Press Release

Outside trading hours - Regulated information*
Brussels, 12 February 2026 (07.00 a.m. CET)

KBC Group: Fourth-quarter result of 1 003 million euros

KBC Group – overview (consolidated, IFRS)	4Q2025	3Q2025	4Q2024	FY2025	FY2024
Net result (in millions of EUR)	1 003	1 002	1 116	3 568	3 415
Basic earnings per share (in EUR)	2.44	2.44	2.75	8.70	8.33
Breakdown of the net result by business unit (in millions of EUR)					
Belgium	*674*	*589*	*487*	*2 151*	*1 846*
Czech Republic	*231*	*244*	*238*	*922*	*858*
International Markets	*205*	*237*	*175*	*814*	*751*
Group Centre	*-107*	*-68*	*215*	*-318*	*-40*
Parent shareholders' equity per share (in EUR, end of period)	64.0	60.8	56.6	64.0	56.6

'We recorded an excellent net profit of 1 003 million euros in the last quarter of 2025. Compared to the previous quarter, our total income benefited from several factors, including higher net interest income, an increase in trading & fair value income, increased insurance revenues and higher net fee and commission income, clearly illustrating our strong income diversification. On a full-year basis, total income rose by 9%, well above our guided figure. Our loan portfolio continued to expand, growing by 1% 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 2% quarter-on-quarter and 3% year-on-year. Operating expenses excluding bank and insurance taxes were up on the previous quarter but remained in line with our guidance for the full year after excluding forex effects. Insurance service expenses after reinsurance were slightly lower, while loan loss impairment charges were up on the level recorded in the previous quarter. The credit cost ratio amounted to a favourable 13 basis points for full-year 2025, well below our guided figure. Consequently, when adding up the results for the four quarters of the year, our full-year 2025 net profit amounted to 3 568 million euros, up 18% on the year-earlier figure when excluding the one-off tax benefit of 318 million euros related to the exit from Ireland and the one-off 79-million-euro gain recorded under 'Share in results of associated companies & joint ventures', both in full-year 2024.

Our solvency position remained strong, with an unfloored fully loaded common equity ratio under Basel IV of 14.9% at the end of December 2025. Our liquidity position remained very solid too, as illustrated by an LCR of 159% and an NSFR of 138%.

Our Board of Directors has decided to propose a total gross dividend of 5.1 euros per share to the General Meeting of Shareholders for the accounting year 2025. That figure includes an interim dividend of 1 euro per share that was already paid in November 2025 and the remaining 4.1 euros per share to be paid in May 2026. When including the proposed dividend of 5.1 euros per share and additional tier-1 coupon, the pay-out ratio amounts to 60% of 2025 net profit.

The past few months have also seen us make considerable progress in implementing our strategy. Besides finalising the acquisition of 365.bank in Slovakia, we were able to close the acquisition of Business Lease in the Czech Republic and Slovakia. The combined impact of approximately 50 basis points on our capital position will be accounted for in the first quarter of 2026.

We aim to lead the way in digital innovation and as such are very happy that Kate, our AI-powered personal digital assistant, has reached 6 million customers in the meantime, up 13% on the year-earlier figure, with an autonomy of 82% in Belgium. We launched the ecosphere 'MyMobility', for which we already had 73 000 clients signed up during the first months.

Furthermore, we have updated our short- and long-term financial guidance. By 2028, we are aiming for total income to outgrow operating expenses excluding bank and insurance taxes by at least 3.4 percentage points on average on an annual basis, leading to a cost/income ratio below 38%. We also maintain our guidance to achieve a combined ratio below 91% in non-life insurance.

Lastly, on the sustainability front, we are proud to be included in the CDP Climate A List for the fourth year running and also in the S&P Global Sustainability Yearbook for the seventh consecutive year. Such recognition underscores KBC's leading position in sustainability reporting and action.

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

Financial highlights in 4Q2025

- **Net interest income** increased by 5% quarter-on-quarter and by 12% year-on-year. The net interest margin for the quarter under review amounted to 2.11%, up 7 basis points on the previous quarter and 3 basis points year-on-year. Customer loan volumes increased by 1% 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 2% quarter-on-quarter and 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 166 million euros, compared to 142 million euros recorded in the previous quarter and 125 million euros in the year-earlier quarter. The insurance service result for the quarter under review breaks down into 107 million euros for non-life insurance and 59 million euros for life insurance. The non-life insurance combined ratio for full-year 2025 came to an excellent 87%, compared to 90% for full-year 2024. Sales of non-life insurance products grew by 11% year-on-year, while life insurance sales were up 26% on the level recorded in the previous quarter and up 46% on their level in the year-earlier quarter.

