KBC Group Quarterly Report 1Q2025

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KBC GROUP
1Q2025 report

Report

Consolidated financial statements

Additional information

Forward-looking statements

The expectations, forecasts and statements regarding future developments that are contained in this report are, of course, based on assumptions and are contingent on a number of factors that will come into play in the future. Consequently, the actual situation may turn out to be (substantially) different.

Management certification

'I Bartel Puelinckx, Chief Financial Officer of the KBC Group, certify on behalf of the Executive Committee of KBC Group NV that, to the best of my knowledge, the abbreviated financial statements included in the quarterly report are based on the relevant accounting standards and fairly present in all material respects the financial condition and results of KBC Group NV including its consolidated subsidiaries, and that the quarterly report provides a fair view of the main events, the main transactions with related parties in the period under review and their impact on the abbreviated financial statements, and an overview of the main risks and uncertainties for the remainder of the current year.'

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This report contains information that is subject to transparency regulations for listed companies. Date of release: 15 May 2025

First-quarter result of 546 million euros

KBC Group – overview (consolidated, IFRS)	1Q2025	4Q2024	1Q2024
Net result (in millions of EUR)	546	1 116	506
Basic earnings per share (in EUR)	1.32	2.75	1.18
Breakdown of the net result by business unit (in millions of EUR)			
Belgium	*281*	*487*	*243*
Czech Republic	*207*	*238*	*197*
International Markets	*135*	*175*	*146*
Group Centre	*-77*	*215*	*-80*
Parent shareholders’ equity per share (in EUR, end of period)	58.8	56.6	54.9

‘We recorded a net profit of 546 million euros in the first quarter of 2025. Compared to the result of the previous quarter, our total income benefited from several factors, including increased insurance revenues, trading and fair value income and net other income, while net interest income and net fee and commission income were slightly down as a result of seasonality and some positive year-end effects in the fourth quarter of 2024.
Our loan portfolio continued to expand, increasing by 2% 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 stable quarter-on-quarter (with a shift from term deposits to savings accounts) and up 7% year-on-year.
Operating expenses were up, since the bulk of the bank and insurance taxes for the full year are recorded – as usual – in the first quarter. Disregarding bank and insurance taxes, operating expenses fell by 8% quarter-on-quarter. Insurance service expenses also fell, as did loan loss impairment charges, resulting in a very favourable credit cost ratio of just 8 basis points for the quarter under review (16 basis points excluding the changes in the reserve for geopolitical and macroeconomic uncertainties).
Our solvency position remained strong, with an unfloored fully loaded common equity ratio under Basel IV of 14.5% at the end of March 2025. Our liquidity position remained very solid too, as illustrated by an LCR of 157% and NSFR of 140%.

On 8 May 2025, we paid a final dividend of 3.15 euros per share, bringing the total dividend for full-year 2024 to 4.85 euros per share. We also updated our dividend and capital deployment policy. As from 2025, we will pay a dividend of between 50% and 65% of our consolidated result, 1 euro of which will be paid in November as an interim dividend. We aim to remain amongst the better capitalised financial institutions in Europe. Each year, when announcing the full-year results, our Board will take a decision – at its discretion - on capital deployment. The focus will predominantly be on further organic growth alongside mergers and acquisitions. We see a 13% unfloored fully loaded common equity ratio as the minimum.

Furthermore, KBC reached an agreement to acquire 98.45% of 365.bank in Slovakia based on a total value for 365.bank of 761 million euros. This investment will allow us to further strengthen our position in the Slovak market while closing the gap with the top three players in the banking sector. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC’s existing Slovak subsidiary ČSOB, leading to significant cost, revenue (cross-selling) and funding synergies. KBC will particularly strengthen its reach in retail banking as well as benefit from access to the unique client base and distribution network of 365.bank and its exclusive partnership with Slovak Post. Closure of the deal is subject to regulatory approval and will reduce our unfloored fully loaded common equity ratio by approximately 50 basis points upon closing, which is expected by the end of this year.

Recent weeks have been characterised by unprecedented macro-economic (trade) uncertainty as a result of the US policy on trade tariffs and its repercussions on the financial markets. Nevertheless, we confirm our short-term and long-term financial guidance. Last but not least, I would like to express my sincerest gratitude towards our customers, employees, shareholders and all other stakeholders for their continued trust in our group.’

Johan Thijs
Chief Executive Officer

The cornerstones of our strategy

CLIENT CENTRICITY | BANK-INSURANCE | SUSTAINABLE PROFITABLE GROWTH | ROLE IN SOCIETY | PEARL+

- 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 focusing on the joint development of solutions, initiatives and ideas within the group

Financial highlights in 1Q2025

Net interest income slightly decreased by 1% quarter-on-quarter and went up by 4% year-on-year. The net interest margin for the quarter under review amounted to 2.05%, down 3 basis points compared to the previous and year-earlier quarters, respectively. Customer loan volumes were up 2% quarter-on-quarter and 7% year-on-year. Customer deposits, excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches, were stable quarter-on-quarter (with a shift from term deposits to savings accounts) and up 7% year-on-year.

The insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 142 million euros (compared to 125 million euros and 134 million euros in the previous and year-earlier quarters, respectively) and breaks down into 96 million euros for non-life insurance and 45 million euros for life insurance. The non-life insurance combined ratio for the quarter under review amounted to an excellent 86%, compared to 90% for full-year 2024. Non-life insurance sales increased by 8% year-on-year, while life insurance sales were up 39% on the level recorded in the previous quarter and up 32% on their level in the year-earlier quarter.

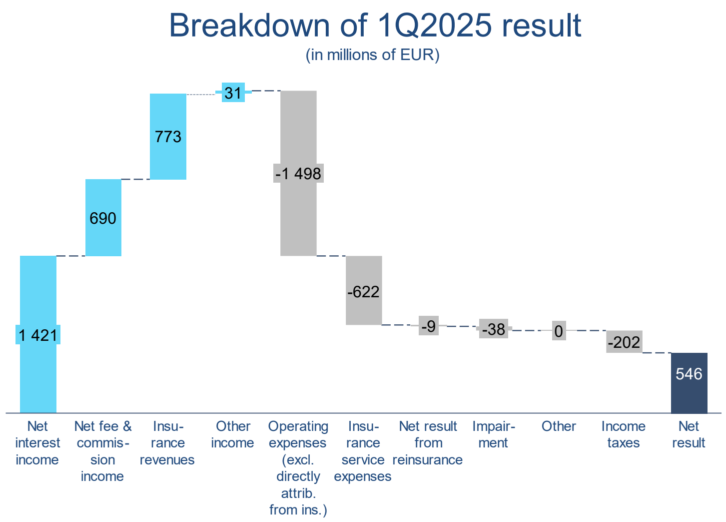
Net fee and commission income was slightly down (-1%) quarter-on-quarter, due entirely to seasonality and positive year-end effects in the previous quarter. Net fee and commission income was up 12% year-on-year, thanks to higher fees for asset management activities and banking services. Assets under management were down 1% quarter-on-quarter and up 6% year-on-year.

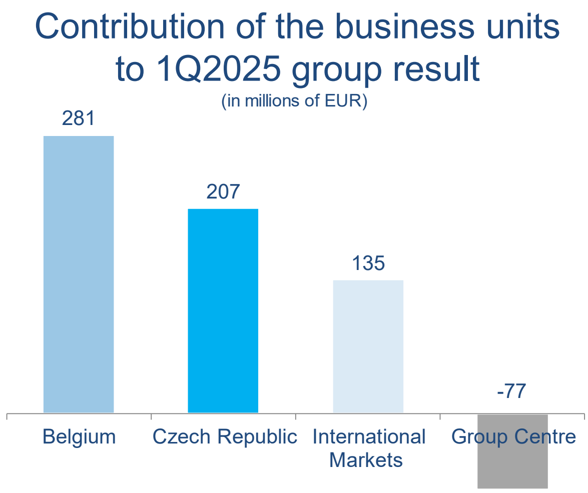
Trading & fair value income and insurance finance income and expense was up 29 million euros and 10 million euros on the figures for the previous and year-earlier quarters, respectively. **Net other income** was above its normal run rate due mainly to higher-than-average gains on the sale of real estate.

Operating expenses excluding bank and insurance taxes were down 8% quarter-on-quarter and up 4% year-on-year. The first quarter of the year traditionally includes the bulk of the bank and insurance taxes for the full year (539 million euros in the first quarter of 2025). The cost/income ratio for the first quarter of 2025 came to 46%, compared to 47% for full-year 2024. In that calculation, certain non-operating items have been excluded and bank and insurance taxes spread evenly throughout the year. When excluding all bank and insurance taxes, the cost/income ratio for the first quarter of 2025 amounted to 41%, compared to 43% for full-year 2024.

Loan loss impairment charges amounted to 38 million euros, compared to 50 million euros in the previous quarter and 16 million euros in the year-earlier quarter. The credit cost ratio for the quarter under review amounted to 0.08%, compared to 0.10% for full-year 2024. Impairment on assets *other than loans* was virtually zero in the quarter under review.

Our **liquidity position** remained strong, with an LCR of 157% and NSFR of 140%. Our **capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.5%*.





