Press Release

Outside trading hours - Regulated information*
Brussels, 6 August 2026 (07.00 a.m. CEST)

KBC Group: Second-quarter result of 1 152 million euros

KBC Group – overview (consolidated, IFRS)	2Q2026	1Q2026	2Q2025	1H2026	1H2025
Net result (in millions of EUR)	1 152	557	1 018	1 709	1 564
Basic earnings per share (in EUR)	2.83	1.32	2.50	4.15	3.82
Breakdown of the net result by business unit (in millions of EUR)					
Belgium	*747*	*317*	*607*	*1 063*	*888*
Czech Republic	*272*	*223*	*240*	*494*	*447*
International Markets	*240*	*99*	*237*	*339*	*372*
Group Centre	*-106*	*-82*	*-65*	*-188*	*-143*
Parent shareholders' equity per share (in EUR, end of period)	64.3	64.7	58.9	64.3	58.9

'We recorded an excellent net profit of 1 152 million euros in the second quarter of 2026. Compared to the previous quarter, our total income benefitted from higher levels of net interest income, insurance revenues, trading and fair value income, net fee and commission income and the seasonal peak in dividend income, while only net other income decreased. Our loan portfolio grew organically by 3% quarter-on-quarter and by as much as 7% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were up organically by 2% quarter-on-quarter and by 4% year-on-year. Operating expenses were down significantly on their level in the previous quarter, due to the fact that the bulk of the bank and insurance taxes for the entire year was recorded – as usual – in the first quarter. Disregarding bank and insurance taxes, operating expenses were down slightly quarter-on-quarter. On a year-to-date basis, operating expenses were in line with our full-year 2026 guidance. Insurance service expenses after reinsurance were up, as were non-loan-loss-related impairments. Loan loss impairment charges on the other hand fell significantly quarter-on-quarter. As a result, our year-to-date credit cost ratio stood at a favourable level of 11 basis points in the first half of 2026, when excluding the reserve for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank.

Consequently, when adding up the results for the first and second quarters of the year, our net profit for the first half of 2026 amounted to 1 709 million euros, up 9% on the year-earlier figure. The recent acquisitions of 365.bank in Slovakia and Business Lease in the Czech Republic and Slovakia contributed 29 million euros to our half-year profit figure.

Our solvency position remained strong, with an unfloored fully loaded common equity ratio under Basel IV of 14.4% at the end of June 2026. We also successfully completed our second significant risk transfer (SRT) transaction on a 1.25-billion-euro corporate loan portfolio, leading to a saving of 0.7 billion euros in risk weighted assets. Our liquidity position remained very solid too, as illustrated by an LCR of 158% and an NSFR of 133%. In line with our dividend policy, we will pay out an interim dividend of 1 euro in November 2026 as an advance on the total dividend for financial year 2026. Furthermore, we decided to increase, among other things, our 2026 guidance for net interest income to 'approximately 7.05 billion euros', up from our previous guidance of 'at least 6 725 million euros', and our 2026 guidance for total income to 'approximately +11.0% year-on-year', up from 'at least +9.9% year-on-year' previously.

We continue to lead the way in digital innovation, with Kate playing a pivotal role in delivering faster, smarter and more personal services to our customers. To date, Kate has already reached 6.2 million customers across our core markets, with an average of around 75% of customer queries being solved autonomously. That translates into a workload of over 400 full-time commercial employees, allowing our teams to spend more time on assisting our customers with more complex questions and providing valuable advice at key life moments. Our ultimate aim is to be there for our customers whenever it matters, supporting them with solutions for housing, mobility, travel and the many moments in between. To date, our 'MyMobility' ecosphere has already onboarded close to 390 000 customers in Belgium (leading to a roughly 40% market share increase for car loans since November 2025) and the Czech Republic, while 60 000 customers have already onboarded the 'MyHome' ecosphere in Belgium. These ecospheres allow customers to retrieve useful information, guidance, support and simulations – increasingly powered by Kate – for their mobility and housing-related questions, while the digital interaction with the customer provides useful leads for KBC to reach out and set up a further dialogue. To provide additional insight into this journey, we will extend the usual conference call regarding the fourth quarter and full-year 2026 results with a topical event on Thursday 11 February 2027, providing more insights into the digital transformation of our group, leading to new financial and non-financial guidance.

In closing, I would like to sincerely thank all our customers, employees, shareholders and other stakeholders for their trust and support. More than anything else, that trust and support is and remains fundamental to the success of our group both now and in the future.'

Johan Thijs
Chief Executive Officer

Financial highlights in 2Q2026

- **Net interest income** increased by 8% quarter-on-quarter and by 20% year-on-year (17% year-on-year on an organic basis, i.e. excluding the recent acquisitions of 365.Bank and Business Lease). The net interest margin for the quarter under review amounted to 2.23%, up 6 basis points on the previous quarter and 15 basis points year-on-year (13 basis points on an organic basis). Customer loan volumes increased organically by 3% quarter-on-quarter and by 7% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were up organically by 2% quarter-on-quarter and by 4% year-on-year.