- **Net fee and commission income** was up 2% and 4% on its level in the previous and year-earlier quarters, respectively. In both cases, the increase was mainly thanks to higher fees from asset management activities, partly offset by lower fees from banking services. Assets under management were up 3% quarter-on-quarter and 9% year-on-year.

- **Trading & fair value income and insurance finance income and expense** was up 41 million euros and 52 million euros on the figure for the previous and year-earlier quarters, respectively. **Net other income** was below its normal run rate.

- **Operating expenses excluding bank and insurance taxes** were up 7% quarter-on-quarter and 2% year-on-year. Bank and insurance taxes were slightly up (by 2 million euros) on the previous quarter but down 4 million euros on the year-earlier figure. Full-year 2025 operating expenses excluding bank and insurance taxes rose by 2.8% (or 2.5% excluding forex effects) compared to full-year 2024, in line with our guidance. The cost/income ratio for full-year 2025 came to 46%, compared to 47% for full-year 2024. In that calculation, certain non-operating items have been excluded. When excluding all bank and insurance taxes, the cost/income ratio for full-year 2025 amounted to 41%, compared to 43% for full-year 2024.

- **Loan loss impairment charges** amounted to 73 million euros, compared to 45 million euros in the previous quarter and 50 million euros in the year-earlier quarter. The figure for the quarter under review included an impairment charge of 76 million euros for the loan book (55 million euros in the previous quarter) and a 3-million-euro release of the reserve for geopolitical and macroeconomic uncertainties (compared to a 9-million-euro release in the previous quarter). The credit cost ratio for full-year 2025 amounted to 0.13%, compared to 0.10% for full-year 2024. Impairment on assets other than loans amounted to 48 million euros in the quarter under review, compared to 5 million euros in the previous quarter and 28 million euros in the year-earlier quarter.

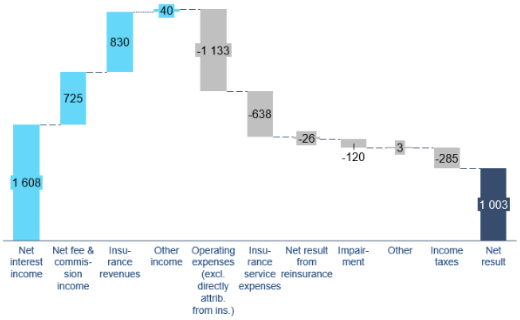
- **Income tax expenses** amounted to 285 million euros, compared to 267 million euros in the previous quarter and a positive 96 million euros in the last quarter of 2024. The latter quarter had been impacted by a one-off tax benefit of 318 million euros related to the exit from Ireland.

- Our **liquidity position** remained strong, with an LCR of 159% and NSFR of 138%. Our **capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.9%* (which includes the impact of the proposed dividend payment).

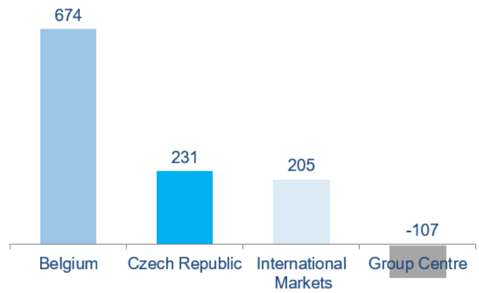
The cornerstones of our strategy

- 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 4Q2025 result
(in millions of EUR)