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

Overview of results and balance sheet

Consolidated income statement, IFRS, KBC Group (simplified; in millions of EUR)	1Q2025	4Q2024	3Q2024	2Q2024	1Q2024
Net interest income	1 421	1 433	1 394	1 379	1 369
Insurance revenues before reinsurance	773	764	740	726	714
Non-life	*648*	*640*	*631*	*613*	*598*
Life	*125*	*124*	*109*	*114*	*116*
Dividend income	9	13	11	26	7
Net result from financial instruments at fair value through P&L and Insurance finance income and expense	-45	-74	-42	3	-55
Net fee and commission income	690	700	641	623	614
Net other income	67	27	45	51	58
Total income	2 915	2 863	2 787	2 809	2 708
Operating expenses (excl. directly attributable from insurance)	-1 498	-1 126	-1 058	-950	-1 431
Total operating expenses excluding bank and insurance taxes	*-1 106*	*-1 201*	*-1 135*	*-1 074*	*-1 063*
Total bank and insurance taxes	*-539*	*-55*	*-47*	*-2*	*-518*
Minus: operating expenses allocated to insurance service expenses	*148*	*131*	*124*	*126*	*150*
Insurance service expenses before reinsurance	-622	-635	-688	-590	-563
Of which Insurance commission paid	*-102*	*-103*	*-99*	*-92*	*-89*
Non-Life	*-543*	*-561*	*-615*	*-514*	*-489*
Life	*-79*	*-74*	*-72*	*-76*	*-73*
Net result from reinsurance contracts held	-9	-4	28	-24	-18
Impairment	-38	-78	-69	-85	-16
Of which: on financial assets at amortised cost and at fair value through other comprehensive income[1]	*-38*	*-50*	*-61*	*-72*	*-16*
Share in results of associated companies & joint ventures	0	-1	78	2	0
Result before tax	747	1 020	1 079	1 162	680
Income tax expense	-202	96	-211	-237	-175
Result after tax	546	1 115	868	925	506
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**546**	**1 116**	**868**	**925**	**506**
Basic earnings per share (EUR)	1.32	2.75	2.14	2.25	1.18
Diluted earnings per share (EUR)	1.32	2.75	2.14	2.25	1.18

Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)	31-03-2025	31-12-2024	30-09-2024	30-06-2024	31-03-2024
Total assets	380 313	373 048	353 261	361 945	359 477
Loans & advances to customers	197 326	192 067	188 623	187 502	183 722
Securities (equity and debt instruments)	84 419	80 339	75 929	73 941	73 561
Deposits from customers	231 022	228 747	221 851	221 844	216 314
Insurance contract liabilities	16 912	17 111	17 012	16 521	16 602
Liabilities under investment contracts, insurance	15 631	15 671	15 193	14 780	14 319
Total equity	25 191	24 311	23 300	22 936	23 917

Selected ratios KBC Group (consolidated)	1Q2025	FY2024
Return on equity[2]	9%	15%
Cost/income ratio, group - excl. non-operating items and evenly spreading bank and insurance taxes throughout the year - excl. all bank and insurance taxes	46% 41%	47% 43%
Combined ratio, non-life insurance	86%	90%
Common equity ratio (CET1), fully loaded (Basel IV as of 2025, Danish Compromise, unfloored[3])	14.5%	15.0%
Credit cost ratio[4]	0.08%	0.10%
Impaired loans ratio	1.9%	2.0%
for loans more than 90 days past due	1.0%	1.0%
Net stable funding ratio (NSFR)	140%	139%
Liquidity coverage ratio (LCR)	157%	158%

1 Also referred to as 'Loan loss impairment'.
2 15% for the first quarter of 2025 (and 14% for full-year 2024), when non-operating items are excluded and bank and insurance taxes spread evenly throughout the year.
3 For the fully loaded common equity ratio as of the first quarter of 2025, KBC focuses on the so-called unfloored fully loaded common equity ratio, which takes into account the total risk-weighted assets impact of Basel IV, excluding the output floor impact..
4 A negative figure indicates a net impairment release (positively affecting results).

Analysis of the quarter (1Q2025)

Total income: 2 915 million euros

+2% quarter-on-quarter and +8% year-on-year

Net interest income amounted to 1 421 million euros in the quarter under review, slightly down by 1% quarter-on-quarter and up 4% year-on-year.

The quarter-on-quarter change was due to factors such as the positive impact of a higher commercial transformation result, higher lending income (as the positive impact of loan volume growth was only partly offset by the negative impact of pressure on loan margins in some core markets) and higher dealing room interest income. These items were more than offset by the negative impact of the lower number of days in the quarter under review, lower net interest income on inflation-linked bonds, a lower level of interest income from customer term deposits and from short-term cash management activities, higher costs related to the minimum required reserves held with central banks, and the fact that the previous quarter had benefited from a positive correction of 9 million euros arising from a change in the accounting approach to mortgage brokerage fees in Bulgaria (the impact for full-year 2024 was recorded entirely in the fourth quarter). The year-on-year increase was due to a combination of a significantly higher commercial transformation result, higher lending income, lower costs related to the minimum required reserves held with central banks, higher net interest income on inflation-linked bonds and higher dealing room interest income. These items were partly offset by a lower level of interest income from customer term deposits, higher wholesale funding costs and a lower level of interest income from short-term cash management activities.

The net interest margin for the quarter under review amounted to 2.05%, down 3 basis points quarter-on-quarter and year-on-year. Customer loan volume (197 billion euros) was up 2% quarter-on-quarter and 7% year-on-year. Customer deposits (231 billion euros) were stable quarter-on-quarter (with a shift from term deposits to savings accounts) and up 6% 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 also stable quarter-on-quarter and up 7% year-on-year. The growth figures above exclude the forex-related impact.

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

The **insurance service result** (insurance revenues before reinsurance – insurance service expenses before reinsurance + net result from reinsurance contracts held; the two latter items are not part of total income) amounted to 142 million euros and breaks down into 96 million euros for non-life insurance and 45 million euros for life insurance.

The **non-life** insurance service result rose by 27% quarter-on-quarter, thanks to lower insurance service expenses coupled with higher insurance revenues, and only partly offset by a worse reinsurance result. It was up 3% year-on-year as higher insurance revenues and a better reinsurance result were for a large part offset by increased insurance service expenses.

The **life** insurance service result was down 8% quarter-on-quarter, essentially due to higher insurance service expenses. It was up 12% year-on-year, as increased insurance revenues and a better reinsurance result more than offset the higher insurance service expenses.

The combined ratio of the non-life insurance activities amounted to an excellent 86% for the quarter under review, compared to 90% for full-year 2024. Non-life insurance sales came to 792 million euros and were up 8% year-on-year, with growth in all countries and all the main classes. Sales of life insurance products amounted to 1 013 million euros and were up 39% on the level recorded in the previous quarter, thanks to a large increase in unit-linked insurance sales in Belgium (supported by structured issues), and up 32% on the level recorded in the year-earlier quarter (higher sales of unit-linked, interest-guaranteed 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 33% and 61%, respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder.

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

Net fee and commission income amounted to 690 million euros, down 1% quarter-on-quarter and up 12% year-on-year. The slight quarter-on-quarter decrease was due entirely to seasonality and positive year-end effects in the previous quarter, while the significant year-on-year increase was thanks to higher fees for asset management activities (mainly increased management fees) and for various banking services (mainly payment services and network income).
At the end of March 2025, our total assets under management amounted to 273 billion euros, down 1% quarter-on-quarter as the negative market performance in the quarter (-3 percentage points) more than offset the positive impact of net inflows (+2 percentage points). Assets under management still grew by 6% year-on-year, with net inflows accounting for 3 percentage points and the positive market performance during the year accounting for the other 3 percentage points.

Trading & fair value income and insurance finance income and expense amounted to -45 million euros, up 29 million euros quarter-on-quarter and 10 million euros year-on-year. Quarter-on-quarter, the improvement was mainly thanks to a positive evolution of the market value of derivatives used for asset/liability management purposes and a higher dealing room result, whereas year-on-year, the improvement was mainly thanks to a positive evolution of the market value of derivatives used for asset/liability management purposes, partly offset by lower dealing room results.

The **other remaining income items** included dividend income of 9 million euros and net other income of 67 million euros. The latter was above its (50-million-euro) normal run rate, due mainly to higher-than-average gains on the sale of real estate.

Operating expenses excluding bank and insurance taxes: 1 106 million euros

-8% quarter-on-quarter and +4% year-on-year

Operating expenses excluding bank and insurance taxes amounted to 1 106 million euros in the first quarter of 2025, down 8% on their level in the previous quarter and up 4% year-on-year*.
The quarter-on-quarter decrease was due mainly to seasonally lower expenses for marketing and professional fees, decreased ICT costs and lower facilities costs, partly offset by higher staff costs. The year-on-year increase of operating expenses excluding bank and insurance taxes was mainly caused by higher staff costs (wage drift and indexation, partly offset by fewer FTEs), ICT expenses and depreciation charges.

Bank and insurance taxes in the quarter under review amounted to 539 million euros, compared to 55 million euros 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 4%, owing partly to a higher contribution to the deposit guarantee scheme in Belgium (due to factors such as a higher covered deposit volume), which more than offset the lower contribution to the resolution fund in the Czech Republic and lower (national) bank taxes in Slovakia and Hungary.

When certain non-operating items are excluded and bank and insurance taxes are spread evenly throughout the year, the cost/income ratio for the quarter under review 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% in full-year 2024.

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

* Note that operating expenses excluding bank and insurance taxes were low in the first half of 2024, hence we feel comfortable with our full year 2025 guidance of growth for operating expenses excluding bank and insurance taxes of below 2.5% year-on-year.

Loan loss impairment: 38-million-euro net charge

versus a 50-million-euro net charge in the previous quarter and a 16-million-euro net charge in the year-earlier quarter

In the quarter under review, we recorded a 38-million-euro net loan loss impairment charge, compared to a net charge of 50 million euros in the previous quarter and a net charge of 16 million euros in the year-earlier quarter. The net impairment charge in the quarter under review included a charge of 83 million euros in respect of our loan book (41 million euros of which related to lowering the backstop shortfall for old non-performing loans in Belgium) and a model-driven release of 45 million euros following the update of the reserve for geopolitical and macroeconomic uncertainties. As a consequence, the outstanding reserve for geopolitical and macroeconomic uncertainties amounted to 72 million euros at the end of March 2025.

The resulting credit cost ratio amounted to 0.08% for the quarter under review (0.16% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties), compared to 0.10% for full-year 2024 (0.16% excluding the changes in the reserve for geopolitical and macroeconomic uncertainties). At the end of March 2025, 1.9% of our total loan book was classified as impaired ('Stage 3'), compared to 2.0% at year-end 2024. Impaired loans that are more than 90 days past due amounted to 1.0% of the loan book, the same as at year-end 2024.

