

Press Release

Outside trading hours - Regulated information*
Brussels, 13 November 2025 (07.00 a.m. CET)



KBC Group: Third-quarter result of 1 002 million euros

KBC Group – overview (consolidated, IFRS)	3Q2025	2Q2025	3Q2024	9M2025	9M2024
Net result (in millions of EUR)	1 002	1 018	868	2 566	2 300
Basic earnings per share (in EUR)	2.44	2.50	2.14	6.26	5.58
Breakdown of the net result by business unit (in millions of EUR)					
Belgium	589	607	598	1 477	1 359
Czech Republic	244	240	179	691	620
International Markets	237	237	205	609	576
Group Centre	-68	-65	-114	-211	-255
Parent shareholders' equity per share (in EUR, end of period)	60.8	58.9	54.1	60.8	54.1

'We recorded an excellent net profit of 1 002 million euros in the third quarter of 2025. Compared to the previous quarter, our total income benefited from an increase in net interest income, insurance revenues and net fee and commission income, while trading and fair value income, net other income and dividend income (following the seasonal peak in the second quarter) were down. Our loan portfolio continued to expand, increasing by 2% quarter-on-quarter and by 8% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were stable quarter-on-quarter and up 3% year-on-year. Operating expenses excluding bank and insurance taxes were marginally higher, and remained perfectly within our guidance. Insurance service expenses after reinsurance were also up, but loan loss impairment charges decreased significantly, leading to a very favourable credit cost ratio of just 12 basis points for the first nine months of 2025 (13 basis points excluding the changes in the reserve for geopolitical and macroeconomic uncertainties). Consequently, when adding up the results for the first three quarters of the year, our year-to-date net profit amounted to 2 566 million euros, up 12% on the year-earlier figure.

Our solvency position remained strong, with an unfloored fully loaded common equity ratio under Basel IV of 14.9% at the end of September 2025. Our liquidity position remained very solid too, as illustrated by an LCR of 158% and an NSFR of 134%. In line with our dividend policy, we paid out an interim dividend of 1 euro per share on 7 November 2025 as an advance on the total dividend for 2025. We further increased our full-year 2025 guidance for net interest income to at least 5.95 billion euros (up from 5.85 billion euros as guided in the previous quarter), as well as for total income growth to at least 7.5% (up from 7.0%).

We continue to lead the way in digital innovation. Kate, our AI-powered personal digital assistant, has recently been further upgraded to enable even more natural and intuitive conversations, which will further boost autonomy and customer usage. Kate now autonomously resolves seven out of ten customer queries across our core markets. And with our enhanced Kate Coin programme, it is now even easier for customers to earn and use Kate Coins. Among other things, customers can earn Kate Coins at one partner and use them at another. Besides this, we are working together with eight European banks in developing a MiCAR-compliant euro stablecoin that brings stability to the rapidly evolving world of crypto and tokenisation. We regularly receive external recognition for our innovative approach and are particularly proud that independent international research agency Sia has again named KBC Mobile the world's best mobile banking app. KBC has now won this prestigious title three times: in 2021, 2024 and 2025.

Furthermore, we recently reached an agreement to acquire Business Lease in the Czech Republic and Slovakia, for a total consideration of 72 million euros. This transaction will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. The deal will have an immaterial impact on our capital position and is still subject to approval by the relevant antitrust authorities. It is expected to be closed in the first quarter of 2026.

I'd like to take this opportunity to sincerely thank all our employees for their contribution to our group's continued success. I also wish to thank all our customers, shareholders and all other stakeholders for their trust and support, and to assure them that we remain committed to being the reference in bank-insurance and innovation in all our home markets.'



Johan Thijs, Chief Executive Officer

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Financial highlights in 3Q2025