Contribution of the business units to 4Q2025 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 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)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	FY2025	FY2024
Net interest income	1 608	1 527	1 509	1 421	1 433	6 065	5 574
Insurance revenues before reinsurance	830	810	788	773	764	3 201	2 945
Non-life	*705*	*688*	*667*	*648*	*640*	*2 709*	*2 482*
Life	*125*	*122*	*121*	*125*	*124*	*492*	*463*
Dividend income	23	12	33	9	13	77	57
Net result from financial instruments at fair value through P&L and Insurance finance income and expense	-22	-62	-34	-45	-74	-163	-168
Net fee and commission income	725	707	667	690	700	2 789	2 578
Net other income	39	47	77	67	27	230	181
Total income	3 203	3 041	3 041	2 915	2 863	12 200	11 167
Operating expenses (excl. directly attributable from insurance)	-1 133	-1 055	-1 020	-1 498	-1 126	-4 706	-4 565
Total operating expenses excluding bank and insurance taxes	*-1 224*	*-1 143*	*-1 125*	*-1 106*	*-1 201*	*-4 599*	*-4 474*
Total bank and insurance taxes	*-51*	*-49*	*-27*	*-539*	*-55*	*-666*	*-623*
Minus: operating expenses allocated to insurance service expenses	*142*	*138*	*132*	*148*	*131*	*559*	*532*
Insurance service expenses before reinsurance	-638	-643	-608	-622	-635	-2 512	-2 475
Of which Insurance commission paid	*-114*	*-109*	*-105*	*-102*	*-103*	*-429*	*-383*
Non-Life	*-573*	*-578*	*-541*	*-543*	*-561*	*-2 235*	*-2 179*
Life	*-65*	*-66*	*-67*	*-79*	*-74*	*-276*	*-296*
Net result from reinsurance contracts held	-26	-25	-15	-9	-4	-75	-17
Impairment	-120	-51	-124	-38	-78	-334	-248
Of which: on financial assets at amortised cost and at fair value through other comprehensive income[1]	*-73*	*-45*	*-116*	*-38*	*-50*	*-273*	*-199*
Share in results of associated companies & joint ventures	3	2	1	0	-1	6	80
Result before tax	1 289	1 269	1 275	747	1 020	4 580	3 941
Income tax expense	-285	-267	-257	-202	96	-1 010	-527
Result after tax	1 003	1 003	1 018	546	1 115	3 570	3 414
attributable to minority interests	0	1	0	0	0	1	-1
attributable to equity holders of the parent	**1 003**	**1 002**	**1 018**	**546**	**1 116**	**3 568**	**3 415**
Basic earnings per share (EUR)	2.44	2.44	2.50	1.32	2.75	8.70	8.33
Diluted earnings per share (EUR)	2.44	2.44	2.50	1.32	2.75	8.70	8.33

Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)	31-12-2025	30-09-2025	30-06-2025	31-03-2025	31-12-2024
Total assets	397 372	383 338	390 669	380 313	373 048
Loans & advances to customers	208 612	206 113	202 031	197 326	192 067
Securities (equity and debt instruments)	88 980	85 310	85 490	84 419	80 339
Deposits from customers	237 868	232 462	236 626	231 022	228 747
Insurance contract liabilities	17 423	17 152	17 022	16 912	17 111
Liabilities under investment contracts, insurance	16 998	16 433	15 757	15 631	15 671
Total equity	27 985	27 019	26 229	25 191	24 311

Selected ratios for KBC Group (consolidated)	FY2025	FY2024
Return on equity[2]	15%	14%
Cost/income ratio, group		
- excl. non-operating items	46%	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	0.13%	0.10%
Impaired loans ratio	1.8%	2.0%
for loans more than 90 days past due	0.9%	1.0%
Net stable funding ratio (NSFR)	138%	139%
Liquidity coverage ratio (LCR)	159%	158%

1 Also referred to as 'Loan loss impairment'.
2 When non-operating items are excluded. Return on tangible equity is 16% for full-year 2025, when non-operating items are excluded.
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 total impact of Basel IV on risk-weighted assets, excluding the output floor impact.

Analysis of the quarter (4Q2025)

Total income: 3 203 million euros

+5% quarter-on-quarter and +12% year-on-year

Net interest income amounted to 1 608 million euros, up 5% quarter-on-quarter and 12% year-on-year. The quarter-on-quarter increase was due to a higher commercial transformation result (thanks to the combined effect of increasing reinvestment yields, higher benchmarked deposit volumes and lower external rates in some core countries), a slightly higher level of income from lending activities (mainly volume-driven, largely offset by loan margin pressure in some core countries), a higher level of interest income from customer term deposits (as lower volume, due to shifts from term deposits to mainly savings accounts, was more than offset by higher margins) and higher interest income from dealing room and short-term cash management activities. These items were partly offset by lower interest income from asset/liability management activities and higher wholesale funding costs.

The 12% year-on-year increase was attributable primarily to a much higher commercial transformation result, a higher level of income from lending activities, increased interest income from dealing room activities, lower subordinated funding costs and a positive forex effect. These items were partly offset by lower interest income from asset/liability management activities, a lower level of interest income from customer term deposits, higher wholesale funding costs and lower interest income from short-term cash management activities.

