



Brussels, 18 April 2023 (8 a.m. CEST)

KBC discloses the impact of IFRS 17 on the income statement with restated comparative results, key ratios and short-term and long-term financial guidance

The new accounting rules for the recognition, measurement and presentation of insurance contracts (IFRS 17) are mandatory for the reporting period beginning on 1 January 2023, with requirements for comparable figures for 2022. IFRS 17 does not affect KBC Group's common equity ratio, the capital distribution policy nor KBC Insurance's Solvency II ratio. As KBC Group is an integrated bank-insurer, the income statement does change materially.

As a consequence of the IFRS 17 implementation, the **income statement of KBC Group**, being an integrated bank-insurer, is updated to include the new items introduced by IFRS 17 (e.g. insurance revenues, insurance finance income and expense and insurance service expenses). Other income statement lines that were related to IFRS 4 have been excluded or represented differently. We refer to the presentation attached and published on our KBC.com website for a detailed overview, including restated full-year 2022 P&L figures with an in-depth reconciliation per quarter, as well as the impact on a number of key **ratios**.

As a result of the new income statement, also the **short-term and long-term financial guidance** is **translated** from IFRS 4 to IFRS 17, leading to the following changes:

- **Full-year 2023 total income:** 11.15 billion euros under IFRS 17 (compared to 9.4 billion euros under IFRS 4, mainly due to presentation changes in total income under IFRS 17)
- **Full-year 2023 total opex excl. banking and insurance tax, plus insurance commissions:** 4.75 billion euros (compared to 4.4 billion euros under IFRS 4, an increase only as a result of the insurance commissions (part of insurance service expenses) being added to the target under IFRS 17)
- **CAGR total income (between 2022 and 2025):** approx. 7.3% (compared to approx. 6.6% under IFRS 4¹, mainly due to presentation changes in total income under IFRS 17)
- **CAGR total opex excl. banking and insurance tax, plus insurance commissions (between 2022 and 2025):** approx. 2.3% (compared to approx. 1.8% under IFRS 4, an increase only as a result of the insurance commissions (part of insurance service expenses) being added to the target under IFRS 17)

IFRS 17 does not impact the other short-term and long-term financial guidance (net interest income, credit cost ratio, combined ratio, etc.).

¹ Taking into account the 149 million euros pre-tax provision for the ICEC claim, which was booked as a negative in net other income and thus reducing total income of 2022

More details on the IFRS 17 impact for KBC Group can be found in the presentation attached to this press release and on www.kbc.com.

For more information, please contact:

Kurt De Baenst, General Manager, Investor Relations, KBC Group
Tel.: +32 2 429 35 73 – E-mail: kurt.debaenst@kbc.be

Viviane Huybrecht, General Manager of Corporate Communication/KBC Group Spokesperson
Tel.: + 32 2 429 85 45 – E-mail: pressofficekbc@kbc.be

* This news item contains information that is subject to the transparency regulations for listed companies.

KBC Group NV

Havenlaan 2 – 1080 Brussels

Viviane Huybrecht

General Manager

Corporate Communication /Spokesperson

Tel. + 32 2 429 85 45

Press Office

Tel. + 32 2 429 65 01 Stef Leunens

Tel. + 32 2 429 29 15 Ilse De Muyer

Tel. + 32 2 429 32 88 Pieter Kussé

Tel. + 32 2 429 85 44 Sofie Spiessens

pressofficekbc@kbc.be

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www.kbc.com or can be obtained by
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