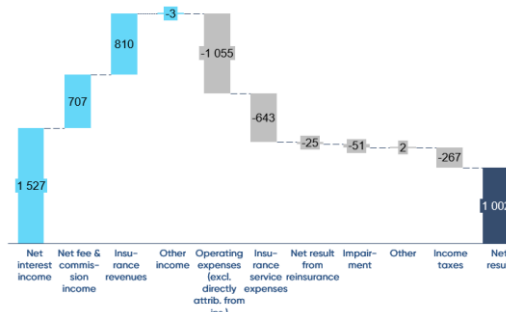
- **Net interest income** increased by 1% quarter-on-quarter and by 10% year-on-year. The net interest margin for the quarter under review amounted to 2.05%, down 3 basis points on the previous quarter and 4 basis points year-on-year. Customer loan volumes increased by 2% quarter-on-quarter and by 8% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were stable quarter-on-quarter and up 3% year-on-year.
- **The insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 142 million euros, down on the 166 million euros recorded in the previous quarter and significantly up on the low 81 million euros recorded in the year-earlier quarter (which had been affected by Storm Boris in Central Europe). The insurance service result for the quarter under review breaks down into 87 million euros for non-life insurance and 55 million euros for life insurance. The non-life insurance combined ratio for the first nine months of 2025 came to an excellent 87%, compared to 90% for full-year 2024. Sales of non-life insurance products increased by 8% year-on-year, while life insurance sales were up 29% on the level recorded in the previous quarter and up 7% on their level in the year-earlier quarter.
- **Net fee and commission income** was up 6% on its level in the previous quarter and 10% on its level a year ago, due in both cases to higher fees from asset management activities and from banking services.
- **Trading & fair value income and insurance finance income and expense** was down 29 million euros and 20 million euros on the figure for the previous and year-earlier quarters, respectively. **Net other income** was only slightly below its normal run rate. **Dividend income** was down on the previous quarter's level, since the bulk of dividend income is traditionally received in the second quarter.
- **Operating expenses excluding bank and insurance taxes** were up 2% quarter-on-quarter and a mere 1% year-on-year. Bank and insurance taxes were up 23 million euros on the previous quarter and in line with the year-earlier figure. The cost/income ratio for the first nine months of 2025 came to 45%, compared to 47% for full-year 2024. In that calculation, certain non-operating items have been excluded and bank and insurance taxes spread evenly throughout the year. When excluding all bank and insurance taxes, the cost/income ratio for the first nine months of 2025 amounted to 41%, compared to 43% for full-year 2024.
- **Loan loss impairment charges** amounted to 45 million euros, significantly down on the 116 million euros recorded in the previous quarter and the 61 million euros in the year-earlier quarter. The figure for the quarter under review included an increase of 55 million euros for the loan book (compared to 76 million euros in the previous quarter) and a 9 million-euro release from the reserve for geopolitical and macroeconomic uncertainties (compared to a 40-million-euros increase in the previous quarter). The credit cost ratio for the first nine months of 2025 amounted to 0.12%, compared to 0.10% for full-year 2024.
- The **share in results of associated companies & joint ventures** amounted to just 2 million euros in the quarter under review, in line with the level recorded in the previous quarter. In the year-earlier quarter, however, it had included a one-off 79-million euro gain (related to Isabel NV).
- Our **liquidity position** remained strong, with an LCR of 158% and NSFR of 134%. Our **capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.9%*.

The cornerstones of our strategy

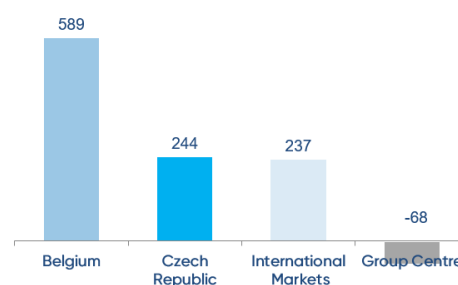


- We place our customers at the centre of everything we do
- We look to offer our customers a unique bank-insurance experience
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth
- We assume our role in society and local economies
- We build upon the PEARL + values, while focussing on the joint development of solutions, initiatives and ideas within the group

Breakdown of 3Q2025 result (in millions of EUR)



Contribution of the business units to 3Q2025 group result (in millions of EUR)



* For the fully loaded common equity ratio as of 2025, KBC focuses on the so-called unfloored fully loaded common equity ratio, which takes into account the impact of Basel IV on total risk-weighted assets, excluding the output floor impact.

Overview of results and balance sheet

Consolidated income statement, IFRS, KBC Group (simplified; in millions of EUR)