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

Impairment charges on assets *other than loans* were negligible in the quarter under review, compared to 28 million euros in the previous quarter and also negligible in the year-earlier quarter.

Net result by business unit

Belgium 281 million euros; Czech Rep. 207 million euros; International Markets 135 million euros; Group Centre -77 million euros

Belgium: the net result (281 million euros) was, at first sight, down 42% on the result for the previous quarter. However, when excluding the bank and insurance taxes (the bulk of the amount for the full year being recorded in the first quarter and hence distorting the quarter-on-quarter comparison), the net result was up 23% quarter-on-quarter. This was due to the combined effect of:

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

Czech Republic: the net result (207 million euros) was, at first sight, down 13% on the result of the previous quarter. However, when excluding the bank and insurance taxes, the net result was down only 5% quarter-on-quarter. This was due to the combined effect of:

- slightly lower total income (due primarily to lower trading & fair value income);
- lower costs;
- more or less stable insurance service expenses after reinsurance;
- a net impairment charge compared to a net release in the previous quarter.

International Markets: the 135-million-euro net result breaks down as follows: 34 million euros in Slovakia, 35 million euros in Hungary and 66 million euros in Bulgaria. For the business unit as a whole, the net result was, at first glance, down 23% on the previous quarter's result. However, when excluding the bank and insurance taxes, the net result was up 24% quarter-on-quarter. This was due to the combined effect of:

- higher total income (increase in insurance revenues and net other income, partly offset by a decrease in net fee and commission income);
- lower costs;
- higher insurance service expenses after reinsurance;
- lower net impairment charges.

Group Centre: the net result (-77 million euros) was 292 million euros lower than the figure recorded in the previous quarter, largely due to much higher income taxes as the previous quarter had included a 318-million-euro one-off tax benefit due to the liquidation of Exicon (the remaining activities of KBC Bank Ireland).

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 1Q2025	Belgium FY2024	Czech Republic 1Q2025	Czech Republic FY2024	International Markets 1Q2025	International Markets FY2024
Cost/income ratio						
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	43%	44%	43%	45%	46%	46%
- excl. all bank and insurance taxes	39%	41%	42%	43%	37%	38%
Combined ratio, non-life insurance	86%	88%	81%	86%	95%[2]	96%[2]
Credit cost ratio[1]	0.07%	0.19%	0.13%	-0.09%	0.05%	-0.08%
Impaired loans ratio	1.9%	2.0%	1.3%	1.3%	1.6%	1.6%

1 A negative figure indicates a net impairment release (positively affecting results). See 'Details of ratios and terms' in the quarterly report.
2 Excluding windfall insurance taxes in Hungary, the combined ratio amounted to 93% for full-year 2024 and 87% for the first quarter of 2025.

Solvency and liquidity

Common equity ratio of 14.5%, NSFR of 140%, LCR of 157%

At the end of March 2025, total equity came to 25.2 billion euros and comprised 23.3 billion euros in parent shareholders' equity and 1.9 billion euros in additional tier-1 instruments. Total equity was up 0.9 billion euros on its level at the end of 2024. This was due to the combined effect of:

- the inclusion of the profit for the first quarter of 2025 (+0.5 billion euros);
- higher revaluation reserves (+0.4 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.

In the first quarter of 2025, risk-weighted assets rose by 4.8 billion euros quarter-on-quarter to 124.8 billion euros, mainly driven by the application of Basel IV (see below) and volume growth.

Our solvency position remained strong, as illustrated by an unfloored fully loaded common equity ratio (CET1) of 14.5% under Basel IV at 31 March 2025, compared to 15.0% under Basel III at the end of 2024 (corresponding to 14.6% under Basel IV). The solvency ratio for KBC Insurance under the Solvency II framework was 210% at the end of March 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 Annual General Meeting of Shareholders of 30 April 2025 approved a total gross dividend of 4.85 euros per share for financial year 2024, with an interim dividend of 1.0 euro and an extraordinary dividend of 0.70 euros paid in 2024 and the remaining 3.15 euros per share paid on 8 May 2025. The updated dividend policy and capital deployment policy is explained in the 'Our guidance' chapter of this report.

Our liquidity position also remained excellent, as reflected in an LCR ratio of 157% and an NSFR ratio of 140%, compared to 158% and 139%, respectively, at the end of 2024, all well above the regulatory minima of 100%.

ESG developments, risk statement and economic views

ESG developments

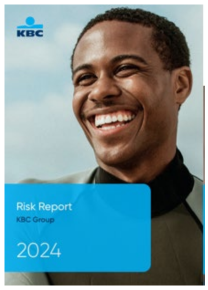
KBC, in partnership with its customers, employees and other stakeholders, continues to take important steps in the sustainability journey it embarked upon years ago.

We transparently and consistently share sustainability information, and as of this year we do so in both a dedicated Sustainability Statement in our Annual Report as well as our voluntary Sustainability Report, both available at www.kbc.com.
We are proud that the progress made continues to be recognised by internationally renowned sustainability organisations and rating agencies such as CDP, Sustainalytics, MSCI and S&P Dow Jones Indices.

Risk statement

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

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



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

Our view on economic growth

US economic activity fell by 0.1% (non-annualised) in the first quarter of 2025, compared to positive growth of 0.6% in the final quarter of 2024. The decline was mainly due to a large rise in imports as companies anticipated the expected increase in import tariffs. As a result of recent US economic policy, specifically with respect to import tariffs, growth in the US is expected to remain subdued, and possibly even negative, in the next few quarters.

Euro area growth in the first quarter amounted to 0.4%, after 0.2% in the fourth quarter of 2024. Export growth strengthened ahead of the tariff announcement. The manufacturing sector shows tentative signs of bottoming out, but the expected recovery in the service sector has not (yet) materialised. Uncertainty around economic policy and the ongoing trade conflict are likely to lead to low economic growth in the euro area over the next quarters. The medium-term growth outlook improves on the back of expected defence spending and infrastructure investments.

Quarter-on-quarter growth in Belgium was 0.4% in the first quarter, implying a strengthening of growth dynamics compared to the previous quarter. Relatively strong domestic demand continued to outweigh the negative contribution to growth from net exports. For the next few quarters, we expect growth to remain broadly in line with that of the euro area.

The Czech economy grew by 0.5% in the first quarter, after 0.7% in the fourth quarter of 2024. This was supported by private consumption against the background of a weak and delayed industrial recovery. Hungarian economic activity shrank by 0.2% in the first quarter due to an industry slump. According to our estimates, first quarter growth in Bulgaria and Slovakia was still relatively resilient at 0.4% and 0.3%, respectively.

The main risk to our short-term outlook for European growth is a further escalation of the ongoing global trade conflict. More specifically, uncertainty is being caused by the prospect of further US policy actions, the EU's response to this and to the potential trade diversion of Chinese export goods away from the US market towards the EU.

Our view on interest rates and foreign exchange rates

In the euro area, inflation remained unchanged at 2.2% in April, driven by the negative demand shock caused by trade tariffs imposed by the US, lower energy prices and the strength of the euro exchange rate. This disinflationary pressure is likely to persist in the coming months. In the US, inflation was 2.4% in March and is likely to increase in the course of 2025 as a consequence of the import tariffs imposed by the government there.

The ECB continued its easing cycle and cut its deposit rate in January, March and April 2025 to its current level of 2.25%. The ECB is expected to cut its policy rate further.

The Fed put its easing cycle on pause in the first quarter amidst economic uncertainty. While the Fed has downgraded its growth outlook due to the trade tariffs imposed, it upgraded its inflation outlook due to the inflationary impact that these tariffs are likely to have. On balance, the Fed is now expected to maintain its pause in the second quarter. If its assessment of the impact of US economic policies allows, the Fed will resume its cautious easing path in the second half of 2025.

There has been a disconnect between the 10-year bond yields in the US and Germany since the start of the first quarter. This was mainly driven by two events. First, a huge fiscal spending plan was passed in the German parliament covering defence spending and infrastructure investment. Increased defence spending plans were also announced at EU level. As a result of the changed German fiscal stance, German 10-year bond yields temporarily rose sharply in early March (before subsequently moderating again). This rise lowered the US-German 10-year spread to about 140 basis points, coming from well over 200 basis points at the beginning of the first quarter. Following this, the announcement of so-called reciprocal tariffs by the US on 2 April led to a sharp rise in US 10-year bond yields, increasing the US-German spread again to about 180 basis points in mid-May. The rise of US bond yields was initially driven by higher inflation expectations and the markets' expectation of future Fed monetary policy. In a second phase, the rise also gradually started to reflect a more general risk aversion towards US assets. This was reflected in the sharp depreciation of the US dollar in April.

The Czech National Bank cut its policy rate in February and May 2025 by 25 basis points each to the current level of 3.50%. The Czech National Bank is expected to moderately cut its policy rate further. Since the beginning of the first quarter, the Czech koruna has appreciated moderately overall due to the weak US dollar and lower energy prices. The koruna is expected to broadly remain stable in the coming quarters.

The Hungarian central bank kept its policy rate unchanged at 6.5% during the first quarter and it is expected to maintain its pause during the second quarter as well. The forint strengthened against the euro for most of the first quarter. However, after the announcement of the reciprocal US tariffs on 2 April, the forint started to depreciate against the euro.

Our guidance

Guidance for full-year 2025 (as provided with the full year 2024 results)

- Total income: at least +5.5% year-on-year
- Net interest income: at least 5.7 billion euros, supported by organic loan volume growth of approximately 4%
  (based on the following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures from any government and (iii) conservative pass-through rates on savings accounts)
- Insurance revenues (before reinsurance): at least +7% year-on-year
- Operating expenses (excluding bank and insurance taxes): below +2.5% year-on-year
  (below full-year 2024 growth excluding Ireland of +2.7%)
- Combined ratio: below 91%
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points

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

- CAGR total income (2024-2027): at least +6%
- CAGR net interest income (2024-2027): at least +5%
  (based on the following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures from any government and (iii) conservative pass-through rates on savings accounts)
- CAGR insurance revenues (before reinsurance): at least +7%
- CAGR operating expenses (excluding bank and insurance taxes) (2024-2027): below +3%
- Combined ratio: below 91%
- Credit cost ratio: well below the through-the-cycle credit cost ratio of 25-30 basis points

Basel IV (updated)

Moving towards the Basel IV era and assuming a static balance sheet and all other parameters *ceteris paribus*, without mitigating actions, KBC:

- reports, at 1 January 2025, a first-time application impact of +0.9 billion euros in risk-weighted assets (+1.0 billion euros previously);
- projects, by 1 January 2033, a further impact of +4.2 billion euros in risk-weighted assets (+7.5 billion euros previously);

resulting in a fully loaded impact of +5.1 billion euros in risk-weighted assets (+8.5 billion euros previously).