The net interest margin for the quarter under review amounted to 2.11%, up 7 basis points quarter-on-quarter and 3 basis points year-on-year (higher net interest income, only partially offset by the increase in the interest-bearing asset base). At 209 billion euros, customer loan volume was up 1% quarter-on-quarter and 7% year-on-year, with increases in every core country. Customer deposits amounted to 238 billion euros and, at first sight, were up 2% both quarter-on-quarter and year-on-year. When 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 3% year-on-year. The growth figures above exclude the forex-related impact.

For guidance regarding expected net interest income in 2026 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 166 million euros and breaks down into 107 million euros for non-life insurance and 59 million euros for life insurance.

The **non-life** insurance service result grew by 23% quarter-on-quarter, as higher insurance revenues and lower insurance service expenses (lower claims) were partly offset by a slightly lower reinsurance result. It was up 41% year-on-year due to higher insurance revenues, partly offset by higher insurance service expenses combined with a lower reinsurance result. The **life** insurance service result was up 7% quarter-on-quarter due to higher insurance revenues and lower insurance service expenses. It was up 20% year-on-year due to a combination of lower insurance service expenses and stable insurance revenues.

The combined ratio of the non-life insurance activities amounted to an excellent 87% in full-year 2025, compared to 90% for full-year 2024. At 654 million euros, non-life insurance sales were up 11% year-on-year, with growth in all countries and all main classes. Sales of life insurance products were at a record-high 1 065 million euros, up 26% on the level recorded in the previous quarter (thanks to commercial campaigns linked to the large term deposit maturities and the traditionally high volume in tax-incentivised pension savings products in the fourth quarter in Belgium, as well as to single-premium campaigns in Central and Eastern European countries) and were up 46% on the level recorded in the year-earlier quarter (higher sales of 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 48% and 45%, 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 2026 and the years to come, please refer to the section entitled ‘Our guidance’.

Net fee and commission income amounted to 725 million euros, up 2% quarter-on-quarter and 4% 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), higher distribution fees linked to insurance and a positive forex effect, partly offset by lower fees related to banking activities (given that increased fees for securities services and higher fees for payment services were more than offset by higher distribution fees paid for banking products, higher customer incentives and the coupon paid on KBC’s inaugural SRT issuance). It should be noted that roughly 15 million euros of net fee and commission income in the quarter under review was attributable to certain year-end effects (linked to the performance of the Czech pension fund) and therefore may not be extrapolated going forward.

At the end of December 2025, our total assets under management amounted to 300 billion euros, up 3% quarter-on-quarter thanks to a positive market performance in the quarter (+2 percentage points) combined with the positive impact of net inflows (+1 percentage point). Assets under management grew by 9% year-on-year, with net inflows accounting for 5 percentage points and the positive market performance during the past twelve months for 4 percentage points. Net inflows in direct client money were record-high in 2025 (6 billion euros).

Trading & fair value income and insurance finance income and expense amounted to -22 million euros, up 41 million euros quarter-on-quarter and 52 million euros year-on-year. In both cases, this was due mainly to a higher result from derivatives used for asset/liability management purposes.

The **other remaining income items** included dividend income of 23 million euros, and net other income of 39 million euros, which was below its 50-million-euro normal run rate.

Operating expenses excluding bank and insurance taxes: 1 224 million euros

+7% quarter-on-quarter and +2% year-on-year

Operating expenses excluding bank and insurance taxes amounted to 1 224 million euros in the fourth quarter of 2025, up 7% on their level in the previous quarter and 2% year-on-year (or 1% excluding forex effects). The quarter-on-quarter increase was mainly driven by higher ICT expenses, seasonally higher marketing costs and professional fees, higher facilities expenses and higher depreciation charges.
The year-on-year increase was primarily accounted for by higher staff costs, ICT expenses, marketing costs and a negative forex effect.

Bank and insurance taxes in the quarter under review amounted to 51 million euros, compared to 49 million euros in the previous quarter and 55 million euros in the year-earlier quarter. The 51 million euros in the quarter under review related primarily to additional national bank taxes (mainly in Hungary).

Operating expenses excluding bank and insurance taxes rose by 2.8% on a full-year basis to 4.6 billion euros. When excluding the forex effect, the increase was 2.5% year-on-year, in line with our guidance.

When certain non-operating items are excluded, the cost/income ratio for full-year 2025 amounted to 46%, 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 2026 and the years to come, please refer to the section entitled ‘Our guidance’.