	3Q2025	2Q2025	1Q2025	4Q2024	3Q2024	9M2025	9M2024
Net interest income	1 527	1 509	1 421	1 433	1 394	4 457	4 141
Insurance revenues before reinsurance	810	788	773	764	740	2 372	2 181
Non-life	688	667	648	640	631	2 004	1 842
Life	122	121	125	124	109	368	339
Dividend income	12	33	9	13	11	54	44
Net result from financial instruments at fair value through P&L and Insurance finance income and expense	-62	-34	-45	-74	-42	-141	-94
Net fee and commission income	707	667	690	700	641	2 064	1 878
Net other income	47	77	67	27	45	191	154
Total income	3 041	3 041	2 915	2 863	2 787	8 997	8 303
Operating expenses (excl. directly attributable from insurance)	-1 055	-1 020	-1 498	-1 126	-1 058	-3 573	-3 440
Total operating expenses excluding bank and insurance taxes	-1 143	-1 125	-1 106	-1 201	-1 135	-3 375	-3 272
Total bank and insurance taxes	-49	-27	-539	-55	-47	-615	-568
Minus: operating expenses allocated to insurance service expenses	138	132	148	131	124	417	401
Insurance service expenses before reinsurance	-643	-608	-622	-635	-688	-1 874	-1 840
Of which Insurance commission paid	-109	-105	-102	-103	-99	-315	-280
Non-Life	-578	-541	-543	-561	-615	-1 662	-1 618
Life	-66	-67	-79	-74	-72	-212	-221
Net result from reinsurance contracts held	-25	-15	-9	-4	28	-49	-13
Impairment	-51	-124	-38	-78	-69	-213	-170
Of which: on financial assets at amortised cost and at fair value through other comprehensive income ¹	-45	-116	-38	-50	-61	-200	-149
Share in results of associated companies & joint ventures	2	1	0	-1	78	4	80
Result before tax	1 269	1 275	747	1 020	1 079	3 291	2 922
Income tax expense	-267	-257	-202	96	-211	-725	-623
Result after tax	1 003	1 018	546	1 115	868	2 567	2 299
attributable to minority interests	1	0	0	0	0	1	-1
attributable to equity holders of the parent	1 002	1 018	546	1 116	868	2 566	2 300
Basic earnings per share (EUR)	2.44	2.50	1.32	2.75	2.14	6.26	5.58
Diluted earnings per share (EUR)	2.44	2.50	1.32	2.75	2.14	6.26	5.58

Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)

	30-09-2025	30-06-2025	31-03-2025	31-12-2024	30-09-2024
Total assets	383 338	390 669	380 313	373 048	353 261
Loans & advances to customers	206 113	202 031	197 326	192 067	188 623
Securities (equity and debt instruments)	85 310	85 490	84 419	80 339	75 929
Deposits from customers	232 462	236 626	231 022	228 747	221 851
Insurance contract liabilities	17 152	17 022	16 912	17 111	17 012
Liabilities under investment contracts, insurance	16 433	15 757	15 631	15 671	15 193
Total equity	27 019	26 229	25 191	24 311	23 300

Selected ratios for KBC Group (consolidated)

	9M2025	FY2024
Return on equity ²	15%	14%
Cost/income ratio, group		
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	45%	47%
- excl. all bank and insurance taxes	41%	43%
Combined ratio, non-life insurance	87%	90%
Common equity ratio (CET1), fully loaded (Basel IV as of 2025, Danish Compromise, unfloored ³)	14.9%	15.0%
Credit cost ratio ⁴	0.12%	0.10%
Impaired loans ratio	1.8%	2.0%
for loans more than 90 days past due	1.0%	1.0%
Net stable funding ratio (NSFR)	134%	139%
Liquidity coverage ratio (LCR)	158%	158%

¹ Also referred to as 'Loan loss impairment'.

² When non-operating items are excluded and bank and insurance taxes spread evenly throughout the year.

³ For the fully loaded common equity ratio as of 2025, KBC focuses on the so-called unfloored fully loaded common equity ratio, which takes into account the impact of Basel IV on total risk-weighted assets, excluding the output floor impact.

⁴ A negative figure indicates a net impairment release (positively affecting results).

Analysis of the quarter (3Q2025)

Total income: 3 041 million euros

stable quarter-on-quarter and +9% year-on-year

Net interest income amounted to 1 527 million euros, up 1% quarter-on-quarter and 10% year-on-year. The quarter-on-quarter increase was due mainly to a higher commercial transformation result, a higher level of income from lending activities (mainly volume-driven, partly offset by loan margin pressure in some core countries), increased interest income from dealing room activities and from short-term cash management activities, lower costs related to the minimum required reserves held with central banks, lower subordinated funding costs and a higher number of days in the period under review. These items were partly offset by lower net interest income from inflation-linked bonds and a lower level of interest income from customer term deposits (shift from term deposits to saving accounts).

The year-on-year increase was accounted for primarily by a much higher commercial transformation result, a higher level of income from lending activities, lower costs related to the minimum required reserves held with central banks, increased interest income from dealing room activities and lower subordinated funding costs. These items were partly offset by a much lower level of interest income from customer term deposits.