Dividend and capital deployment policy (updated)

- Dividend policy as of 2025:
  - 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 as of 2025:
  - 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 (as a part of a risk-weighted assets optimisation programme).

Upcoming events and references

Agenda	2Q2025 results: 7 August 2025 3Q2025 results: 13 November 2025 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

KBC Group

Condensed interim consolidated financial statements according to IFRS

1Q 2025

Glossary:

AC: Amortised Cost
ALM: Asset Liability Management
AT1: Additional tier-1 instruments
BBA: Building block approach
CSM: Contractual service margin
ECL: Expected Credit Loss
FV: Fair Value
FVO: Fair Value Option (designated upon initial recognition at Fair Value through Profit or Loss)
FVOCI: Fair Value through Other Comprehensive Income
FVPL: Fair Value through Profit or Loss
GCA: Gross Carrying Amount
HFT: Held For Trading
IFIE: Insurance finance income and expense
MFVPL: Mandatorily Measured at Fair Value through Profit or Loss (including HFT)
OCI: Other Comprehensive Income
OPEX: Operating expenses
P&L: Income statement
PAA: Premium allocation approach
POCI: Purchased or Originated Credit Impaired Assets
SPPI: Solely payments of principal and interest
SRB: Single Resolution Board
R/E: Retained Earnings
UL: Unit linked
VFA: Variable fee approach

Section reviewed by the Auditor

Consolidated income statement

(in millions of EUR)	Note	1Q 2025	4Q 2024	1Q 2024
Net interest income	3.1	1 421	1 433	1 369
Interest income	*3.1*	*4 421*	*4 620*	*5 123*
Interest expense	*3.1*	*-3 000*	*-3 187*	*-3 754*
Insurance revenues before reinsurance	3.6	773	764	714
Non-life	*3.6*	*648*	*640*	*598*
Life	*3.6*	*125*	*124*	*116*
Dividend income		9	13	7
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for insurance contracts issued)	3.3	- 45	- 74	- 55
Net result from financial instruments at fair value through profit or loss	*3.3*	*12*	*9*	*40*
Insurance finance income and expense (for insurance contracts issued)	*3.6*	*- 57*	*- 83*	*- 95*
Net fee and commission income	3.4	690	700	614
Fee and commission income	*3.4*	*854*	*875*	*774*
Fee and commission expense	*3.4*	*- 164*	*- 175*	*- 160*
Net other income	3.5	67	27	58
TOTAL INCOME		2 915	2 863	2 708
Operating expenses (excluding opex allocated to insurance expenses)	3.7	-1 498	-1 126	-1 431
Total Opex without bank and insurance tax	*3.7*	*-1 106*	*-1 201*	*-1 063*
Total bank and insurance tax	*3.7*	*- 539*	*- 55*	*- 518*
Minus: Opex allocated to insurance service expenses	*3.7*	*148*	*131*	*150*
Insurance service expenses before reinsurance	3.6	- 622	- 635	- 563
Of which insurance commissions paid	3.6	*- 102*	*- 103*	*- 89*
Non-life	3.6	*- 543*	*- 561*	*- 489*
Of which Non-life - Claim related expenses	3.6	*- 337*	*- 364*	*- 293*
Life	3.6	*- 79*	*- 74*	*- 73*
Net result from reinsurance contracts held	3.6	- 9	- 4	- 18
Impairment	3.9	- 38	- 78	- 16
on FA at amortised cost and at FVOCI	*3.9*	*- 38*	*- 50*	*- 16*
on goodwill	*3.9*	*0*	*0*	*0*
other	*3.9*	*0*	*- 28*	*0*
Share in results of associated companies and joint ventures		0	- 1	0
RESULT BEFORE TAX		747	1 020	680
Income tax expense	3.11	- 202	96	- 175
Net post-tax result from discontinued operations		0	0	0
RESULT AFTER TAX		546	1 115	506
attributable to minority interests		0	0	0
attributable to equity holders of the parent		**546**	**1 116**	**506**
Earnings per share (in EUR)				
Ordinary		1.32	2.75	1.18
Diluted		1.32	2.75	1.18

Consolidated statement of comprehensive income (condensed)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
RESULT AFTER TAX	**546**	**1 115**	**506**
Attributable to minority interests	0	0	0
Attributable to equity holders of the parent	546	1 116	506
OCI THAT MAY BE RECYCLED TO PROFIT OR LOSS	**451**	**- 164**	**- 153**
Net change in revaluation reserve (FVOCI debt instruments)	- 111	- 122	- 99
Net change in hedging reserve (cashflow hedges)	224	- 27	4
Net change in translation differences	70	- 33	- 168
Hedge of net investments in foreign operations	- 11	- 9	41
Net insurance finance income and expense from (re)insurance contracts issued and held	284	27	67
Net change in respect of associated companies and joint ventures	0	0	0
Other movements	- 5	- 1	2
OCI THAT WILL NOT BE RECYCLED TO PROFIT OR LOSS	**- 76**	**51**	**152**
Net change in revaluation reserve (FVOCI equity instruments)	- 50	40	115
Net change in defined benefit plans	- 26	11	37
Net change in own credit risk	0	0	0
Net change in respect of associated companies and joint ventures	0	0	0
TOTAL COMPREHENSIVE INCOME	**921**	**1 003**	**505**
Attributable to minority interests	0	0	0
Attributable to equity holders of the parent	921	1 003	505

The largest movements in other comprehensive income (1Q 2025 and 1Q 2024):

- Net change in revaluation reserve (FVOCI debt instruments): the -111 million euros in 1Q 2025 and -99 million euros in 1Q 2024 are mainly explained by higher interest rates chiefly in government bonds in most countries partly compensated by the unwinding effect of the negative outstanding revaluation reserve.
- Net change in hedging reserve (cash flow hedge): the +224 million euros in 1Q 2025 can for a large part be explained by the positive MtM on the net payer swaps position due to higher interest rates, combined with a larger position and a steeper increase in the long term interest rates compared to 1Q 2024. Limited change (+4 million euros) in 1Q 2024.
- The net change in translation differences: the +70 million euros in 1Q 2025 was mainly caused by the appreciation of the CZK and HUF versus the EUR. This was partly offset by the hedge of net investments in foreign operations (-11 million euros). The -168 million euros in 1Q 2024 was mainly caused by the depreciation of the CZK and HUF versus the EUR. This was partly offset by the hedge of net investments in foreign operations (+41 million euros).The hedging policy of FX participations aims to stabilize the group capital ratio (and not parent shareholders' equity).
- The net changes in net insurance finance income and expense from (re)insurance contracts issued and held of +284 million euros in 1Q 2025 and +67 million euros in 1Q 2024 are mainly explained by the EUR long-term risk free interest rate increase.
- Net change in revaluation reserve (FVOCI equity instruments): the -50 million euros in 1Q 2025 is mainly explained by the negative fair value movements driven by lower stock markets. The +115 million euros in 1Q 2024 is mainly explained by positive fair value movements driven by better stock markets.
- Net change in defined benefit plans: the -26 million euros in 1Q 2025 is mainly explained by the effect of the negative return of the plan assets and the higher expected inflation rate, partly compensated by the higher discount rate applied on the obligations. The +37 million euros in 1Q 2024 is mainly explained by the impact of the positive return of the plan assets and the effect of the higher discount rate applied on the obligations.

Consolidated balance sheet

(in millions of EUR)	Note	31-03-2025	31-12-2024
ASSETS			
Cash, cash balances with central banks and other demand deposits with credit institutions		29 617	46 834
Financial assets	4.0	343 335	318 540
Amortised cost	*4.0*	*290 395*	*265 875*
Fair value through OCI	*4.0*	*25 130*	*24 261*
Fair value through profit or loss	*4.0*	*27 543*	*28 132*
of which held for trading	*4.0*	*9 915*	*10 509*
Hedging derivatives	*4.0*	*267*	*271*
Reinsurers' contract assets held		105	119
Profit/loss on positions in portfolios hedged for interest rate risk		-2 264	-1 930
Tax assets		937	1 002
Current tax assets		*51*	*59*
Deferred tax assets		*886*	*942*
Non-current assets held for sale and disposal groups		1	1
Investments in associated companies and joint ventures		116	116
Property, equipment and investment property		4 003	3 981
Goodwill and other intangible assets		2 513	2 475
Other assets		1 951	1 911
TOTAL ASSETS		380 313	373 048
LIABILITIES AND EQUITY			
Financial liabilities	4.0	334 634	328 723
Amortised cost	*4.0*	*312 064*	*306 050*
Fair value through profit or loss	*4.0*	*22 285*	*22 356*
of which held for trading	*4.0*	*5 674*	*5 677*
Hedging derivatives	*4.0*	*286*	*316*
Insurance contract liabilities	5.6	16 912	17 111
Non-life	*5.6*	*3 247*	*3 186*
Life	*5.6*	*13 665*	*13 925*
Profit/loss on positions in portfolios hedged for interest rate risk		- 354	- 386
Tax liabilities		645	470
Current tax liabilities		*216*	*121*
Deferred tax liabilities		*429*	*349*
Liabilities associated with disposal groups		0	0
Provisions for risks and charges		139	141
Other liabilities		3 144	2 678
TOTAL LIABILITIES		355 122	348 737
Total equity	5.10	25 191	24 311
Parent shareholders' equity	5.10	23 327	22 447
Additional tier-1 instruments included in equity	5.10	1 864	1 864
Minority interests		0	0
TOTAL LIABILITIES AND EQUITY		380 313	373 048

The increase of the total liabilities in 1Q 2025 can for the largest part be explained by higher customer deposits and higher repos.