- **The insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 170 million euros, compared to 172 million euros in the previous quarter and 166 million euros in the year-earlier quarter. The insurance service result for the quarter under review breaks down into 111 million euros for non-life insurance and 58 million euros for life insurance. The non-life insurance combined ratio for the first half of 2026 came to an excellent 85%, compared to 87% for full-year 2025. Sales of non-life insurance products grew by 10% year-on-year, while life insurance sales were down 30% on the very high level recorded in the previous quarter and up 24% on the level in the year-earlier quarter. In the first half of 2026, non-life and life insurance sales were up 9% and 18% year-on-year, respectively.

- **Net fee and commission income** was up 4% quarter-on-quarter and 14% year-on-year (11% on an organic basis). Assets under management increased by 10% quarter-on-quarter and by 17% year-on-year.

- **Trading & fair value income and insurance finance income and expense** was up 26 million euros and down 58 million euros on the figure for the previous and year-earlier quarters, respectively. **Net other income** was in line with its normal run rate. **Dividend income** was up on the previous quarter's level, since the bulk of dividend income is traditionally received in the second quarter of the year.

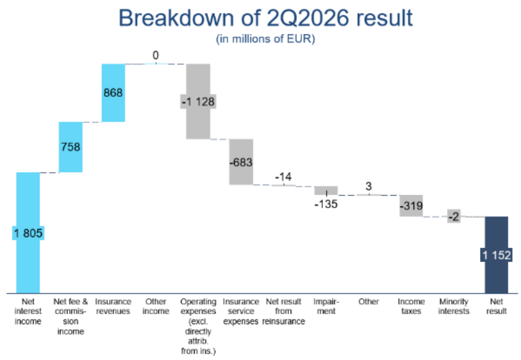
- Excluding the forex effect, **operating expenses excluding bank and insurance taxes** were down 1% quarter-on-quarter and up 6% year-on-year (5% on an organic basis). Bank and insurance taxes amounted to 64 million euros, significantly less than the 549 million euros recorded in the previous quarter, since the first quarter of the year traditionally includes the bulk of the bank and insurance taxes for the entire year. The cost/income ratio for the first half of 2026 came to 43%, compared to 46% for full-year 2025. 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 half of 2026 amounted to 40%, compared to 41% for full-year 2025**.**

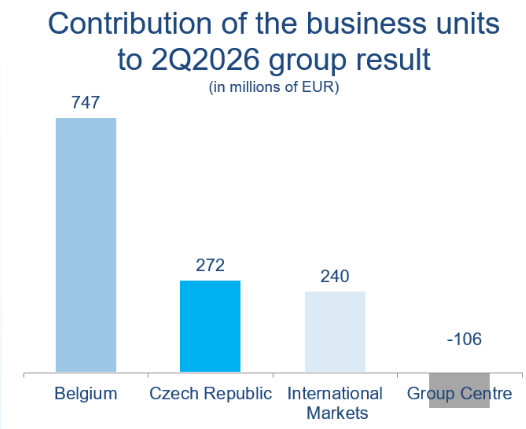
- **Loan loss impairment charges** amounted to 66 million euros in the quarter under review and included 53 million euros for the loan book (down on the 89 million euros recorded in the previous quarter), and a 13-million-euro increase in the reserve for geopolitical and macroeconomic uncertainties (significantly less than the 75-million-euro increase in the previous quarter, which was due to the booking of a management overlay in relation to geopolitical turmoil). Excluding the reserve for geopolitical and macroeconomic uncertainties and the impact of the acquisition of 365.bank, the credit cost ratio for the first half of 2026 amounted to 0.11%, compared to 0.13% for full-year 2025. Impairment on assets *other than loans* amounted to 69 million euros in the quarter under review (related primarily to software in Belgium and to modification losses in Hungary – see below), compared to 1 million euros in the previous quarter and 8 million euros in the year-earlier quarter.

- Our **liquidity position** remained strong, with an LCR of 158% and NSFR of 133%. **Our capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.4%*.