Loan loss impairment: 73-million-euro net charge

versus a 45-million-euro net charge in the previous quarter and a 50-million-euro net charge in the year-earlier quarter

In the quarter under review, we recorded a 73-million-euro net **loan loss impairment** charge, compared to a net charge of 45 million euros in the previous quarter and 50 million euros in the year-earlier quarter. The net charge in the quarter under review included:

- a 76-million-euro impairment charge related to the loan book (compared to 55 million euros in the previous quarter),
- a 3-million-euro impairment reversal related to the update of the reserve for geopolitical and macroeconomic uncertainties (compared to a 9-million-euro reversal in the previous quarter). Consequently, the remaining reserve for geopolitical and macroeconomic uncertainties amounted to 100 million euros at the end of December 2025.

The resulting **credit cost ratio** came to 0.13% for full-year 2025 (also 0.13% when 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), clearly in line with our guided figure. At the end of December 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 0.9% of the loan book, compared to 1.0% at year-end 2024.

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

Impairment charges on assets *other than loans* amounted to 48 million euros in the quarter under review, compared to 5 million euros in the previous quarter and 28 million euros in the year-earlier quarter. The figure for the quarter under review mainly included impairment charges related to software (26 million euros), a 9-million-euro impairment charge related to modification losses for the mortgage loan support scheme in Slovakia and 7 million euros of goodwill impairment.

Net result by business unit

Belgium 674 million euros; Czech Rep. 231 million euros; International Markets 205 million euros; Group Centre -107 million euros

Belgium: the net result (674 million euros) was up 14% quarter-on-quarter, due to the combined effect of:

- higher total income (accounted for by higher levels of net interest income, trading & fair value income, insurance revenues, dividend income and net fee and commission income, partly offset by lower net other income);
- a higher level of costs;
- lower insurance service expenses after reinsurance;
- lower impairment charges.

Czech Republic: the net result (231 million euros) was down 5% quarter-on-quarter (down 6% when excluding forex effects), due to the combined effect of:

- higher total income (thanks mainly to increased net interest income, net other income and insurance revenues);
- a higher level of costs (but stable when excluding forex effects);
- slightly higher insurance service expenses after reinsurance;
- higher impairment charges.

International Markets: the 205-million-euro net result breaks down as follows: 17 million euros in Slovakia, 116 million euros in Hungary and 72 million euros in Bulgaria. For the business unit as a whole, the net result was down 14% quarter-on-quarter, due to the combined effect of:

- higher total income (due mainly to higher net interest income, trading & fair value income, net fee and commission income and insurance revenues);
- higher costs;
- higher insurance service expenses after reinsurance;
- higher impairment charges.

Group Centre: the net result (-107 million euros) was 39 million euros below the figure recorded in the previous quarter, due to:

- lower total income (decrease mainly in trading & fair value income and net other income);
- higher costs;
- slightly higher insurance service expenses after reinsurance;
- net impairment releases relative to more or less stable impairment charges in the previous quarter.

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).

	Belgium		Czech Republic		International Markets	
Selected ratios by business unit	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Cost/income ratio						
- excl. non-operating items	43%	44%	42%	45%	45%	46%
- excl. all bank and insurance taxes	39%	41%	41%	43%	37%	38%
Combined ratio, non-life insurance	86%	88%	87%	86%	90%[2]	96%[2]
Credit cost ratio[1]	0.13%	0.19%	0.10%	-0.09%	0.18%	-0.08%
Impaired loans ratio	1.8%	2.0%	1.3%	1.3%	1.7%	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 88% for full-year 2025.

Solvency and liquidity

Common equity ratio of 14.9%, LCR of 159%, NSFR of 138%

At the end of December 2025, total equity came to 28.0 billion euros and comprised 25.4 billion euros in parent shareholders' equity, 2.5 billion euros in additional tier-1 instruments and 0.1 billion euros minority interest. Total equity was up 3.7 billion euros on its level at the end of 2024. This was due to the combined effect of:

- the inclusion of the profit for full-year 2025 (+3.6 billion euros);
- the payment of the final dividend for 2024 (in May 2025) and the interim dividend for 2025 paid in November 2025 (-1.6 billion euros);
- higher revaluation reserves (+1.1 billion euros);
- a net increase in outstanding additional tier-1 instruments (+0.6 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.

For full-year 2025, **risk-weighted assets** rose by 9.5 billion euros to 129.5 billion euros, driven primarily by the application of Basel IV and (loan) volume growth.

Our **solvency position** remained strong, as illustrated by an unfloored fully loaded common equity ratio (CET1) of 14.9% under Basel IV on 31 December 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 227% at the end of December 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 dividend policy and capital deployment policy are explained in the ‘Our guidance’ section of this report. In line with that policy, our Board of Directors has decided to propose a total gross dividend of 5.1 euros per share to the General Meeting of Shareholders for the accounting year 2025. That figure includes an interim dividend of 1 euro per share that was already paid in November 2025 and the remaining 4.1 euros per share to be paid in May 2026. When including the proposed dividend and additional tier-1 coupon, the pay-out ratio amounts to 60% of 2025 net profit.

