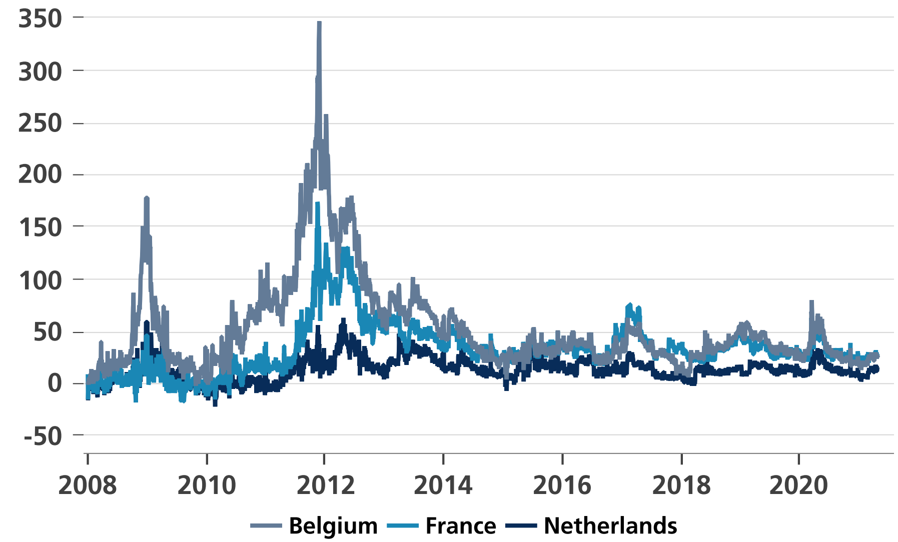
Belgian spread vs. 10y German Bund forecast seen at 15 bps in the coming quarters

10 year government bond yield
(in %)



Source: KBC Economics based on Macrobond

10 year gov. bond yield spread vs. Germany
(in basis points)



Source: KBC Economics based on Macrobond

Annex 3 - Solvency details
Overview of B3 CET1 ratios at KBC Group

Method	Numerator	Denominator	B3 CET1 ratio
FICOD*, fully loaded	19,493	116,440	16.7%
DC**, fully loaded	18,108	102,796	17.6%
DM***, fully loaded	17,458	98,207	17.8%

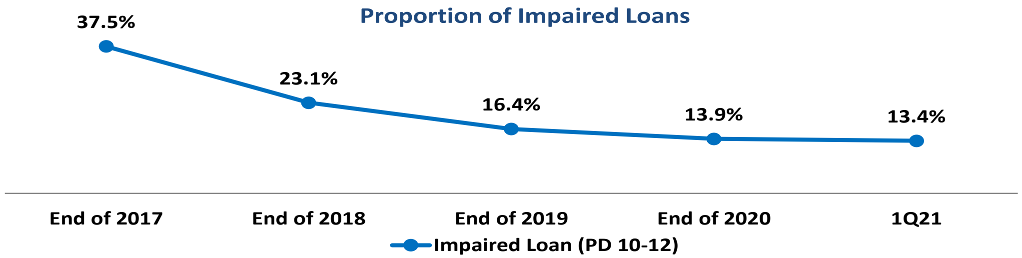
* FICOD: Financial Conglomerate Directive
** DC: Danish Compromise
*** DM: Deduction Method

Annex 4 – Business unit international markets
Business profile

	BELGIUM	CZECH REPUBLIC	SLOVAKIA	HUNGARY	BULGARIA	IRELAND	GROUP CENTRE
4Q20 NET RESULT (in million euros)	396m	94m	25m	38m	25m	-3m	-38m
ALLOCATED CAPITAL (in billion euros)	7.0bn	1.7bn	0.6bn	0.8bn	0.4bn	0.7bn	0.2bn
LOANS (in billion euros)	103bn	29bn	9bn	5bn	4bn	10bn	
DEPOSITS (in billion euros)	135bn	42bn	9bn	9bn	5bn	5bn	
BRANCHES (end 4Q20)	476	212	175	204	175	12	
Clients (end 4Q20)	3.7m	4.2m	0.8m	1.6m	1.4m	0.3m	

Annex 5 - Ireland
Impaired loans continues to improve

LOAN PORTFOLIO €m	OUTSTANDING	IMPAIRED LOANS	IMPAIRED LOANS PD 10-12	PROVISIONS PD 10-12	IMPAIRED LOANS PD 10-12 COVERAGE
Owner occupied mortgages	9,692	1,247	13%	311	25%
Buy to let mortgages	568	134	24%	52	39%
Non Mortgage Retail & SME	128	6	5%	5	80%
Corporate	4	4	100%	2	58%
Total	**10,391**	**1,390**	**13%**	**370**	**27%**



1Q21 Total Portfolio

	PD	Exposure	Impairment Provisions	Cover %
Performing	PD 1-8	8,470	15	0.2%
	Of which non Forborne	8,470		
	Of which Forborne	0		
	PD 9	531	55	10.4%
	Of which non Forborne	179		
	Of which Forborne	352		
Impair.	PD 10	633	73	11.5%
	PD 11	663	232	34.9%
	PD 12	94	65	69.4%
	TOTAL PD1-12	**10,391**	**441**	
	PD 10-12 Impairment Provisions /(PD 10-12)			*26.6%*
	Impaired loans (PD 10-12)/ Total Exposure			*13.4%*

- 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 has weathered the Covid-19 crisis relatively well in terms of growth impacts due to the influence of a buoyant multinational sector and substantial fiscal support to household incomes. Preliminary estimates show that Irish GDP grew by 3.4% in 2020 and a somewhat stronger growth rate is envisaged in 2021
- The impact of the pandemic on the Irish jobs market has been pronounced reflecting significant health related restrictions on mobility and activity. As a result, unemployment has risen significantly and is likely to remain well above pre-pandemic levels despite a marked improvement in domestic spending
- While property transactions fell sharply in 2020, house prices proved far more resilient than envisaged. Official house price data showed a broadly flat trend in the immediate wake of the pandemic and a modest firming subsequently reflecting sustained strength in demand and curtailment of new supply
- Impaired loan portfolio decreased by roughly 43m EUR q-o-q, resulting in impaired loan ratio reducing to 13.4%
- The 0m EUR net impairment release in 1Q21 reflects improved macro-economic variables and scenario weightings offset by management adjustment to stage 3 ECLs

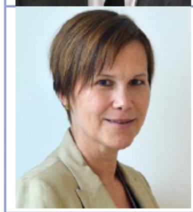
Glossary (1/2)

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 (group)	[operating expenses of the group] / [total income of the group]
Cost/income ratio adjusted for specific items	The numerator and denominator are adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments include: • MtM ALM derivatives (fully excluded) • bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) • one-off items
Credit cost ratio (CCR)	[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
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 (2/2)

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

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

Download the KBC IR APP

Company website: www.kbc.com