The net interest margin for the quarter under review amounted to 2.05%, down 3 basis points quarter-on-quarter and 4 basis points year-on-year (the increase in the interest-bearing asset base was only partially offset by higher net interest income). Customer loan volume amounted to 206 billion euros and was up 2% quarter-on-quarter and 8% year-on-year, with increases in every core country. Customer deposits amounted to 232 billion euros, and – at first sight – were down 2% quarter-on-quarter and up 3% year-on-year. However, when excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches (driven by short-term cash management opportunities), customer deposits were stable quarter-on-quarter and up 3% year-on-year. The growth figures above exclude the forex-related impact.

For guidance regarding expected net interest income in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

The **insurance service result** (insurance revenues before reinsurance – insurance service expenses before reinsurance + net result from reinsurance contracts held; the two latter items are not part of total income) amounted to 142 million euros and breaks down into 87 million euros for non-life insurance and 55 million euros for life insurance.

The **non-life** insurance service result fell by 23% quarter-on-quarter, as higher insurance revenues were offset by increased insurance service expenses (higher claims) and a worse reinsurance result. However, it is almost double year-on-year due to higher insurance revenues combined with lower insurance service expenses (as the reference quarter had been affected by high claims due to storms and floods, including Storm Boris in Central Europe), partly offset by a lower reinsurance result (also partly related to the storms and floods in the year-earlier quarter). The **life** insurance service result was up 4% quarter-on-quarter and 54% year-on-year, due in both cases to higher insurance revenues and lower insurance service expenses.

The combined ratio of the non-life insurance activities amounted to an excellent 87% in the first nine months of 2025, compared to 90% for full-year 2024. At 653 million euros, non-life insurance sales were up 8% year-on-year, with growth in all countries and all main classes. At 843 million euros, sales of life insurance products were up 29% on the level recorded in the previous quarter (thanks to higher unit-linked insurance sales, and, to a lesser extent, higher sales of interest guaranteed products, partly offset by lower sales of hybrid products) and up 7% on the level recorded in the year-earlier quarter (increases in guaranteed interest, unit-linked and hybrid products). Overall, the share of guaranteed-interest products and unit-linked products in our life insurance sales in the quarter under review amounted to 43% and 50%, respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder.

For guidance regarding expected insurance revenues and the combined ratio in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

Net fee and commission income amounted to 707 million euros, up 6% quarter-on-quarter and 10% year-on-year. In both cases, the increase was mainly accounted for by fees related to asset management activities (due in part to a higher average asset base, thanks to the recovery from the market downturn in April) and fees related to banking activities (mainly increased fees for payment services, securities services and network income).

At the end of September 2025, our total assets under management amounted to 292 billion euros, up 4% quarter-on-quarter thanks to a positive market performance in the quarter (+3 percentage points) combined with the positive impact of net inflows (+1 percentage point). Assets under management grew by 8% year-on-year, with net inflows accounting for 4 percentage points and the positive market performance during the past 12 months for another 4 percentage points.

Trading & fair value income and insurance finance income and expense amounted to -62 million euros, down 29 million euros quarter-on-quarter and 20 million euros year-on-year, due in part in both cases to a lower dealing room result and a negative change in the market value of derivatives used for asset/liability management purposes, partly offset by positive market value adjustments (xVA).

The **other remaining income items** included dividend income of 12 million euros, down significantly on the previous quarter since the bulk of dividend income is traditionally received in the second quarter, and net other income of 47 million euros, only slightly below its 50-million-euro normal run rate.

Operating expenses excluding bank and insurance taxes: 1 143 million euros +2% quarter-on-quarter and +1% year-on-year

Operating expenses excluding bank and insurance taxes amounted to 1 143 million euros in the third quarter of 2025, up 2% on their level in the previous quarter (or 1% excluding forex effects) and up just 1% year-on-year (stable excluding forex effects).

The quarter-on-quarter increase was driven mainly by higher marketing expenses, professional fees and various smaller cost items, partly offset by lower ICT and facility expenses.

The small year-on-year increase was accounted for primarily by higher staff costs, marketing costs, professional fees and depreciation expenses, largely offset by lower ICT and facility expenses.

Bank and insurance taxes in the quarter under review amounted to 49 million euros, up 23 million euros quarter-on-quarter and more or less stable year-on-year. The 49 million euros in the quarter under review related primarily to additional national bank taxes (mainly in Hungary, to a lesser extent in Slovakia and the Czech Republic too).

When certain non-operating items are excluded and bank and insurance taxes spread evenly throughout the year, the cost/income ratio for the first nine months of 2025 amounted to 45%, compared to 47% for full-year 2024. When excluding all bank and insurance taxes, the cost-income ratio amounted to 41%, compared to 43% for full-year 2024.

