

Disclosure of non-performing and forborne exposures (KBC Bank Consolidated)

In the context of the EBA's intensified supervisory work on non-performing loans (NPL), specific guidance to banks on non-performing loans was published in December 2018. This guidance includes expectations with regard to NPL-related disclosures, additional to the information required under Part Eight of the CRR (Article 431).

The purpose of the disclosure is to provide market participants with meaningful information on the credit institution's asset quality and to allow better insight into the distribution and level of collateralisation of the credit institution's NPL.

The four templates are based on figures of KBC Bank Consolidated level and also include cash balances with central banks and other demand deposits in the gross carrying amount of loans in order to be in line with the total of FINREP table 18. Reference figures of December 2019 can be found in the Risk Report 2019 of KBC Group.

Template 1 : Credit quality of forborne exposures

Credit quality of forborne exposures 30-06-2020 (in millions of EUR)	Gross carrying amount of forborne exposures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non- performing forborne exposures		Of which: Collateral and financial guarantees received on non- performing exposures with forbearance measures	
		Of which defaulted	Of which impaired					
1 Loans and advances	1 974	2 180	2 174	2 174	-72	-570	2 657	1 471
2 Central banks	0	0	0	0	0	0	0	0
3 General governments	0	1	1	1	0	-1	0	0
4 Credit institutions	0	0	0	0	0	0	0	0
5 Other financial corporations	20	3	3	3	-1	0	8	2
6 Non-financial corporations	1 258	856	852	852	-34	-284	1 105	458
7 Households	696	1 320	1 319	1 319	-38	-285	1 543	1 011
8 Debt Securities	0	0	0	0	0	0	0	0
9 Loan commitments given	62	20	20	20	0	-2	27	2
10 Total	2 036	2 200	2 194	2 194	-72	-572	2 684	1 473

In the first half of 2020, there was a major increase in the forborne exposures (+ 1 bio in the performing exposures of which 0,6 bio in Belgium and 0,3 bio in the Czech Republic). This increase is mainly explained by loan restructurings driven by the Covid-19 pandemic which are outside the scope of the general payment moratoria.

Template 3 : Credit quality of performing and non-performing exposures by past due days

Credit quality of performing and non-performing exposures by past due days 30-06-2020 (in millions of EUR)	Gross carrying amount												
	Performing exposures			Non-performing exposures									
		Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 years <= 5 years	Past due > 5 years <= 7 years	Past due > 7 years	Of which defaulted	Of which impaired
1 Loans and advances	210 443	210 069	375	5 284	2 222	360	314	334	551	711	793	5 284	5 277
2 Central banks	44 390	44 390	0	0	0	0	0	0	0	0	0	0	0
3 General governments	7 072	7 072	0	4	1	0	1	1	1	0	1	4	4
4 Credit institutions	9 262	9 262	0	30	0	0	30	0	0	0	0	30	30
5 Other financial corporations	6 907	6 907	0	77	13	10	0	39	1	0	14	77	77
6 Non-financial corporations	65 378	65 134	243	2 828	1 189	227	129	152	300	169	662	2 828	2 823
7 Of which SMEs	31 247	31 203	43	1 434	531	121	104	113	210	132	222	1 434	1 429
8 Households	77 434	77 303	131	2 345	1 019	123	154	141	250	542	116	2 345	2 343
9 Debt Securities	49 066	49 066	0	7	0	0	0	0	7	0	0	7	7
10 Central banks	224	224	0	0	0	0	0	0	0	0	0	0	0
11 General governments	42 830	42 830	0	0	0	0	0	0	0	0	0	0	0
12 Credit institutions	4 067	4 067	0	0	0	0	0	0	0	0	0	0	0
13 Other financial corporations	1 491	1 491	0	0	0	0	0	0	0	0	0	0	0
14 Non-financial corporations	455	455	0	7	0	0	0	0	7	0	0	7	7
15 Off-balance sheet exposures	47 512			199								199	199
16 Central banks	0			0								0	0
17 General governments	1 376			0								0	0
18 Credit institutions	2 640			0								0	0
19 Other financial corporations	3 692			0								0	0
20 Non-financial corporations	32 276			194								194	194
21 Households	7 529			5								5	5
22 Total	307 022	259 135	375	5 490	2 222	360	314	334	558	711	793	5 490	5 483