The total assets increase in 1Q 2025 can for the largest part be explained by higher loans and advances to customers, increased bond portfolio and higher reverse repos, partly offset by lower cash and cash balances with central banks.

Consolidated statement of changes in equity

(in millions of EUR)	Issued and paid up share capital	Share premium	Treasury shares	Retained earnings	Total revaluation reserves	Parent shareholders' equity	AT1 instruments included in equity	Minority interests	Total equity
31-03-2025									
Balance at the beginning of the period	1 462	5 564	- 1 300	15 724	997	22 447	1 864	0	24 311
Net result for the period	0	0	0	546	0	546	0	0	546
Other comprehensive income for the period	0	0	0	- 5	380	375	0	0	375
Subtotal	0	0	0	541	380	921	0	0	921
Dividends	0	0	0	0	0	0	0	0	0
Coupon on AT1	0	0	0	- 40	0	- 40	0	0	- 40
Issue/repurchase of AT1 included in equity	0	0	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0	0	0
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	14	- 14	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0	0	0
Change in scope	0	0	0	0	0	0	0	0	0
Change in minorities interests	0	0	0	0	0	0	0	0	0
Total change	0	0	0	515	366	881	0	0	880
Balance at the end of the period	1 462	5 564	- 1 300	16 238	1 363	23 327	1 864	0	25 191
2024									
Balance at the beginning of the period	1 461	5 548	- 497	14 332	1 166	22 010	2 250	0	24 260
Restatement related to previous year(s)	0	0	0	- 41	0	- 41	0	0	- 41
Restated balance at the beginning of the period	1 461	5 548	- 497	14 290	1 166	21 968	2 250	0	24 219
Net result for the period	0	0	0	3 415	0	3 415	0	- 1	3 414
Other comprehensive income for the period	0	0	0	- 2	- 121	- 123	0	0	- 123
Subtotal	0	0	0	3 413	- 121	3 292	0	- 1	3 292
Dividends	0	0	0	- 1 942	0	- 1 942	0	0	- 1 942
Coupon on AT1	0	0	0	- 84	0	- 84	0	0	- 84
Issue/repurchase of AT1 included in equity	0	0	0	- 2	0	- 2	- 386	0	- 388
Capital increase	1	16	0	0	0	17	0	0	17
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	47	- 47	0	0	0	0
Purchase/sale of treasury shares	0	0	- 803	0	0	- 803	0	0	- 803
Change in scope	0	0	0	0	0	0	0	0	0
Change in minorities interests	0	0	0	0	0	0	0	1	1
Total change	1	16	- 803	1 433	- 168	478	- 386	0	93
Balance at the end of the period	1 462	5 564	- 1 300	15 724	997	22 447	1 864	0	24 311
31-03-2024									
Balance at the beginning of the period	1 461	5 548	- 497	14 332	1 166	22 010	2 250	0	24 260
Net result for the period	0	0	0	506	0	506	0	0	506
OCI for the period	0	0	0	2	- 3	- 1	0	0	- 1
Subtotal	0	0	0	508	- 3	505	0	0	505
Dividends	0	0	0	0	0	0	0	0	0
Coupon on AT1	0	0	0	- 31	0	- 31	0	0	- 31
Issue/repurchase of AT1 included in equity	0	0	0	0	0	0	- 500	0	- 500
Capital increase	0	0	0	0	0	0	0	0	0
Transfer from revaluation reserves to retained earnings on realisation	0	0	0	3	- 3	0	0	0	0
Purchase/sale of treasury shares	0	0	- 317	0	0	- 317	0	0	- 317
Change in scope	0	0	0	0	0	0	0	0	0
Change in minorities interests	0	0	0	0	0	0	0	0	0
Total change	0	0	- 317	480	- 7	157	- 500	0	- 343
Balance at the end of the period	1 461	5 548	- 814	14 812	1 159	22 166	1 750	0	23 917

1Q 2025

The Annual General Meeting on 30 April 2025 approved a final gross dividend of 4.85 euros per share related to the accounting year 2024, of which:

- an extraordinary interim dividend of 0.70 euros per share (280 million euros in total), as decided by KBC Group's Board of Directors of 15 May 2024 and paid on 29 May 2024, reflecting the distribution of the surplus capital above 15% fully loaded CET1 threshold per end 2023 (was deducted from retained earnings in 2Q 2024)
- 4.15 euros per share:
    - an interim dividend of 1.00 euro per share (396 million euros in total), as decided by KBC Group's Board of Directors of 7 August 2024 and paid on 14 November 2024, in line with our Dividend Policy (was deducted from retained earnings in 3Q 2024)
    - a final ordinary dividend of 3.15 euros per share paid on 8 May 2025 (1 249 million euros in total), will be deducted from retained earnings in 2Q 2025.

2024

The 'Dividends' item in 2024 (1 942 million euros) includes the final dividend 2023 of 3.15 euros per share, the distribution of the surplus capital above the fully loaded CET1 ratio of 15% in the form of an extraordinary interim dividend of 0.70 euros per share on 29 May 2024 and the interim dividend of 1.00 euro per share (paid in November 2024)

Restatement related to previous year(s): adjustment of tax calculation in the Czech Republic. Given the relatively limited impact, the balance sheet and income statement for 2023 were not retroactively restated.

Issue/repurchase of AT1 included in equity: on 5 March 2024, KBC Group NV called the Additional Tier-1 Securities (AT1) issued in 2019 for 500 million euros. On 17 September 2024, KBC Group NV issued 750 million euros in AT1 Securities.
On 18 September 2024, KBC Group NV announced the repurchase of part of the AT1 Securities issued in 2018 via a cash tender offer for an aggregate principal amount of 636 million euros.

Treasury shares: within the framework of the share buyback programme of 1.3 billion euros announced on 10 August 2023, the total number of own shares repurchased by KBC during to the programme amounted to 20 980 823 at 31 July 2024, completion date of the share buyback programme.

For more information: https://www.kbc.com/en/share-buy-back and Solvency section further in this report.

Composition of the 'Total revaluation reserves' column in the previous table (in millions of EUR)	31-03-2025	31-12-2024	31-03-2024
Total	1 363	997	1 159
Revaluation reserve (FVOCI debt instruments)	- 795	- 684	- 696
Revaluation reserve (FVOCI equity instruments)	289	353	333
Hedging reserve (cashflow hedges)	- 283	- 507	- 575
Translation differences	- 398	- 468	- 409
Hedge of net investments in foreign operations	157	169	168
Remeasurement of defined benefit plans	476	503	471
Own credit risk through OCI	0	0	0
Insurance finance income and expense through OCI after reinsurance	1 916	1 633	1 866

Consolidated cash flow statement

(in millions of EUR)	Note	1Q 2025	1Q 2024
OPERATING ACTIVITIES			
Result before tax	Cons. income stat.	747	680
Adjustments for non-cash items in profit & loss		191	949
Changes in operating assets (excluding cash and cash equivalents)		-5 162	-4 991
Changes in operating liabilities (excluding cash and cash equivalents)		5 465	14 756
Income taxes paid		- 69	- 136
Net cash from or used in operating activities		1 172	11 258
INVESTING ACTIVITIES			
Purchase and proceeds of debt securities at amortised cost	4.1	-3 164	1 796
Acquisition of a subsidiary or a business unit, net of cash acquired (including increases in percentage interest held)		0	0
Proceeds from the disposal of a subsidiary or business unit, net of cash disposed of (including decreases in percentage interest held)		0	0
Purchase and proceeds from the sale of intangible fixed assets (excluding goodwill)		- 68	- 73
Purchase and proceeds from the sale of property, plant and equipment (excluding goodwill)		- 22	- 12
Other		27	- 30
Net cash from or used in investing activities		-3 226	1 682
FINANCING ACTIVITIES			
Purchase or sale of treasury shares	Cons. stat. of changes in equity	0	- 317
Issue or repayment of promissory notes and other debt securities	4.1	407	- 238
Proceeds from or repayment of subordinated liabilities	4.1	- 119	1 604
Proceeds from the issuance of share capital	Cons. stat. of changes in equity	0	0
Issue or call of additional tier-1 instruments	Consolidated statement of changes in equity	0	- 500
Dividends paid	Cons. stat. of changes in equity	0	0
Coupon additional Tier-1 instruments	Cons. stat. of changes in equity	- 40	- 31
Net cash from or used in financing activities		248	518
CHANGE IN CASH AND CASH EQUIVALENTS			
Net increase or decrease in cash and cash equivalents		-1 806	13 458
Cash and cash equivalents at the beginning of the period		61 407	53 961
Effects of exchange rate changes on opening cash and cash equivalents		246	- 606
Cash and cash equivalents at the end of the period		59 847	66 812
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash and cash balances with central banks and other demand deposits with credit institutions	Cons. balance sheet	29 617	45 236
Term loans to banks at not more than three months (excl. reverse repos)	4.1	741	956
Reverse repos with credit institutions at not more than three months	4.1	36 295	24 833
Deposits from banks repayable on demand	4.1	-6 806	-4 213
Cash and cash equivalents belonging to disposal groups		0	0
Total		59 847	66 812
of which not available		*0*	*0*

The net cash from operating activities in 1Q 2025 (+1 172 million euros) mainly includes the result before tax, an increase in savings accounts, demand deposits and repos, almost fully offset by lower time deposits, the repayment of certificates of deposits and the increase of mortgage and term loans. The net cash from operating activities in 1Q 2024 (+11 258 million euros) mainly includes an increase in time deposits and repos and the issuance of certificates of deposit, partly offset by lower demand deposits and repayment of most of the remaining outstanding amount borrowed under TLTRO III (-2.2 billion euros).

The net cash from (used in) investing activities in 1Q 2025 (-3 226 million euros) mainly includes additional net purchases of debt securities at amortised cost (-3 164 million euros). The net cash from (used in) investing activities in 1Q 2024 (+1 682 million euros) mainly includes net proceeds from debt securities at amortised cost (+ 1 796 million euros).