For guidance regarding expected operating expenses in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

Loan loss impairment: 45-million-euro net charge

versus a 116-million-euro net charge in the previous quarter and a 61-million-euro net charge in the year-earlier quarter

In the quarter under review, we recorded a 45-million-euro net loan loss impairment charge, significantly less than the net charge of 116 million euros in the previous quarter and 61 million euros in the year-earlier quarter. The 45-million-euros net charge in the quarter under review included:

- a 55-million-euro impairment charge related to the loan book, 26 million euros of which related to lowering the back-stop shortfall for new non-performing loans in Belgium (compared to 76 million euros in the previous quarter, with no back-stop impact);
- a 9-million-euro impairment reversal related to the update of the reserve for geopolitical and macroeconomic uncertainties (compared to an increase of 40 million euros in the previous quarter caused by the booking of a management overlay). As a consequence, the remaining reserve for geopolitical and macroeconomic uncertainties amounted to 103 million euros at the end of September 2025.

The resulting credit cost ratio came to 0.12% for the first nine months of 2025 (0.13% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties), compared to 0.10% for full-year 2024 (0.16% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties). At the end of September 2025, 1.8% of our total loan book was classified as impaired ('Stage 3'), compared to 2.0% at year-end 2024. Impaired loans that are more than 90 days past due amounted to 1.0% of the loan book, the same as at year-end 2024.

For guidance regarding the expected credit cost ratio in 2025 and the years to come, please refer to the section entitled 'Our guidance'.

Impairment charges on assets *other than loans* amounted to 5 million euros in the quarter under review, compared to 8 million euros in the previous quarter and 7 million euros in the year-earlier quarter. The figure for the quarter under review mainly included impairment charges related to software.

Net result by business unit

Belgium 589 million euros; Czech Rep. 244 million euros; International Markets 237 million euros; Group Centre -68 million euros

Belgium: the net result (589 million euros) edged down by 3% quarter-on-quarter, due to the combined effect of:

- slightly lower total income (accounted for mainly by lower net interest income from inflation-linked bonds, decreased trading & fair value income and net other income and seasonally lower dividend income, partly offset by higher insurance revenues and net fee and commission income);
- a higher level of costs;
- higher insurance service expenses after reinsurance;
- much lower impairment charges.

Czech Republic: the net result (244 million euros) was up 2% quarter-on-quarter (stable when excluding forex effects), due to the combined effect of:

- higher total income (due to increases in all income lines, except for net other income);
- a higher level of costs;
- higher insurance service expenses after reinsurance;
- a decrease in impairment charges (to virtually zero).

International Markets: the 237-million-euro net result breaks down as follows: 31 million euros in Slovakia, 112 million euros in Hungary and 94 million euros in Bulgaria. For the business unit as a whole, the net result was stable quarter-on-quarter, due to the combined effect of:

- more or less stable total income (increases in net interest income, insurance revenues and net fee and commission income, offset by lower trading & fair value income and net other income);
- higher costs (mainly related to higher bank and insurance taxes);
- higher insurance service expenses after reinsurance;
- much lower impairment charges.

Group Centre: the net result (-68 million euros) was 3 million euros below the figure recorded in the previous quarter, due to:

- lower total income (decrease mainly in trading and fair value income and net other income, partially offset by an increase in net interest income);
- lower costs;
- slightly higher insurance service expenses after reinsurance;
- more or less stable impairment charges.

A full results table is provided in the 'Additional information' section of the quarterly report. A short analysis of the results per business unit is provided in the analyst presentation (available at www.kbc.com).

Selected ratios by business unit	Belgium		Czech Republic		International Markets	
	9M2025	FY2024	9M2025	FY2024	9M2025	FY2024
Cost/income ratio						
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	43%	44%	42%	45%	45%	46%
- excl. all bank and insurance taxes	39%	41%	41%	43%	37%	38%
Combined ratio, non-life insurance	87%	88%	85%	86%	89% ²	96% ²
Credit cost ratio ¹	0.14%	0.19%	0.08%	-0.09%	0.13%	-0.08%
Impaired loans ratio	1.8%	2.0%	1.3%	1.3%	1.5%	1.6%

¹ A negative figure indicates a net impairment release (positively affecting results). See 'Details of ratios and terms' in the quarterly report.

² Excluding windfall insurance taxes in Hungary, the combined ratio amounted to 93% for full-year 2024 and 87% for the first nine months of 2025.