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





* Unfloored fully loaded common equity ratio: taking into account the total impact of Basel IV on 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)	2Q2026	1Q2026	4Q2025	3Q2025	2Q2025	1H2026	1H2025
Net interest income	1 805	1 672	1 608	1 527	1 509	3 477	2 930
Insurance revenues before reinsurance	868	843	830	810	788	1 711	1 561
Non-life	*731*	*706*	*705*	*688*	*667*	*1 437*	*1 316*
Life	*136*	*137*	*125*	*122*	*121*	*273*	*246*
Dividend income	42	11	23	12	33	53	42
Net result from financial instruments at fair value through P&L[1] and Insurance finance income and expense	-92	-118	-22	-62	-34	-211	-79
Net fee and commission income	758	729	725	707	667	1 487	1 357
Net other income	50	89	39	47	77	139	143
Total income	3 431	3 225	3 203	3 041	3 041	6 656	5 955
Operating expenses (excl. directly attributable from insurance)	-1 128	-1 599	-1 133	-1 055	-1 020	-2 727	-2 518
Total operating expenses excluding bank and insurance taxes	*-1 209*	*-1 214*	*-1 224*	*-1 143*	*-1 125*	*-2 423*	*-2 232*
Total bank and insurance taxes	*-64*	*-549*	*-51*	*-49*	*-27*	*-613*	*-566*
Minus: operating expenses allocated to insurance service expenses	*145*	*164*	*142*	*138*	*132*	*309*	*280*
Insurance service expenses before reinsurance	-683	-644	-638	-643	-608	-1 328	-1 230
Of which Insurance commission paid	*-113*	*-110*	*-114*	*-109*	*-105*	*-223*	*-206*
Non-Life	*-606*	*-561*	*-573*	*-578*	*-541*	*-1 168*	*-1 084*
Life	*-77*	*-83*	*-65*	*-66*	*-67*	*-160*	*-146*
Net result from reinsurance contracts held	-14	-27	-26	-25	-15	-42	-24
Impairment	-135	-165	-120	-51	-124	-300	-162
Of which: on financial assets at amortised cost and at fair value through other comprehensive income[1]	*-66*	*-164*	*-73*	*-45*	*-116*	*-231*	*-155*
Share in results of associated companies & joint ventures	3	2	3	2	1	4	2
Result before tax	1 473	791	1 289	1 269	1 275	2 264	2 022
Income tax expense	-319	-235	-285	-267	-257	-554	-458
Result after tax	1 153	557	1 003	1 003	1 018	1 710	1 564
attributable to minority interests	2	0	0	1	0	1	0
attributable to equity holders of the parent	**1 152**	**557**	**1 003**	**1 002**	**1 018**	**1 709**	**1 564**
Basic earnings per share (EUR)	2.83	1.32	2.44	2.44	2.50	4.15	3.82
Diluted earnings per share (EUR)	2.83	1.32	2.44	2.44	2.50	4.15	3.82

Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)	30-06-2026	31-03-2026	31-12-2025	30-09-2025	30-06-2025
Total assets	412 249	396 820	397 372	383 338	390 669
Loans & advances to customers	221 636	214 487	208 612	206 113	202 031
Securities (equity and debt instruments)	96 100	93 757	88 980	85 310	85 490
Deposits from customers	251 478	246 450	237 868	232 462	236 626
Insurance contract liabilities	18 118	17 559	17 423	17 152	17 022
Liabilities under investment contracts, insurance	18 688	16 877	16 998	16 433	15 757
Total equity	28 147	28 285	27 985	27 019	26 229

Selected ratios for KBC Group (consolidated)	1H2026	FY2025
Return on equity (excluding non-operating items and evenly spreading bank and insurance taxes throughout the year)[2]	16%	15%
Cost/income ratio, group - excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	43%	46%
- excl. all bank and insurance taxes	40%	41%
Combined ratio, non-life insurance	85%	87%
Common equity ratio (CET1), fully loaded (Basel IV, Danish Compromise, unfloored[3])	14.4%	14.9%
Credit cost ratio - *excluding* the reserve for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.11%	0.13%
- *including* the reserve for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.17%	0.13%
Impaired loans ratio	1.8%	1.8%
for loans more than 90 days past due	1.0%	0.9%
Net stable funding ratio (NSFR)	133%	138%
Liquidity coverage ratio (LCR)	158%	159%

1 Net result from financial instruments at fair value through P&L is also referred to as 'Trading & fair value income' and Impairment on financial assets at amortised cost and at fair value through other comprehensive income is also referred to as 'Loan loss impairment'.
2 Based on tangible equity, this was 18% for the first half of 2026 and 16% for full-year 2025.
3 Unfloored fully loaded common equity ratio: taking into account the total impact of Basel IV on risk-weighted assets, excluding the output floor impact.

Analysis of the quarter (2Q2026)

Total income: 3 431 million euros

+6% quarter-on-quarter and +13% year-on-year

Net interest income amounted to 1 805 million euros, up 8% quarter-on-quarter and 20% year-on-year (17% year-on-year on an organic basis, i.e. excluding the impact of the recently acquired 365.bank and Business Lease).

The 8% quarter-on-quarter growth was thanks mainly to a higher commercial transformation result, a higher level of income from lending activities (positive effect of increasing loan volume and a one-off item in Hungary, largely offset by the negative effect of pressure on margins in most core markets), significantly higher interest income related to inflation-linked bonds and a higher number of days in the quarter, and partly offset by higher wholesale funding costs. The 20% year-on-year increase was attributable primarily to a much higher commercial transformation result, a higher level of income from lending activities, higher interest income related to inflation-linked bonds, higher interest income from the dealing room, and, to a lesser extent, higher interest income from short-term cash management activities, lower costs related to the minimum required reserves held with the central banks and higher interest income on customer term deposits.