The net cash flow from financing activities in 1Q 2025 (+248 million euros) mainly includes the issuance of new senior holdco (1 250 million euros) partly offset by the repayment of senior holdco (750 million eurs) and the repayment of subordinated loans (119 million euros), mainly KBC Ifima. The net cash flow from financing activities in 1Q 2024 (+518 million euros) includes the issuance of new Tier-2 instruments (1 billion euros and 500 million British pounds) offset by the repayment of an Additional Tier-1 instrument (500 million euros) and the purchase of treasury shares (317 million euros).

Notes the accounting policies

Statement of compliance (note 1.1 in the annual accounts 2024)

The condensed interim financial statements of the KBC Group for the period ended 31 March 2025 have been prepared in accordance with IAS 34, 'Interim financial reporting' . The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union ('endorsed IFRS').

The following IFRS standards were issued but not yet effective in 2025. KBC will apply these standards when they become mandatory.

- IFRS 18 Presentation and Disclosure in Financial Statements, effective as of 2027, mainly limited presentation impact expected
- IFRS 19 Subsidiaries without public accountability, no impact expected.

The IASB published several limited amendments to existing IFRSs and IFRICs. They will be applied when they become mandatory, but their impact is currently estimated to be negligible.

Summary of significant accounting policies (note 1.2 in the annual accounts 2024)

A summary of the main accounting policies is provided in the group's annual accounts as at 31 December 2024.

Main exchange rates used:

	Exchange rate at 31-03-2025		Average exchange rate in 1Q 2025	
		Changes relative to 31-12-2024		Changes relative to the average 1Q 2024
	1 EUR = …	Positive: appreciation relative to EUR	1 EUR = …	Positive: appreciation relative to EUR
	… currency	Negative: depreciation relative to EUR	… currency	Negative: depreciation relative to EUR
CZK	24.962	1%	25.090	0%
HUF	402.35	2%	404.77	-4%

Notes on segment reporting

Segment reporting according to the management structure of the group (note 2.2 in the annual accounts 2024)

For a description on the management structure and linked reporting presentation, reference is made to note 2.1 in the annual accounts 2024.

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	*Of which: Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
1Q 2025								
Net interest income	830	336	328	*144*	*72*	*112*	- 73	1 421
Insurance revenues before reinsurance	471	156	143	*55*	*28*	*60*	3	773
Non-life	390	130	126	*49*	*22*	*54*	3	648
Life	81	26	18	*6*	*6*	*6*	0	125
Dividend income	9	0	0	*0*	*0*	*0*	0	9
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for insurance contracts issued)	- 71	17	10	*6*	*4*	*- 1*	0	- 45
Net fee and commission income	454	94	143	*81*	*23*	*39*	- 1	690
Net other income	61	2	5	*1*	*3*	*1*	- 1	67
TOTAL INCOME	1 753	605	629	*287*	*130*	*212*	- 72	2 915
Operating expenses (excluding opex allocated to insurance service expenses)	- 900	- 228	- 332	*- 188*	*- 64*	*- 81*	- 38	-1 498
Total Opex without banking and insurance tax	*- 628*	*- 231*	*- 213*	*- 79*	*- 67*	*- 67*	*- 35*	*-1 106*
Total Banking and insurance tax	*- 356*	*- 25*	*- 155*	*- 128*	*- 4*	*- 22*	*- 4*	*- 539*
Minus: Opex allocated to insurance service expenses	*84*	*28*	*35*	*20*	*7*	*9*	*1*	*148*
Insurance service expenses before reinsurance	- 383	- 115	- 124	*- 54*	*- 25*	*- 46*	0	- 622
Of which insurance commissions paid	- 63	- 21	- 18	*- 3*	*- 4*	*- 11*	0	- 102
Non-Life	*- 330*	*- 100*	*- 113*	*- 50*	*- 21*	*- 43*	*0*	*- 543*
Of which Non-life - Claim related expenses	*- 224*	*- 58*	*- 56*	*- 18*	*- 13*	*- 25*	*1*	*- 337*
Life	*- 53*	*- 14*	*- 11*	*- 4*	*- 4*	*- 3*	*0*	*- 79*
Net result from reinsurance contracts held	- 4	- 5	- 3	*- 1*	*- 1*	*- 2*	3	- 9
Impairment	- 24	- 14	- 4	*0*	*2*	*- 6*	3	- 38
of which on FA at AC and at fair value through OCI	*- 24*	*- 14*	*- 4*	*0*	*2*	*- 6*	*3*	*- 38*
Share in results of associated companies and joint ventures	1	- 1	0	0	0	0	0	0
RESULT BEFORE TAX	443	243	165	*45*	*43*	*77*	- 104	747
Income tax expense	- 163	- 36	- 30	*- 10*	*- 9*	*- 11*	27	- 202
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	281	207	135	*35*	*34*	*66*	- 77	546
attributable to minority interests	0	0	0	*0*	*0*	*0*	0	0
attributable to equity holders of the parent	**281**	**207**	**135**	***35***	***34***	***66***	**- 77**	**546**

(in millions of EUR)	Belgium Business unit	Czech Republic Business unit	International Markets Business unit	*Of which: Hungary*	*Slovakia*	*Bulgaria*	Group Centre	Total
1Q 2024								
Net interest income	809	315	324	*149*	*67*	*107*	- 79	1 369
Insurance revenues before reinsurance	443	138	130	*52*	*26*	*53*	4	714
Non-life	365	114	116	*47*	*21*	*48*	4	598
Life	78	24	15	*5*	*5*	*5*	0	116
Dividend income	7	0	0	*0*	*0*	*0*	0	7
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for insurance contracts issued)	- 101	22	26	*22*	*3*	*0*	- 1	- 55
Net fee and commission income	409	84	122	*63*	*21*	*37*	- 1	614
Net other income	54	5	6	*3*	*3*	*0*	- 7	58
TOTAL INCOME	1 621	564	608	*289*	*121*	*197*	- 85	2 708
Operating expenses (excluding opex allocated to insurance service expenses)	- 841	- 229	- 326	*- 179*	*- 64*	*- 83*	- 36	-1 431
Total Opex without banking and insurance tax	*- 606*	*- 220*	*- 200*	*- 69*	*- 62*	*- 70*	*- 37*	*-1 063*
Total Banking and insurance tax	*- 317*	*- 35*	*- 167*	*- 137*	*- 9*	*- 21*	*1*	*- 518*
Minus: Opex allocated to insurance service expenses	*82*	*26*	*41*	*27*	*7*	*8*	*1*	*150*
Insurance service expenses before reinsurance	- 340	- 99	- 125	*- 66*	*- 24*	*- 35*	1	- 563
Of which insurance commissions paid	- 57	- 17	- 15	*- 2*	*- 3*	*- 9*	0	- 89
Non-Life	*- 289*	*- 86*	*- 116*	*- 63*	*- 21*	*- 32*	*1*	*- 489*
Of which Non-life - Claim related expenses	*- 191*	*- 49*	*- 55*	*- 25*	*- 13*	*- 17*	*2*	*- 293*
Life	*- 52*	*- 13*	*- 9*	*- 3*	*- 3*	*- 3*	*0*	*- 73*
Net result from reinsurance contracts held	- 24	- 4	0	*5*	*- 1*	*- 4*	10	- 18
Impairment	- 37	- 4	20	*11*	*11*	*- 2*	4	- 16
of which on FA at AC and at fair value through OCI	*- 37*	*- 4*	*20*	*10*	*11*	*- 2*	*4*	*- 16*
Share in results of associated companies and joint ventures	0	0	0	0	0	0	0	0
RESULT BEFORE TAX	380	229	177	*60*	*43*	*74*	- 105	680
Income tax expense	- 137	- 33	- 30	*- 10*	*- 9*	*- 11*	26	- 175
Net post-tax result from discontinued operations	0	0	0	*0*	*0*	*0*	0	0
RESULT AFTER TAX	242	197	146	*50*	*34*	*63*	- 80	506
attributable to minority interests	0	0	0	*0*	*0*	*0*	0	0
attributable to equity holders of the parent	**243**	**197**	**146**	***50***	***34***	***63***	**- 80**	**506**

Other notes

Net interest income (note 3.1 in the annual accounts 2024)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total	1 421	1 433	1 369
Interest income	4 421	4 620	5 123
Interest income on financial instruments calculated using the effective interest rate method			
Financial assets at AC	2 343	2 396	2 484
Financial assets at FVOCI	159	153	103
Hedging derivatives	1 305	1 383	1 559
Financial liabilities (negative interest)	1	1	2
Other	298	317	501
Interest income on other financial instruments			
Financial assets MFVPL other than held for trading	20	19	16
Financial assets held for trading	296	350	459
Of which economic hedges	*246*	*298*	*415*
Other financial assets at FVPL	0	0	0
Interest expense	-3 000	-3 187	-3 754
Interest expense on financial instruments calculated using the effective interest rate method			
Financial liabilities at AC	-1 444	-1 534	-1 751
Financial assets (negative interest)	- 1	0	- 1
Hedging derivatives	-1 290	-1 350	-1 523
Other	- 1	- 1	- 1
Interest expense on other financial instruments			
Financial liabilities held for trading	- 256	- 292	- 460
Of which economic hedges	*- 247*	*- 283*	*- 446*
Other financial liabilities at FVPL	- 10	- 11	- 19
Net interest expense relating to defined benefit plans	2	2	1

The interest income on financial instruments calculated using the effective interest rate method – other, is mainly related to interest income on cash balances with central banks. These cash and cash balances are mainly funded with short term liabilities, such as certificates of deposits and repos. The interest expense related to this funding is part of interest expense on financial liabilities at AC. Net interest margin on this activity is narrow, resulting in limited net interest income.

The impact on net interest income of central banks' Minimum Reserve Requirements (MRR) (and their remuneration on these deposits) was about -43 million euros in 1Q 2025, compared to -41 million euros in 4Q 2024 and -52 million euros in 1Q 2024.