Solvency and liquidity

Common equity ratio of 14.9%, NSFR of 134%, LCR of 158%

At the end of September 2025, total equity came to 27.0 billion euros and comprised 24.1 billion euros in parent shareholders' equity and 2.9 billion euros in additional tier-1 instruments. Total equity was up 2.7 billion euros on its level at the end of 2024. This was due to the combined effect of:

- the inclusion of the profit for the first nine months of 2025 (+2.6 billion euros);
- the payment of the final dividend for 2024 in May 2025 and the interim dividend in November 2025 (-1.6 billion euros);
- higher revaluation reserves (+0.8 billion euros);
- higher additional tier-1 instruments (+1.0 billion euros, owing to a new issue in May 2025);
- a number of smaller items.

We have provided details of these changes under 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section of the quarterly report.

In the first nine months of 2025, risk-weighted assets rose by 7.9 billion euros to 127.8 billion euros, driven primarily by the application of Basel IV and volume growth.

Our solvency position remained strong, as illustrated by an unfloored fully loaded common equity ratio (CET1) of 14.9% under Basel IV at 30 September 2025, compared to 15.0% under Basel III at the end of December 2024 (corresponding to 14.6% under Basel IV). The solvency ratio for KBC Insurance under the Solvency II framework was 216% at the end of September 2025, compared to 200% at the end of 2024. We have provided more details on solvency under 'Solvency' in the 'Additional information' section of the quarterly report. The impact of the acquisition of Business Lease in the Czech Republic and Slovakia, which we announced on 23 October, will be immaterial (-4 basis points on CET1 when completed). We estimate that the acquisition of 365.bank in Slovakia, which we announced in May 2025, will have an impact of -50 basis points on our CET1 when completed.

The dividend policy and capital deployment policy are explained in the 'Our guidance' section of this report. In line with that policy, we paid an interim dividend of 1 euro per share on 7 November 2025 as an advance on the total dividend for financial year 2025.

Our liquidity position also remained excellent, as reflected in an LCR ratio of 158% and an NSFR ratio of 134%, compared to 158% and 139%, respectively, at the end of 2024, well above the regulatory minima of 100%.

Analysis of the year-to-date period (9M2025)

Net result for 9M2025: 2 566 million euros

up 12% year-on-year

Highlights (compared to the first nine months of 2024, unless otherwise stated):

- **Net interest income:** up 8% to 4 457 million euros. This was attributable mainly to the much higher commercial transformation result, an increased level of interest income from lending activities, lower costs related to the minimum required reserves held with central banks, lower subordinated funding cost as well as higher interest income from dealing room activities, partly offset by lower interest income related to customer term deposit funding, and to a lesser extent, lower interest income related to ALM and short-term cash management activities. Excluding forex effects, the volume of customer loans rose by 8% while customer deposits increased by 3% year-on-year. The net interest margin in the first nine months of 2025 came to 2.06%, down 3 basis points year-on-year.
- **Insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held): up 37% to 449 million euros. The non-life combined ratio for the first nine months of 2025 amounted to 87%, compared to 90% for full-year 2024. Non-life insurance sales were up 8% to 2 115 million euros, with increases in all main classes, while life insurance sales were up 15% to 2 511 million euros, thanks to higher sales of unit-linked, interest-guaranteed and hybrid products.
- **Net fee and commission income:** up 10% to 2 064 million euros. This was attributable to higher fees for asset management services and for banking services (mainly payment services, network income and securities services). At the end of September 2025, total assets under management were up 8% to 292 billion euros due to a combination of net inflows and the effect of a positive year-on-year market performance (both accounting for +4 percentage points).

- **Trading & fair value income and insurance finance income and expense:** down 47 million euros to -141 million euros. This was due mainly to a lower dealing room result and a negative change in the market value of derivatives used for asset/liability management purposes, partly offset by positive market value adjustments (xVA).
- **All other income items combined:** up 24% to 245 million euros, thanks to higher net other income and higher dividend income.
- **Operating expenses excluding bank and insurance taxes:** up 3% to 3 375 million euros. The increase on the level recorded in the reference period was attributable mainly to higher staff costs (wage drift), depreciation expenses and various other costs. Bank and insurance taxes amounted to 615 million euros, up 8% year-on-year. The cost/income ratio for the first nine months of 2025 amounted to 45% when certain non-operating items are excluded and bank and insurance taxes spread evenly throughout the year (47% for full-year 2024). When bank and insurance taxes are fully excluded, the cost-income ratio for the period under review amounted to 41% (43% for full-year 2024).
- **Loan loss impairment:** net charge of 200 million euros, compared to a net charge of 149 million euros in the reference period. The first nine months of 2025 included a charge of 214 million euros for the loan book and a release of 14 million euros in the reserve for geopolitical and macroeconomic uncertainties (compared to a charge of 233 million euros and a release of 84 million euros, respectively, in the reference period). As a result, the credit cost ratio amounted to 0.12%, compared to 0.10% for full-year 2024. Impairment charges on assets other than loans amounted to 13 million euros, compared to 20 million euros in the reference period.
- **Share in results of associated companies & joint ventures:** down 77 million euros to 4 million euros, as the reference period had included a one-off 79-million euros gain (related to Isabel).
- **The 2 566-million-euro net result for the first nine months of 2025** breaks down as follows: 1 477 million euros for the Belgium Business Unit (up 118 million euros on its year-earlier level), 691 million euros for the Czech Republic Business Unit (up 71 million euros), 609 million euros for the International Markets Business Unit (up 33 million euros) and -211 million euros for the Group Centre (up 44 million euros).