The net interest margin for the quarter under review amounted to 2.23%, up 6 basis points quarter-on-quarter and 15 basis points year-on-year (13 basis points on an organic basis). At 222 billion euros, customer loan volume was up 3% quarter-on-quarter and 10% year-on-year. Excluding the recent acquisitions, the loan volume was up organically by 3% quarter-on-quarter and by 7% year-on-year, with increases in every core country. Customer deposits amounted to 251 billion euros and, at first glance, were up 2% quarter-on-quarter and 6% year-on-year. However, on an organic basis and excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches (driven by short-term cash management opportunities), customer deposits were up 2% quarter-on-quarter and 4% year-on-year.

For guidance regarding expected net interest income in 2026 (updated) and the years to come, please refer to the 'Our guidance' section.

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 170 million euros and breaks down into 111 million euros for non-life insurance and 58 million euros for life insurance.

The **non-life** insurance service result was down 6% quarter-on-quarter, due essentially to higher insurance service expenses (including higher claims related to storms and industrial fires, among other things), but offset to a large extent by higher insurance revenues and a better reinsurance result. It was down 1% year-on-year, as the higher insurance service expenses were almost fully offset by the increase in insurance revenues. The **life** insurance service result was up 9% quarter-on-quarter, owing mainly to lower insurance service expenses, and up 10% year-on-year due to the fact that the increase in insurance revenues more than offset the higher insurance service expenses.

The combined ratio of the non-life insurance activities amounted to 85% in the first six months of the year, compared to 87% for full-year 2025. At 739 million euros, non-life insurance sales (gross written premiums) were up 10% year-on-year, with growth in all countries and all main insurance classes. Sales of life insurance products amounted to 813 million euros, down 30% on the very high level recorded in the previous quarter, due primarily to lower sales of unit-linked insurance products, and, to a lesser extent, lower sales of guaranteed-interest products. Life insurance sales were up 24% on the level recorded in the year-earlier quarter, thanks in large to increased sales of unit-linked life insurance products. Overall, the share of guaranteed-interest products and unit-linked products in our life insurance sales in the quarter under review amounted to 40% and 53%, respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder.

For guidance regarding expected insurance revenues in 2026 (updated) and the years to come, as well as the combined ratio, please refer to the 'Our guidance' section.

Net fee and commission income amounted to 758 million euros, up 4% quarter-on-quarter and 14% year-on-year (11% on an organic basis).

The 4% quarter-on-quarter increase was mainly attributable to higher fees from asset management activities (due largely to increased management fees and, to a lesser extent, increased entry fees and higher distribution fees received for mutual funds) and higher fees from banking activities (thanks in part to increased fees for payment services and network income). The 14% year-on-year increase was accounted for mainly by significantly higher fees from asset management activities, and, to a lesser extent, higher fees from banking activities (increased fees from payment services, network income and securities services, partly offset by SRT-related coupon expenses, among other factors).

At the end of June 2026, our total assets under management amounted to 328 billion euros, up 10% quarter-on-quarter due to the positive market performance in the quarter (+10 percentage points) and the positive effect of net entries (+1 percentage point). Assets under management grew by 17% year-on-year, with net inflows accounting for 4 percentage points and the positive market performance during the past 12 months for 13 percentage points.

Trading & fair value income and insurance finance income and expense amounted to -92 million euros, up 26 million euros quarter-on-quarter but down 58 million euros year-on-year. The quarter-on-quarter increase came about mainly because of a higher result from derivatives used for asset/liability management purposes (offset to a small extent by somewhat lower dealing room income and more negative market value adjustments (xVA)), whereas the year-on-year decrease was due in part to lower dealing room income and more negative market value adjustments.

The **other remaining income items** included dividend income of 42 million euros (up significantly on the previous quarter since the bulk of dividend income is traditionally received in the second quarter) and net other income of 50 million euros (in line with its normal run rate).

Operating expenses excluding bank and insurance taxes: 1 209 million euros

slightly down quarter-on-quarter and +7% year-on-year (+6% excluding forex effect)

Operating expenses excluding bank and insurance taxes amounted to 1 209 million euros in the quarter under review. Excluding the forex effect, they were down 1% on their level in the previous quarter and up 6% year-on-year (5% year-on-year on an organic basis). The small quarter-on-quarter decrease was due to a combination of lower staff expenses (the negative impact of wage drift and indexation was more than offset by the fact that the previous quarter had included an exceptional bonus for staff related to the excellent results for 2025) and higher ICT, facilities and marketing costs, professional fees and depreciation charges. The year-on-year increase was driven by higher staff costs, ICT expenses, marketing costs, professional fees and depreciation charges.