The acquisitions of both 365.bank in Slovakia and Business Lease in the Czech Republic and Slovakia, which were both completed in the opening weeks of 2026, will have a combined impact on capital of approximately -50 basis points in the first quarter of 2026.

Our **liquidity position** also remained excellent, as reflected in an LCR ratio of 159% and an NSFR ratio of 138%, 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 (FY2025)

Net result for FY2025: 3 568 million euros
up 4% year-on-year

Highlights (compared to FY2024, unless otherwise stated):

- **Net interest income**: up 9% to 6 065 million euros (up 8% when excluding the forex effect), higher than the guidance of 'at least 5.95 billion euros'. This was attributable mainly to the much higher commercial transformation result, an increased level of interest income from lending activities, higher interest income from dealing room activities, lower costs related to the minimum required reserves held with central banks, lower subordinated funding costs as well as a positive forex effect. This was partly offset by a lower level of interest income related to customer term deposit funding, lower interest income related to asset/liability management and, to a lesser extent, short-term cash management activities as well as higher wholesale funding costs. Excluding forex effects, the volume of customer loans rose by 7%, while customer deposits (excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches) increased by 3% year-on-year. The net interest margin for full-year 2025 came to 2.07%, down 1 basis point year-on-year.

- **Insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held): up 36% to 615 million euros. The non-life combined ratio for full-year 2025 amounted to an excellent 87%, compared to 90% for full-year 2024. Non-life insurance sales were up 9% (up 8% when excluding the forex effect) to 2 769 million euros, with increases in all the main classes, while life insurance sales were up 23% to 3 576 million euros, thanks to higher sales of unit-linked, interest-guaranteed and hybrid products.

- **Net fee and commission income**: up 8% (also 8% when excluding the forex effect) to 2 789 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 December 2025, total assets under management were up 9% to 300 billion euros due to a combination of net inflows and the effect of a positive year-on-year market performance (accounting for +5 and +4 percentage points, respectively). Net inflows in direct client money were record-high in 2025 (6 billion euros).

- **Trading & fair value income and insurance finance income and expense**: up 5 million euros to -163 million euros. This was due mainly to a higher result from derivatives used for asset/liability management purposes and less negative market value adjustments (xVA), partly offset by a lower FIFV dealing room result and a negative trend in insurance finance income and expenses (mainly driven by interest accretion on the strongly growing insurance portfolio).

- **All other income items combined**: up 29% to 307 million euros, thanks to higher net other income and higher dividend income.

- **Operating expenses excluding bank and insurance taxes**: up 2.8% to 4 599 million euros (up 2.5% when excluding the forex effect), in line with our guidance. Excluding Ireland and one-off costs in Bulgaria (due to the integration of Raiffeisenbank Bulgaria and euro-adoption costs) in both full-year 2024 and full-year 2025, operating expenses excluding bank and insurance taxes rose by 3.6% year-on-year (and by 3.2% year-on-year excluding forex effects). 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 666 million euros, up 7% year-on-year. The cost/income ratio for full-year 2025 amounted to 46% when certain non-operating items are excluded (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 273 million euros, compared to a net charge of 199 million euros in the reference period. Full-year 2025 included a charge of 290 million euros for the loan book (52 million euros of which related to lowering the backstop shortfall for non-performing loans in Belgium) and a release of 17 million euros in the reserve for geopolitical and macroeconomic uncertainties (compared to a charge of 333 million euros and a release of 134 million euros, respectively, in the reference period). As a result, the credit cost ratio amounted to 0.13%, compared to 0.10% for full-year 2024. Impairment charges on assets *other than loans* came to 61 million euros, compared to 49 million euros in the reference period.

- **Share in results of associated companies & joint ventures**: down 74 million euros to 6 million euros, as the reference period had included a one-off 79-million-euro gain (related to Isabel).

- **The 3 568-million-euro net result for full-year 2025** breaks down as follows: 2 151 million euros for the Belgium Business Unit (up 305 million euros on its year-earlier level), 922 million euros for the Czech Republic Business Unit (up 48 million euros excluding forex effects), 814 million euros for the International Markets Business Unit (up 64 million euros excluding forex effects) and -318 million euros for the Group Centre (down 278 million euros, as 2024 had included a 0.3-billion-euro tax benefit related to the liquidation of KBC Bank Ireland).