Net result from financial instruments at fair value through profit or loss and Insurance finance income and expense (for insurance contracts issued) (note 3.3 in the annual accounts 2024)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total	- 45	- 74	- 55
Breakdown by driver			
Dealing room income	77	66	102
MTM ALM derivatives and other	- 55	- 68	- 102
Market value adjustments (xVA)	- 1	- 6	5
Result on investment backing UL contracts - under IFRS 17 & Insurance finance income and expense	- 67	- 66	- 60

The result from financial instruments at fair value through profit or loss and Insurance finance income and expenses in 1Q 2025 is 29 million euros less negative compared to 4Q 2024.

The quarter-on-quarter evolution is explained as follows:

- Less negative MTM ALM derivatives and other income in 1Q 2025 compared to 4Q 2024
- Higher dealing room income in 1Q 2025 in Belgium
- Less negative impact from market value adjustments (xVA) in 1Q 2025 compared to 4Q 2024, mainly the result of increased EUR yield curves and equity markets, partly offset by increased counterparty credit spreads

The result from financial instruments at fair value through profit or loss and Insurance finance income and expenses in 1Q 2025 is 10 million euros less negative compared to 1Q 2024.

The year-on-year evolution is for a large part explained by:

- Less negative MTM ALM derivatives and other income in 1Q 2025 compared to 1Q 2024

Partly offset by

- Lower dealing room income in Belgium and Hungary
- Slightly negative impact from market value adjustments (xVA) in 1Q 2025 compared to slightly positive impact in 1Q 2024
- More negative result on investments backing unit-linked contracts under IFRS 17 & Insurance Finance Income and Expense in 1Q 2025 compared to 1Q 2024, due to increased interest accretion

Net fee and commission income (note 3.4 in the annual accounts 2024)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total	690	700	614
Fee and commission income	854	875	774
Fee and commission expense	- 164	- 175	- 160
Breakdown by type			
Asset Management Services	379	384	338
Fee and commission income	*391*	*398*	*353*
Fee and commission expense	*- 12*	*- 13*	*- 15*
Banking Services	298	304	261
Fee and commission income	*448*	*465*	*404*
Fee and commission expense	*- 150*	*- 160*	*- 143*
Other	*13*	*11*	*15*
Fee and commission income	*15*	*12*	*18*
Fee and commission expense	*- 2*	*- 1*	*- 2*

- Asset Management Services include management fees, entry fees and distribution fees on mutual funds and unit-linked life products (under IFRS 9).
- Banking Services include credit- and guarantee related fees, payment service fees, network income, securities related fees, distribution fees banking products and other banking services.
- The distribution commissions paid regarding insurance contracts (life and non-life under IFRS 17) are presented in the income statement as Insurance Service Expenses (for more information, see note 3.7).
- The line Other includes distribution fees from third party insurance companies (not under IFRS 17) and platformication revenues

Net other income (note 3.5 in the annual accounts 2024)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total	67	27	58
of which gains or losses on			
Sale of debt securities measured at amortised cost	- 9	- 7	- 10
Sale of debt securities at FVOCI	2	1	0
Repurchase of financial liabilities measured at amortised cost	0	0	0
of which other, including:	74	33	68
Income from operational leasing activities	32	28	28
Income from VAB Group	14	13	13
Legal cases	0	- 28	0

In 1Q 2025: Net other income is higher than the normal run rate of 50 million euros due mainly to higher-than-average gains on the sale of real estate.

In 4Q 2024: legal case in Hungary (-28 million euros)

In 1Q 2024: no special items

Breakdown of the insurance results (note 3.6 in the annual accounts 2024)

The table below includes intragroup transactions between bank and insurance entities (the results for insurance contracts concluded between the group's bank and insurance entities, interest that insurance companies receive on their deposits with bank entities, distribution commissions intra-group…) in order to give a more accurate view of the profitability of the insurance business.

(in millions of EUR)	Life	*of which life direct participating (VFA)*	Non-life	Non-technical	Total
1Q 2025					
Insurance service result	**46**	***3***	**107**	**—**	**153**
Insurance revenues before reinsurance	*125*	*7*	*651*	—	*776*
Insurance service expenses	*- 79*	*- 4*	*- 544*	—	*- 622*
Of which Non-life - Claim related expenses	—	—	*- 337*	—	*- 337*
Investment result and insurance finance income and expenses	**31**	***0***	**8**	***1***	***40***
Investment result	**76**	***- 9***	**21**	**1**	***97***
Net interest income	*82*	*0*	*19*	*2*	*102*
Dividend income	*4*	*0*	*1*	*0*	*5*
Net result from financial instruments at fair value through P&L	*- 11*	*- 9*	*0*	*0*	*- 11*
Net other income	*1*	*0*	*1*	*- 1*	*0*
Impairment	*0*	*0*	*0*	*0*	*0*
Total insurance finance income and expenses before reinsurance	**- 45**	***9***	***- 12***	**—**	**- 57**
Interest accretion	*- 54*	—	*- 12*	—	*- 67*
Effect of changes in financial assumptions and foreign exchange differences	*0*	*0*	*0*	—	*0*
Changes in fair value re. liabilities of IFRS 17 unit linked contracts	*9*	*9*	—	—	*9*
Net insurance and investment result before reinsurance	**77**	***3***	***116***	**1**	**193**
Net result from reinsurance contracts held	**- 1**	**—**	**- 9**	**—**	**- 9**
Premiums paid to the reinsurer	*- 9*	—	*- 27*	—	*- 36*
Commissions received	*0*	—	*2*	—	*2*
Amounts recoverable from reinsurer	*8*	—	*16*	—	*24*
Total (ceded) reinsurance finance income and expense	*0*	—	*0*	—	*0*
Net insurance and investment result after reinsurance	**76**	***3***	**107**	**1**	**184**
Non-directly attributable income and expenses	**6**	***0***	**- 14**	**6**	**- 2**
Net fee and commission income	*21*	*0*	*0*	*7*	*28*
Net other income	—	—	—	*23*	*23*
Operating expenses (incl. banking and insurance tax)	*- 15*	*0*	*- 13*	*- 24*	*- 53*
Impairment - Other	*0*	*0*	*0*	*0*	*0*
Share in results of assoc. comp & joint-ventures	—	—	—	*0*	*0*
Income tax	**—**	**—**	**—**	**- 42**	**- 42**
Result after tax	**82**	***3***	**93**	**- 35**	***140***
Attributable to minority interest	—	—	—	—	—
Attributable to equity holders of the parent	**—**	**—**	**—**	**—**	***140***

(in millions of EUR)	Life	of which life direct participating (VFA)	Non-life	Non-technical	Total
1Q 2024					
Insurance service result	**43**	***3***	**110**	**—**	**153**
Insurance revenues before reinsurance	*116*	*6*	600	—	717
Insurance service expenses	*- 73*	*- 3*	*- 490*	—	*- 564*
Of which Non-life - Claim related expenses	—	—	*- 293*	—	*- 293*
Investment result and insurance finance income and expenses	**36**	***0***	**7**	***0***	***43***
Investment result on assets	**121**	***36***	**17**	**0**	**138**
Net interest income	*80*	*0*	15	0	95
Dividend income	*4*	*0*	1	0	5
Net result from financial instruments at fair value through P&L	*37*	*35*	0	0	37
Net other income	*1*	*0*	0	0	1
Impairment	*1*	*0*	0	0	1
Total insurance finance income and expenses before reinsurance	**- 85**	***- 36***	**- 10**	**—**	**- 95**
Interest accretion	*- 49*	—	- 11	—	- 60
Effect of changes in financial assumptions and foreign exchange differences	*0*	*0*	0	—	0
Changes in fair value re. liabilities of IFRS 17 unit linked contracts	*- 36*	*- 36*	—	—	- 36
Net insurance and investment result before reinsurance	**80**	***3***	**117**	**0**	**196**
Net result from reinsurance contracts held	**- 3**	**—**	**- 15**	**—**	**- 18**
Premiums paid to the reinsurer	*- 10*	—	- 26	—	- 37
Commissions received	*1*	—	3	—	4
Amounts recoverable from reinsurer	*6*	—	9	—	16
Total (ceded) reinsurance finance income and expenses	*0*	—	- 1	—	- 1
Net insurance and investment result after reinsurance	**77**	***3***	**102**	**0**	**178**
Non-directly attributable income and expenses	**4**	***0***	**- 13**	**6**	**- 3**
Net fee and commission income	*18*	*0*	0	10	28
Net other income	—	—	—	18	18
Operating expenses (incl. banking and insurance tax)	*- 15*	*0*	- 12	- 22	- 49
Impairment - Other	*0*	*0*	0	0	0
Share in results of assoc. comp & joint-ventures	—	—	—	0	0
Income tax	**—**	**—**	**—**	**- 42**	**- 42**
Result after tax	**80**	***3***	**89**	**- 36**	**133**
Attributable to minority interest	—	—	—	—	—
Attributable to equity holders of the parent	**—**	**—**	**—**	**—**	**133**

The non-technical account includes also results of non-insurance companies such as VAB group and ADD.

The column 'of which life direct participating (VFA)' relates to results of long-term unit-linked contracts in Central and Eastern Europe.

Total insurance finance income and expenses before reinsurance includes changes in fair value of underlying assets of contracts measured under VFA, which represents the fair value movement of unit-linked liabilities, valued under IFRS 17 (variable fee approach), with the offsetting impact in fair value movement of underlying unit-linked assets in net result from financial instruments at fair value through profit or loss (see also note 3.3, result on investment backing UL contracts - under IFRS 17).

Amounts recoverable from reinsurer for Life also contains profit sharing (if any).

Operating expenses – income statement (note 3.7 in the annual accounts 2024)

The total Operating expenses by nature include also Opex allocated to insurance service expenses (directly attributable from insurance) in order to provide a comprehensive overview of the total cost evolution.