Excluding forex effects, the recent acquisitions and the one-off profit bonus for employees, like-for-like operating expenses excluding bank and insurance taxes in the first half of the year rose by 3.4% year-on-year, fully in line with our guidance. For further guidance regarding expected operating expenses in 2026 and the years to come, please refer to the 'Our guidance' section.

Bank and insurance taxes in the quarter under review amounted to 64 million euros, significantly less than the 549 million euros recorded in the previous quarter, as the bulk of the bank and insurance taxes for the full year is traditionally recorded in the first quarter of the year. Year-on-year, bank and insurance taxes were up by 37 million euros, due mainly to higher national levies (mainly in Hungary) and a higher contribution to the deposit guarantee schemes (mainly in Bulgaria).

When certain non-operating items are excluded and bank and insurance taxes are spread evenly throughout the year, the cost/income ratio for the first half of 2026 amounted to 43%, compared to 46% for full-year 2025. When excluding all bank and insurance taxes, the cost/income ratio amounted to 40%, compared to 41% for full-year 2025.

Loan loss impairment: 66-million-euro net charge

versus a 164-million-euro net charge in the previous quarter and a 116-million-euro net charge in the year-earlier quarter

In the quarter under review, we recorded a 66-million-euro net **loan loss impairment** charge, compared to a net charge of 164 million euros in the previous quarter and 116 million euros in the year-earlier quarter. Excluding the recent acquisitions, net loan loss impairment charges amounted to 57 million euros in the quarter under review.

The 66-million-euro net charge in the quarter under review included:

- 53-million-euro impairment charge related to the loan book, down on the 89 million euros recorded in the previous quarter
- 13-million-euro increase in the reserve for geopolitical and macroeconomic uncertainties, compared to a much higher management overlay-driven increase of 75 million euros in the previous quarter (see also the risk statement below and Note 3.9 in the financial statements of the quarterly report). Consequently, the remaining reserve for geopolitical and macroeconomic uncertainties amounted to 188 million euros at the end of June 2026.

The resulting **credit cost ratio** came to 0.11% for the first half of 2026 (excluding the changes in the reserve for geopolitical and macroeconomic uncertainties, as well as the acquisition of 365.bank) compared to 0.13% for full-year 2025. Including the reserve for geopolitical and macroeconomic uncertainties and 365.bank, the credit cost ratio amounted to 0.17% for the first half of 2026. At the end of June 2026, 1.8% of our total loan book was classified as impaired (‘Stage 3’), the same level as at year-end 2025. Impaired loans that are more than 90 days past due amounted to 1.0% of the loan book, compared to 0.9% at year-end 2025.

For guidance regarding the expected credit cost ratio in 2026 and the years to come, please refer to the ‘Our guidance’ section.

Impairment charges on assets *other than loans* amounted to 69 million euros in the quarter under review, compared to 1 million euros in the previous quarter and 8 million euros in the year-earlier quarter. The quarter under review mainly included impairment on software in Belgium and impairment related to modification losses in Hungary (due to the current uncertainty regarding the lifetime extension of the interest cap regulation, of which part might be recovered in the coming quarters).

Net result by business unit

Belgium 747 million euros; Czech Rep. 272 million euros; International Markets 240 million euros; Group Centre -106 million euros

Belgium: the net result (747 million euros) was, at first glance, up 136% quarter-on-quarter. However, when excluding bank and insurance taxes (the bulk of which for the entire year is recorded in the first quarter and hence distorts the quarter-on-quarter comparison), the net result was up 25% quarter-on-quarter, due to the combined effect of:

- Higher total income (increase in every major income line, except for ‘net other income’)
- A slightly lower level of costs (note that the previous quarter had included an exceptional bonus for staff)
- Lower insurance service expenses after reinsurance
- Much lower impairment charges (large decrease in loan loss impairment, partially offset by an increase in other impairment)

Czech Republic: the net result (272 million euros) was, at first glance, up 22% quarter-on-quarter. However, when excluding bank and insurance taxes (the full-year amount being largely booked upfront in the first quarter), the net result was up 12% quarter-on-quarter, due to the combined effect of:

- Higher total income (increase in every major income line, except for 'net other income')
- A slightly lower level of costs (note that the previous quarter had included an exceptional bonus for staff)
- Higher insurance service expenses after reinsurance
- Much lower impairment charges

International Markets: the 240-million-euro net result breaks down as follows: 47 million euros in Slovakia (with the recent acquisitions in this country accounting for 16 million euros), 90 million euros in Hungary and 103 million euros in Bulgaria. For the business unit as a whole, the net result was, at first glance, up 142% quarter-on-quarter. However, when excluding the bank and insurance taxes (the majority of the full-year amount being booked upfront in the first quarter), the net result of the business unit was down 6% quarter-on-quarter, due to the combined effect of:

- Higher total income (in every major income line, except for 'net other income' and 'trading & fair value income')
- A roughly stable level of costs (note that the previous quarter had included an exceptional bonus for staff)
- Roughly stable insurance service expenses after reinsurance
- Much higher impairment charges (mainly regarding modification losses related to the interest cap lifetime extension in Hungary - see above)

Group Centre: the net result (-106 million euros) was 24 million euros more negative quarter-on-quarter, due to:

- Slightly more negative total income
- Higher costs
- Higher insurance service expenses after reinsurance
- A smaller release of impairments

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 1H2026	Belgium FY2025	Czech Republic 1H2026	Czech Republic FY2025	International Markets 1H2026	International Markets FY2025
Cost/income ratio						
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	39%	43%	41%	42%	45%	45%
- excl. all bank and insurance taxes	37%	39%	40%	41%	37%	37%
Combined ratio, non-life insurance	83%	86%	83%	87%	91%*	90%*
Credit cost ratio						
- excluding the reserve for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.11%	0.15%	0.07%	0.07%	0.19%	0.16%
- including the reserve for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.16%	0.13%	0.13%	0.10%	0.27%	0.18%
Impaired loans ratio	1.9%	1.8%	1.2%	1.3%	1.9%	1.7%

* Excluding windfall insurance taxes in Hungary, the combined ratio amounted to 87% for the first half of 2026 and 88% for full-year 2025.

Solvency and liquidity

Common equity ratio of 14.4%, LCR of 158%, NSFR of 133%

At the end of June 2026, **total equity** came to 28.1 billion euros and comprised 25.5 billion euros in parent shareholders' equity, 2.5 billion euros in additional tier-1 instruments and 0.1 billion euros in minority interests. Total equity was up 0.2 billion euros on its level at the end of 2025. This was due to the combined effect of:

- The inclusion of the profit for the first half of 2026 (+1.7 billion euros)
- The payment of the final dividend for 2025 in May 2026 (-1.6 billion euros)
- Higher revaluation reserves (+0.1 billion euros)
- 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.

At the end of June 2026, our unfloored fully loaded **common equity ratio** (CET1) amounted to 14.4%. Excluding the impact of the recent acquisitions, our CET1 remained roughly stable compared to the situation at the end of December 2025. The recent SRT transaction relating to a 1.25-billion-euro corporate loan portfolio led to a saving of 0.7 billion euros in risk weighted assets and had a positive CET1 impact of approximately 7 basis points in the second quarter of 2026. The solvency ratio for KBC Insurance under the Solvency II framework was 231% at the end of June 2026, compared to 227% at the end of 2025. We have provided more details on solvency under 'Solvency' in the 'Additional information' section of the quarterly report.

Our **liquidity position** also remained excellent, as reflected in an LCR ratio of 158% and an NSFR ratio of 133%, compared to 159% and 138%, respectively, at the end of 2025, well above the regulatory minima of 100%.

In line with our **dividend** policy, we will pay out an interim dividend of 1 euro on 6 November 2026 as an advance on the total dividend for financial year 2026.

Analysis of the year-to-date period (1H2026)

Net result for 1H2026:1 709 million euros

up 9% year-on-year

Highlights (compared to the first six months of 2025, unless otherwise stated):

- **Net interest income:** up 19% to 3 477 million euros. This was mainly attributable to the much higher commercial transformation result, an increased level of interest income from lending activities, higher interest income from the dealing room, and, to a lesser extent, lower costs related to the minimum required reserves held with central banks, higher interest income on customer term deposits, higher interest income from short-term cash management activities, higher interest income related to inflation-linked bonds and higher interest income form ALM activities. The volume of customer loans rose by 7% on an organic basis, while customer deposits (excluding KBC Bank's foreign branches) increased by 4% year-on-year on an organic basis. The net interest margin in the first six months of 2026 came to 2.20%, up 14 basis points year-on-year.

- **Insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held): up 11% to 341 million euros (229 million euros for non-life insurance and 112 million euros for life insurance). The non-life combined ratio for the first six months of 2026 amounted to 85%, compared to 87% for full-year 2025. Non-life insurance sales (gross written premiums) were up 9% to 1 588 million euros, with increases in all main insurance classes, while life insurance sales were up 18% to 1 974 million euros, thanks to higher sales of unit-linked and guaranteed-interest life insurance products, while sales of hybrid products fell somewhat.

- **Net fee and commission income**: up 10% to 1 487 million euros. This was attributable to higher fees for asset management services and, to a lesser extent, for banking services (increased fee income for payment services and securities services, partly offset by SRT-related coupon expenses, among other factors). At the end of June 2026, total assets under management were up 17% to 328 billion euros due to a combination of net inflows (+4 percentage points) and the effect of a positive year-on-year market performance (+13 percentage points).