Comparison with previously published guidance for FY2025	Guidance for 2025	Realised in 2025	
Total income	at least +7.5%	+9.2%	✓
Net interest income	at least 5.95 billion euros	6.07 billion euros	✓
Organic loan volume growth	approx. +7.5%	+7.4%	✓
Insurance revenues (before reinsurance)	at least +7%	+8.7%	✓
Operating expenses (excl. bank and insurance taxes)	below +2.5%	+2.8% (+2.5% excl. forex effect)	✓
Combined ratio for non-life insurance	below 91%	87%	✓
Credit cost ratio	well below 25-30 basis points	13 basis points	✓

ESG developments, risk statement and economic views

ESG developments

At KBC, we recognise the importance of transparent sustainability reporting and have consistently demonstrated this commitment over many years, as readily illustrated by our participation in the S&P Global CSA for the 25th time. Clear and consistent disclosure remains essential for informed decision-making and for achieving our sustainability objectives. As was the case last year, and in line with the Corporate Sustainability Reporting Directive (CSRD), we will again publish our Sustainability Statement for reporting year 2025 as an integral part of our Annual Report.

Our continued adherence to these reporting requirements reaffirms our long-standing track record in sustainability-related disclosures and demonstrates our commitment to fostering a sustainable and resilient economy. Our strong sustainability ratings clearly validate these efforts.

We are equally proud to be included in the CDP Climate A List for the fourth consecutive year. In 2026, CDP also published for the first time scores for the financial sector on the themes of forests and water security. KBC achieved a 'B' score in both areas, reflecting the growing maturity of our approach to these important sustainability domains. In addition, we have been included in the S&P Global Sustainability Yearbook for the seventh consecutive year. Together, these recognitions underscore KBC's leading role in sustainability-related disclosures.

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, trade wars as a consequence of US tariff policies and, more recently, tensions over Greenland). 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

US economic activity grew at an estimated 0.7% (non-annualised) in the fourth quarter of 2025, compared to 1.1% in the third quarter. This was mainly the result of the resilient labour market and business investments. Overall growth dynamics in 2026 will likely remain broadly stable in line with the potential.

Fourth-quarter growth in the euro area economy (0.3%) was in line with the third quarter (with growth in our core countries of Belgium, the Czech Republic, Hungary, Slovakia and Bulgaria at 0.2%, 0.5%, 0.2%, 0.2% (estimate) and 0.9% (estimate), respectively). Overall, growth in the euro area and our core markets is expected to accelerate moderately in the course of 2026 on the back of fiscal spending, infrastructure investment and private consumption.

However, the global trade environment remains challenging and recent geopolitical risks, such as renewed and escalating trade tensions, are mounting again with potentially substantial repercussions for the core markets. The main internal risk remains political uncertainty, with - for example - upcoming parliamentary elections in Bulgaria and Hungary on the agenda.

Our view on interest rates and foreign exchange rates

In the euro area, headline and core inflation fell in January to 1.7% and 2.2%, respectively. Although core inflation is still elevated, it is expected to gradually decline further towards the 2% target rate. However, euro area inflation is likely to temporarily fall below the 2% target in 2026 as a result of the year-on-year trend in energy prices. In the US, headline and core inflation in December were stable at respectively 2.7% and 2.6%, but (both) remained stubbornly above the Fed’s target. However, both are also expected to gradually converge towards the 2% target rate in the medium term.

The ECB confirmed its 2% deposit rate again at its February policy meeting, indicating that it is in a ‘good place’ to react to future events, if necessary. We conclude from this that 2% is likely to be the bottom of the ECB’s interest rate cycle.

In the fourth quarter, the Fed cut its policy rate on two occasions by 25 basis points each time, taking it to 3.625%. Given the resilience of the US labour market and the fact that inflation is still above target, the Fed paused rates at its January policy meeting. One more rate cut in the third quarter, followed by another in the fourth quarter (by 25 basis points each time) will likely bring the policy rate back to a ’neutral’ level by the end of 2026.

Since the start of the fourth quarter, German and US 10-year yields have risen by around 20 and 10 basis points, respectively, to their current level of about 2.85% and 4.30%. While higher German yields mainly reflected a further decompression of the term premium, the increase in US yields was caused primarily by higher risk premiums on US assets triggered by a new wave of geopolitical risks.