Template 4 : Performing and non-performing exposures and related provisions

Performing and non-performing exposures and related provisions 30-06-2020 (in millions of EUR)	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
1 Loans and advances	210 443	191 397	18 760	5 284		5 277	-1 083	-176	-906	-2 585		-2 584	91	116 127	2 415
2 Central banks	44 390	44 390	0	0		0	0	0	0	0		0	0	21 918	0
3 General governments	7 072	6 966	106	4		4	-2	-2	-1	-3		-3	0	4 029	1
4 Credit institutions	9 262	9 196	67	30		30	-34	-19	-15	-29		-29	0	2 470	0
5 Other financial corporations	6 907	6 595	312	77		77	-16	-7	-10	-63		-63	0	1 726	6
6 Non-financial corporations	65 378	52 962	12 407	2 828		2 823	-756	-111	-645	-1 711		-1 711	79	28 762	921
7 Of which: SMEs	31 247	25 383	5 864	1 434		1 429	-457	-55	-402	-715		-715	79	14 337	585
8 Households	77 434	71 288	5 869	2 345		2 343	-275	-38	-236	-780		-779	12	57 222	1 487
9 Debt Securities	49 066	49 018	28	7		7	-6	-5	-1	-6		-6	0	0	0
10 Central banks	224	224	0	0		0	0	0	0	0		0	0	0	0
11 General governments	42 830	42 830	0	0		0	-4	-4	0	0		0	0	0	0
12 Credit institutions	4 067	4 067	0	0		0	-1	-1	0	0		0	0	0	0
13 Other financial corporations	1 491	1 475	0	0		0	0	0	0	0		0	0	0	0
14 Non-financial corporations	455	422	28	7		7	-2	0	-1	-6		-6	0	0	0
15 Off-balance sheet exposures	47 512	42 412	5 101	199		199	-42	-23	-19	-97		-97		10 306	62
16 Central banks	0	0	0	0		0	0	0	0	0		0		0	0
17 General governments	1 376	1 359	17	0		0	-3	-3	0	0		0		420	0
18 Non-financial corporations	2 640	2 576	64	0		0	-4	-1	-3	0		0		36	0
19 Other financial corporations	3 692	3 557	134	0		0	-1	0	0	0		0		459	0
20 Non-financial corporations	32 276	27 716	4 560	194		194	-30	-16	-13	-96		-96		7 893	61
21 Households	7 529	7 204	325	5		5	-4	-2	-2	-1		-1		1 498	1
22 Total	307 022	282 827	23 889	5 490	0	5 483	-1 131	-205	-926	-2 688		-2 687		126 433	2 477

Accumulated impairments and provisions on performing exposures increased by + 0,7 bio, most notably in stage 2 (+ 0,7 bio). This can be explained by the impact of Covid-19 on IFRS 9 Expected Credit Losses which is further explained in note 1.4 of KBC's Quarterly Report for 2Q20.

Template 9 : Collateral obtained by taking possession and execution processes

Collateral obtained by taking possession 30-06-2020 (in millions of EUR)	Value at initial recognition	Accumulated impairment, accumulated negative changes
1 Property Plant and Equipment (PP&E)	3	-2
2 Other than Property Plant and Equipment	77	-21
3 Residential immovable property	9	-2
4 Commercial Immovable property	67	-19
5 Movable property (auto, shipping, etc.)	1	0
6 Equity and debt instruments	0	0
7 Other	0	0
8 Total	80	-23