- **Trading & fair value income and insurance finance income and expense**: down 132 million euros to -211 million euros. This was due in part to lower dealing room income and, to a lesser extent, a lower result from derivatives used for asset/liability management purposes and more negative market value adjustments (xVA).

- **All other income items combined**: up 3% to 192 million euros, due mainly to higher dividend income and a slightly lower level of net other income.

- **Operating expenses excluding bank and insurance taxes**: up 9% to 2 423 million euros, attributable to higher staff costs (wage drift and an exceptional bonus for staff related to the excellent results for 2025), higher costs related to ICT, marketing, professional fees and depreciation. Excluding forex effects, the impact of the new acquisitions and the exceptional bonus for staff, operating expenses rose by 3.4%, fully in line with our guidance. Bank and insurance taxes amounted to 613 million euros, up 8% year-on-year, due in part to higher national levies (mainly in Hungary and Belgium), though partly offset by a lower contribution to deposit guarantee schemes (mainly in Belgium). The cost/income ratio for the first six months of 2026 amounted to 43% when certain non-operating items are excluded and bank and insurance taxes are spread evenly throughout the year (46% for full-year 2025). When bank and insurance taxes are fully excluded, the cost-income ratio for the period under review amounted to 40% (41% for full-year 2025).

- **Loan loss impairment:** net charge of 231 million euros, compared to a net charge of 155 million euros in the reference period. The first six months of 2026 included a charge of 143 million euros for the loan book and an increase of 88 million euros in the reserve for geopolitical and macroeconomic uncertainties (compared to a charge of 159 million euros and a release of 5 million euros, respectively, in the reference period). As a result, the credit cost ratio came to 0.11% for the first half of 2026, when the changes in the reserve for geopolitical and macroeconomic uncertainties, as well as the acquisition of 365.bank, are excluded. When they are included, the credit cost ratio amounted to 0.17% for the first half of 2026. Impairment charges on assets *other than loans* amounted to 70 million euros (mainly impairment on software in Belgium and impairment related to modification losses for the interest cap lifetime extension in Hungary – see above), compared to 8 million euros in the reference period.

- **The 1 709-million-euro net result for the first six months of 2026** breaks down as follows:
    - 1 063 million euros for the Belgium Business Unit, up 176 million euros on its year-earlier level
    - 494 million euros for the Czech Republic Business Unit, up 47 million euros
    - 339 million euros for the International Markets Business Unit, down 32 million euros. However, excluding the significant windfall bank and insurance taxes and the impairment on modification losses in Hungary, the net result would have been 81 million euros higher.
    - -188 million euros for the Group Centre, down 46 million euros.

ESG developments, risk statement and economic views

ESG developments

KBC continues to advance its sustainability strategy across its core activities, supporting customers and stakeholders in the transition towards a more sustainable economy. Further insights into our approach, performance and progress are provided in our Sustainability Statement (included in the Annual Report) and in our voluntary Sustainability Report (available at www.kbc.com). As highlighted in the latest Sustainability Report, we provided a total of 34 billion euros in loans to support various environmental objectives in 2025, underlining the growing contribution of sustainable financing within our portfolio.

Our efforts continue to be recognised by leading external organisations. The group was once again included in the S&P Global Sustainability Yearbook and was recognised for 25 years of consecutive participation in the S&P Global Corporate Sustainability Assessment (CSA). KBC also continues to be included in leading sustainability indices, including the FTSE4Good Index Series, and boasts several robust ESG ratings. This widespread recognition bears testament to our consistent focus on sustainability and our commitment to creating long-term value for all stakeholders.

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 (see next paragraph), trade wars as a consequence of US tariff policies and, more generally, increasing tensions between the US and Europe. 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, for example 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. This is partly driven by geopolitical tensions (state-sponsored cyberattacks), but is also increasingly supported by new technologies, such as the recent developments surrounding several frontier AI companies which enable AI-driven vulnerability discovery. KBC has already taken necessary actions to increase vigilance and capacity to process a certain upcoming increase of zero day vulnerabilities. Finally, we have seen governments across Europe taking additional measures to support their budgets (via increased tax contributions from the financial sector), their citizens and corporate sector (by, for instance, implementing interest rate caps on loans or by pushing for higher rates on savings accounts).

Recent months have been dominated by an armed conflict between the United States, Israel and Iran that began in late February 2026. The conflict has resulted in regional and increasingly global instability, disrupting trade routes and supply chains, especially in energy and other fossil-fuel-related markets, and causing significant volatility on financial markets. Financial conditions have tightened, at times putting pressure on funding markets. As a consequence, global and European economic growth projections have been revised downwards, while inflation expectations have moved higher. This has also increased uncertainty around the future path of interest rates, which have already risen over recent months. KBC's direct exposure to the Middle East region is very limited. Nevertheless, KBC is closely monitoring the macroeconomic impact of the conflict and potential spillover effects for the group and its customers, both financially and operationally, with particular attention to energy-related and energy-sensitive sectors and counterparties. Geopolitically driven cyber threats are an additional point of attention, including heightened threats directed at large US based technology companies, which play an important role as suppliers of critical digital infrastructure to the financial sector, including KBC.