The Czech National Bank (CNB) kept its policy rate unchanged at 3.50% in its February policy meeting, which is likely to be the bottom of its easing cycle. The CNB is likely to 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 September 2024. We expect the next rate cut in the second half of 2026 at the earliest. Monetary policy will remain restrictive for quite a while to bring inflation under control by pursuing a ‘strong-forint’ policy. Nevertheless, Hungary's structurally higher inflation relative to the euro area is likely to cause the forint to gradually depreciate against the euro over time.

Our guidance

Guidance for full-year 2026 (new)

- **Total income**: at least +9.9% year-on-year (*at least +6.8% on an organic basis*)
- **Net interest** income: at least 6 725 million euros (*at least 6 500 million euros on an organic basis, supported by organic loan volume growth of approximately 5%*)
- **Insurance revenues** (before reinsurance): at least +7.5% year-on-year *(same on an organic basis)*
- **Operating expenses** (excluding bank and insurance taxes): below +7.7% year-on-year *(below +3.4% on an organic basis)*
- **Combined ratio**: below 91% *(same on an organic basis)*
- **Credit cost ratio**: well below the through-the-cycle credit cost ratio of 25-30 basis points *(same on an organic basis)*

Guidance for full-year 2026	FY2025 reported	FY2026 guidance Organic	FY2026 guidance All-in
Total income	12.2 billion euros	at least +6.8%	at least +9.9%
Net interest income	6.07 billion euros	at least 6 500 million euros	at least 6 725 million euros
Organic loan volume growth	+7.4%	approx. +5.0%	
Insurance revenues (before reinsurance)	3.20 billion euros	at least +7.5%	at least +7.5%
Operating expenses (excl. bank and insurance taxes)	-4.60 billion euros	below +3.4%	below +7.7%
Cost/income ratio (excl. bank and insurance taxes, but including insurance commissions paid)	41%	approx. 40%	
Combined ratio for non-life insurance	87%	below 91%	below 91%
Credit cost ratio	13 basis points	well below 25-30 basis points	well below 25-30 basis points

Medium to long-term guidance (new, including forex impacts and closed M&A deals, i.e. 365.bank and Business Lease)

- **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** (excluding bank and insurance taxes) (CAGR 2025-2028): below +4.3%
- **Cost/income ratio** (excluding bank and insurance taxes): below 38% by the end of 2028 (including insurance commissions paid for full-year 2028 of at least 533 million euros, in the numerator)
- **Combined ratio**: below 91%
- **Credit cost ratio**: well below the through-the-cycle credit cost ratio of 25-30 basis points

Guidance for full-year 2028	FY2025 reported	FY2028 guidance All-in
Total income	12.2 billion euros	CAGR (2025-2028) at least +7.7%
Net interest income	6.07 billion euros	CAGR (2025-2028) at least +8.6%
Insurance revenues (before reinsurance)	3.20 billion euros	CAGR (2025-2028) at least +7.5%
Operating expenses (excl. bank and insurance taxes)	-4.60 billion euros	CAGR (2025-2028) below +4.3%
Cost/income ratio (excl. bank and insurance taxes, but including insurance commissions paid)	41%	below 38%
Combined ratio for non-life insurance	87%	below 91%
Credit cost ratio	13 basis points	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 will start using SRTs (Significant Risk Transfers) as a part of a risk-weighted assets optimisation programme

Statement of the auditor

The statutory auditor, KPMG Bedrijfsrevisoren BV - Réviseurs d'Entreprises SRL, represented by Kenneth Vermeire and Stéphane Nolf, has confirmed that the audit procedures, which are substantially completed, have not revealed to date any material matters requiring adjustments to the accounting information included in the section "Condensed interim consolidated financial statements according to IFRS 4Q 2025 and FY 2025" of this press release.

In the context of the legal limited assurance engagement on the consolidated sustainability information of the Company to be included in the annual report for the year end 31 December 2025 prepared in accordance with article 3:32/2 of the Companies' and Associations' Code, the statutory auditor, KPMG Bedrijfsrevisoren BV - Réviseurs d'Entreprises SRL, represented by Kenneth Vermeire and Steven Mulkens, who has been appointed by the General meeting for this engagement, has confirmed, based on the limited assurance procedures performed to date, that they are not aware of any matters that would result in a modified assurance conclusion thereon.

Upcoming events and references

Agenda	Annual report for FY2025: 1 April 2026 Annual General Meeting of Shareholders: 7 May 2026 1Q2026 results: 12 May 2026 Dividend: ex-coupon date: 18 May 2026, record date: 19 May 2026, payment date: 20 May 2026 (subject to approval of the AGM) 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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