ESG developments, risk statement and economic views

ESG developments

KBC continues to make progress in the area of sustainability, together with its customers, employees and other stakeholders. We remain committed to transparent and consistent communication about our sustainability efforts. We do so through a separate Sustainability Statement in our annual report, as well as through a voluntary Sustainability Report. Both publications are available at www.kbc.com.

Our efforts do not go unnoticed. Our S&P ESG score has risen again, confirming our continued progress on environmental, social and governance issues.

In addition, KBC remains committed to responsible banking and sustainable development through the issuance of green bonds. In August, we issued our fifth green bond in the amount of 500 million euros. This bond supports investments in green buildings, renewable energy and electric vehicles. With our first green bond having matured, there are currently four green bonds still outstanding.

Risk statement

As we are mainly active in banking, insurance and asset management, we are exposed to a number of typical risks for these financial sectors such as – but not limited to – credit default risk, counterparty credit risk, concentration risk, movements in interest rates, currency risk, market risk, liquidity and funding risk, insurance underwriting risk, changes in regulations, operational risk, customer litigation, competition from other and new players, as well as the economy in general. KBC closely monitors and manages each of these risks within a strict risk framework, but they may all have a negative impact on asset values or could generate additional charges beyond anticipated levels.

At present, a number of factors are considered to constitute the main challenges for the financial sector. These stem primarily from geopolitical risks which have increased significantly over the past few years (including the war in Ukraine, conflicts in the Middle East and trade wars as a consequence of US tariff policies). These risks result or may result in shocks for the global economic system (e.g., GDP and inflation) and the financial markets (including interest rates). European economies, including KBC's home markets, are affected too, creating an uncertain business environment, including for financial institutions. Regulatory and compliance risks (in relation to capital requirements, anti-money laundering regulations, GDPR and ESG/sustainability) also remain a dominant theme for the sector, as does enhanced consumer protection. Digitalisation (with technology, including AI, as a catalyst) presents both opportunities and threats to the business model of traditional financial institutions, while climate and environmental-related risks are becoming increasingly prevalent. Cyber risk has become one of the main threats during the past few years, not just for the financial sector, but for the economy as a whole. The war in Ukraine and geopolitical tensions in general have triggered an increase in attacks worldwide. Finally, we have seen governments across Europe taking additional measures to support their budgets (via increased tax contributions from the financial sector) and their citizens and corporate sector (by, for instance, implementing interest rate caps on loans or by pushing for higher rates on savings accounts).

We provide risk management data in our annual reports, quarterly reports and dedicated risk reports, all of which are available at www.kbc.com.

Our view on economic growth

According to our estimates (non-annualised), US economic activity grew by 0.7% in the third quarter of 2025, compared to 0.9% in the second quarter. Due to the US government shutdown, no official third-quarter figure has been published yet. Growth was again largely attributable to resilient consumer demand and non-residential investment. In line with the weakening US labour market, US growth is expected to slow down in the fourth quarter. We expect it to pick up again in the course of next year.

Against the background of the US-EU tariff agreement of 27 July, and despite ongoing uncertainty surrounding economic policy and trade relations, growth in the euro area economy picked up to 0.2% in the third quarter (with growth in our core countries of Belgium, the Czech Republic, Hungary, Slovakia and Bulgaria amounting to 0.3%, 0.7%, 0.0%, 0.1%* and 0.6%*, respectively). Barring new shocks, it is likely that we are past the bottom of the European business cycle, with growth improving further in the coming quarters on the back of defence spending, infrastructure investment and private consumption.

In the short term, the biggest internal risk to the European economy is political instability. The main external risk remains a resurgence of the global trade conflict, with a direct impact through imposed trade tariffs and indirect consequences through a possible diversion of trade flows from China to Europe.