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, interest rates and foreign exchange rates

The second quarter of 2026 was dominated by the geopolitical events surrounding the Strait of Hormuz, as well as by their impact on global energy prices.

In the second quarter, US economic activity grew by 0.4% (non-annualised), slightly lower than the growth rate in the first quarter. Domestic economic growth and especially the labour market and business investment remained resilient.

Second quarter growth in the euro area economy (0.4%) was surprisingly resilient and improved compared to zero growth (0.0%) in the first quarter (although first quarter growth excluding the volatile Irish data was positive). Growth in our core countries of Belgium, the Czech Republic, Hungary, Slovakia and Bulgaria amounted to 0.0%, 0.4%, 0.4%, 0.1% (estimate) and 0.7% (estimate), respectively. Overall, growth in the euro area and our core markets is expected to remain relatively subdued in 2026 as a result of elevated energy prices and economic uncertainty.

In the euro area, headline and core inflation in June amounted to 2.8% and 2.2%, respectively. After a temporary ceasefire between the US and Iran, which – at least briefly – led to lower oil and gas price futures, the subsequent resumption of hostilities caused energy prices to rise again. Amidst a broadening of underlying inflation pressures, the ECB raised its deposit rate in June by 25 basis points to 2.25% and left it unchanged at its July meeting. Given the upward inflation risks, we expect another rate hike by 25 basis points to 2.50% in September.

The Fed kept its policy rate unchanged at 3.625% in the second quarter. It is expected to raise this rate once in the third quarter by 25 basis points, due to elevated inflation against the background of a resilient labour market.

Since the start of the second quarter, US and German 10-year yields have risen by respectively 33 and 17 basis points, due mainly to the inflationary impact of the energy price shock, its implication for expected monetary policy and, for the US, solid domestic economic growth.

In June 2026, the Czech National Bank (CNB) raised its policy rate by 25 basis points to 3.75%. The CNB is likely to maintain this restrictive interest rate policy for some time to get the underlying upside inflation risk under control. As a result of the overall convergence process of the Czech economy, we expect the Czech koruna to appreciate further against the euro in the coming quarters.

In July 2026, the Hungarian central bank cut its policy rate to 5.75%. We expect another cut in the third quarter, with a continuation of the easing cycle in 2027. Still-restrictive monetary policy and a strong exchange rate for the Hungarian forint will reinforce the disinflationary trend.

Our guidance

Guidance for full-year 2026 (updated)

Guidance for full-year 2026*

Total income	approx.+11.0% y-o-y (up from at least +9.9% y-o-y previously)
Net interest income	approx. 7.05 billion euros (up from at least 6 725 million euros previously)
Organic loan volume growth	at least +6% y-o-y (up from approx. +5% y-o-y previously)
Insurance revenues (before reinsurance)	approx. +9.0% y-o-y (up from at least +7.5% y-o-y)
Operating expenses (excl. bank and insurance taxes)	approx. +7.7% y-o-y* (approx. +3.4% y-o-y* organically) (below +7.7% y-o-y* and below +3.4% y-o-y* previously)
Cost/income ratio (excl. bank and insurance taxes, but including insurance commissions paid)	approx. 40% (unchanged)
Combined ratio for non-life insurance	below 91% (unchanged)
Credit cost ratio	well below 25-30 basis points (unchanged)

* This does not include the 23-million-euro one-off profit bonus for staff.

Medium to long-term guidance
(as provided with the 4Q2025 results)

Guidance for full-year 2028

Total income	CAGR (2025-2028) at least +7.7%
Net interest income	CAGR (2025-2028) at least +8.6%
Insurance revenues (before reinsurance)	CAGR (2025-2028) at least +7.5%
Operating expenses (excl. bank and insurance taxes)	CAGR (2025-2028) below +4.3%
Cost/income ratio (excl. bank and insurance taxes, but including insurance commissions paid)	below 38%
Combined ratio for non-life insurance	below 91%
Credit cost ratio	well below 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 use SRTs (Significant Risk Transfers) as a part of a risk-weighted assets optimisation programme

Upcoming events and references

Agenda	Interim dividend of 1 euro: ex-coupon: 4 Nov.2026, record: 5 Nov.2026, payment 6 Nov.2026 3Q2026 earnings release: 12 November 2026 4Q2026/FY2026 earnings release and topical event: 11 February 2027 Other events: www.kbc.com / Investor Relations / Financial calendar
More information on the quarter under review	Quarterly report: www.kbc.com / Investor Relations / Reports Company presentation: www.kbc.com / Investor Relations / Presentations

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