* KBC estimates.

Our view on interest rates and foreign exchange rates

In the euro area, inflation and core inflation remained broadly stable in October at 2.1% and 2.4% respectively. According to the European Central Bank (ECB), the disinflationary process is over and inflation will converge downwards towards the ECB's 2% target barring any additional shocks.

In the US, general and core inflation (both 3.0%) remained stubbornly above the Fed's target in September. We expect US import tariffs to further seep into inflation in the coming months. However, this effect is likely to be temporary, reflecting mainly a one-off increase in the price level. Thereafter, inflation is likely to fall back towards the Fed's target.

The ECB confirmed its 2% deposit rate again in October, indicating that it is in a good position, enabling us to conclude that 2% is likely to be the bottom of this interest rate cycle. The deposit rate is likely to remain unchanged at that level for quite some time.

The Fed resumed its easing cycle in September by cutting its policy rate by 25 basis points, followed by another cut of the same size in October. Barring new economic shocks, the Fed is likely to continue its easing cycle until spring 2026. Moreover, the Fed indicated that the process of quantitative tightening will be terminated from December on.

The diverging trend between US and German 10-year rates continued in the third quarter. While US rates have fallen by around 15 basis points since the start of the third quarter, German bond yields remained broadly unchanged on balance. The fall in US rates was due mainly to fears of a cyclical slowdown and related interest rate cuts by the Fed. The recent flight to safe-haven assets also played a role owing to the resurgence of the US-China trade conflict. German 10-year yields did not follow the fall in US yields as the ECB has already completed its easing cycle.

The Czech National Bank (CNB) kept its policy rate unchanged at 3.50% in the third quarter. We also expect this to be the bottom of the CNB's easing cycle. The CNB may maintain this slightly restrictive interest rate policy for some time to get the underlying upside inflation risk under control. As a result of interest rate support and the overall convergence process of the Czech economy, we expect the Czech koruna to appreciate further against the euro in the coming quarters.

The Hungarian central bank has kept its policy rate unchanged at 6.50% since as far back as September 2024, and we expect the next rate cut in early 2026 at the earliest. Monetary policy will remain restrictive for quite a while to bring inflation under control. We therefore expect a continuation of the central bank's 'strong-forint' policy in the coming quarters. Nevertheless, Hungary's structurally higher inflation relative to the euro area is likely to cause a gradual depreciation of the forint against the euro over time.

Our guidance

Guidance for full-year 2025 *(updated)*

- Total income: at least +7.5% year-on-year *(up from at least 7.0%)*
- Net interest income: at least 5.95 billion euros *(up from 5.85 billion euros)*, supported by organic loan volume growth of approximately 7.5% *(up from at least 6.5%)*
- Insurance revenues (before reinsurance): at least +7% year-on-year *(unchanged)*
- Operating expenses (excluding bank and insurance taxes): below +2.5% year-on-year *(unchanged)*
- Combined ratio: below 91% *(unchanged)*
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points *(unchanged)*

Medium to long-term guidance *(as provided with the full year 2024 results)*

- CAGR total income (2024-2027): at least +6%
- CAGR net interest income (2024-2027): at least +5%
- CAGR insurance revenues (before reinsurance) (2024-2027): at least +7%
- CAGR operating expenses (excluding bank and insurance taxes) (2024-2027): below +3%
- Combined ratio: below 91%
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points

Dividend and capital deployment policy *(as provided with the 1Q2025 results)*

- Dividend policy:
 - Payout ratio (including AT1 coupon) between 50% and 65% of consolidated profit of the accounting year;
 - Interim dividend of 1 euro per share in November of each accounting year as an advance on the total dividend.
- Capital deployment policy:
 - We aim to remain amongst the better capitalised financial institutions in Europe;
 - Each year (when announcing the full-year results), the Board of Directors will take a decision, at its discretion, on the capital deployment. The focus will predominantly be on further organic growth and M&A;
 - We see a 13% unfloored fully loaded common equity ratio as the minimum;
 - We will fill up the AT1 and Tier 2 buckets within P2R and will start using SRTs (Significant Risk Transfers) as a part of a risk-weighted assets optimisation programme.

Upcoming events and references

Agenda

4Q2025/FY2025 results: 12 February 2026

Annual report for 2025: 1 April 2026

Annual General Meeting of Shareholders: 7 May 2026

1Q2026 results: 12 May 2026

Other events: www.kbc.com / Investor Relations / Financial calendar

More

information on
the quarter
under review

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