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total Operating expenses by nature	**-1 646**	**-1 257**	**-1 582**
Staff Expenses	- 690	- 683	- 663
General administrative expenses	- 857	- 474	- 826
ICT Expenses	*- 154*	*- 176*	*- 144*
Facility Expenses	*- 60*	*- 68*	*- 60*
Marketing & communication expenses	*- 18*	*- 44*	*- 19*
Professional fees	*- 31*	*- 42*	*- 32*
Bank and insurance tax	*- 539*	*- 55*	*- 518*
Other	*- 55*	*- 89*	*- 52*
Depreciation and amortisation of fixed assets	- 99	- 100	- 92

The operating expenses for 1Q 2025 include -539 million euros related to bank and insurance levies (-55 million euros in 4Q 2024; -518 million euros in 1Q 2024). Application of IFRIC 21 (Levies) has as a consequence that the majority of the levies are taken upfront in expense of the first quarter of the year.

The increase of bank and insurance tax in 1Q 2025 compared to 1Q 2024 is primarily driven by higher Deposit Guarantee Fund contribution in Belgium (following increased amount of covered deposits), only partly compensated by lower Single Resolution Fund contribution in Czech Republic and lower national taxes in Slovakia and Hungary.

Impairment – income statement (note 3.9 in the annual accounts 2024)

(in millions of EUR)	1Q 2025	4Q 2024	1Q 2024
Total	**- 38**	**- 78**	**- 16**
Impairment on financial assets at AC and at FVOCI	- 38	- 50	- 16
By IFRS category			
Impairment on financial assets at AC	*- 38*	*- 50*	*- 16*
Impairment on financial assets at FVOCI	*0*	*0*	*0*
By product			
Loans and advances	*- 41*	*- 59*	*- 16*
Debt securities	*0*	*0*	*- 1*
Off-balance-sheet commitments and financial guarantees	*3*	*10*	*0*
By type			
Stage 1 (12-month ECL)	*- 5*	*- 34*	*- 36*
Stage 2 (lifetime ECL)	*46*	*77*	*95*
Stage 3 (non-performing; lifetime ECL)	*- 62*	*- 78*	*- 53*
Purchased or originated credit impaired assets	*- 18*	*- 15*	*- 22*
By division/country			
Belgium	*- 24*	*- 48*	*- 37*
Czech Republic	*- 14*	*13*	*- 4*
International Markets	*- 4*	*0*	*20*
Slovakia	*2*	*4*	*11*
Hungary	*0*	*- 1*	*10*
Bulgaria	*- 6*	*- 3*	*- 2*
Group Centre	*3*	*- 15*	*4*
Impairment on goodwill	0	0	0
Impairment on other	0	- 28	0
Intangible fixed assets (other than goodwill)	0	- 24	0
Property, plant and equipment (including investment property)	0	1	0
Associated companies and joint ventures	0	0	0
Other	0	- 5	0

The impairment on financial assets at AC and at FVOCI in 1Q 2025 include:

- A net impairment release of 45 million euros for the geopolitical and macroeconomic uncertainties, compared to 50 million euros release in 4Q 2024 and 27 million euros release in 1Q 2024). The 45 million euros ECL release in 1Q 2025 is driven mainly by the evolution of micro- and macroeconomic indicators.

  The outstanding balance of ECL for the geopolitical and macroeconomic uncertainties amounts to 72 million euros at the end of 1Q 2025. As a reminder, this is determined based on individual counterparties and sectors deemed to have incurred an increase in credit risk because they are either exposed to macroeconomic risks (e.g. high(er) inflation, high(er) interest rates, high(er) energy prices, …) or indirectly exposed to military conflicts, such as the one in Ukraine.

- Additionally, the impairments on financial assets at AC and at FVOCI in 1Q 2025 include 83 million euros net charge, compared to 100 million euros in 4Q 2024 and 43 million euros in 1Q 2024, largely in stage 3 mainly for a limited number of large corporate files in the business units Belgium and Czech Republic. The impairments on financial assets at AC and at FVOCI in 1Q 2025 include 41 million euros additional impairments reducing the backstop shortfall for old non-performing loans in Belgium, compared to 18 million euros in 4Q 2024.

The impairments on intangible asset (other than goodwill) in 4Q 2024 (-24 million euros) are related to software impairments in most countries.

The impairment on other (Other) in 4Q 2024 (-5 million euros) are mainly related to modification losses, following the extension of the interest cap regulation for mortgages in Hungary until 30 June 2025.

Income tax expense (note 3.11 in the annual accounts 2024)

As was mentioned in the 4Q 2024 quarterly report and the 2024 annual report, the results of 4Q 2024 included a tax benefit (deferred income tax) in P&L of 318 million euros in Group Centre regarding the forthcoming liquidation of Exicon (ex-KBC Bank Ireland).

Financial assets and liabilities: breakdown by portfolio and product (note 4.1 in the annual accounts 2024)

(in millions of EUR)	Measured at amortised cost (AC)	Measured at fair value through other comprehensive income (FVOCI)	Mandatorily measured at fair value through profit or loss (MFVPL) excl. HFT	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL ASSETS, 31-03-2025							
Loans and advances to credit institutions (excl. reverse repos)	2 486	0	0	1	0	0	2 486
of which repayable on demand and term loans at not more than three months							*741*
Loans and advances to customers (excl. reverse repos)	196 286	0	1 012	27	0	0	197 326
Trade receivables	*3 052*	*0*	*0*	*0*	*0*	*0*	*3 052*
Consumer credit	*6 507*	*0*	*676*	*0*	*0*	*0*	*7 183*
Mortgage loans	*79 094*	*0*	*335*	*0*	*0*	*0*	*79 429*
Term loans	*93 480*	*0*	*1*	*27*	*0*	*0*	*93 508*
Finance lease	*7 993*	*0*	*0*	*0*	*0*	*0*	*7 993*
Current account advances	*5 235*	*0*	*0*	*0*	*0*	*0*	*5 235*
Other	*925*	*0*	*0*	*0*	*0*	*0*	*925*
Reverse repos	37 011	0	0	602	0	0	37 614
with credit institutions	*36 870*	*0*	*0*	*602*	*0*	*0*	*37 473*
with customers	*141*	*0*	*0*	*0*	*0*	*0*	*141*
Equity instruments	0	1 690	10	965	0	0	2 665
Unit linked investments (insurance)	0	0	16 535	0	0	0	16 535
Debt securities issued by	53 399	23 440	71	4 844	0	0	81 754
Public bodies	*46 106*	*19 181*	*0*	*3 505*	*0*	*0*	*68 792*
Credit institutions	*5 171*	*2 440*	*0*	*1 277*	*0*	*0*	*8 887*
Corporates	*2 123*	*1 819*	*71*	*63*	*0*	*0*	*4 075*
Derivatives	0	0	0	3 476	0	267	3 743
Other	1 213	0	0	0	0	0	1 213
Total	290 395	25 130	17 628	9 915	0	267	343 335
FINANCIAL ASSETS, 31-12-2024							
Loans and advances to credit institutions (excl. reverse repos)	2 438	0	0	1	0	0	2 439
of which repayable on demand and term loans at not more than three months							*225*
Loans and advances to customers (excl. reverse repos)	191 124	0	943	0	0	0	192 067
Trade receivables	*2 887*	*0*	*0*	*0*	*0*	*0*	*2 887*
Consumer credit	*6 316*	*0*	*633*	*0*	*0*	*0*	*6 949*
Mortgage loans	*77 750*	*0*	*309*	*0*	*0*	*0*	*78 059*
Term loans	*90 754*	*0*	*1*	*0*	*0*	*0*	*90 755*
Finance lease	*7 919*	*0*	*0*	*0*	*0*	*0*	*7 919*
Current account advances	*4 790*	*0*	*0*	*0*	*0*	*0*	*4 790*
Other	*708*	*0*	*0*	*0*	*0*	*0*	*708*
Reverse repos	21 083	0	0	0	0	0	21 083
with credit institutions	*20 922*	*0*	*0*	*0*	*0*	*0*	*20 922*
with customers	*162*	*0*	*0*	*0*	*0*	*0*	*162*
Equity instruments	0	1 722	10	902	0	0	2 633
Unit linked investments (insurance)	0	0	16 602	0	0	0	16 602
Debt securities issued by	50 075	22 539	70	5 021	0	0	77 705
Public bodies	*41 955*	*18 165*	*0*	*3 360*	*0*	*0*	*63 480*
Credit institutions	*5 982*	*2 510*	*0*	*1 593*	*0*	*0*	*10 085*
Corporates	*2 139*	*1 864*	*70*	*68*	*0*	*0*	*4 140*
Derivatives	0	0	0	4 584	0	271	4 856
Other	1 154	0	0	0	0	0	1 154
Total	265 875	24 261	17 624	10 509	0	271	318 540

(in millions of EUR)	Measured at amortised cost (AC)	Held for trading (HFT)	Designated at fair value (FVO)	Hedging derivatives	Total
FINANCIAL LIABILITIES, 31-03-2025					
Deposits from credit institutions (excl. repos)	13 500	0	0	0	13 500
of which repayable on demand					*6 806*
Deposits from customers and debt securities (excl. repos)	270 685	23	1 007	0	271 716
Demand deposits	*111 561*	*0*	*0*	*0*	*111 561*
Time deposits	*40 706*	*23*	*217*	*0*	*40 946*
Savings accounts	*77 261*	*0*	*0*	*0*	*77 261*
Savings certificates	*1 254*	*0*	*0*	*0*	*1 254*
Subtotal, customer deposits	*230 781*	*23*	*217*	*0*	*231 022*
Certificates of deposit	*12 405*	*0*	*6*	*0*	*12 410*
Non-convertible bonds	*24 590*	*0*	*784*	*0*	*25 374*
Non-convertible subordinated liabilities	*2 909*	*0*	*0*	*0*	*2 909*
Repos	25 061	245	0	0	25 305
with credit institutions	*13 791*	*133*	*0*	*0*	*13 924*
with customers	*11 269*	*112*	*0*	*0*	*11 381*
Liabilities under investment contracts	27	0	15 603	0	15 631
Derivatives	0	4 452	0	286	4 738
Short positions	0	954	0	0	954
In equity instruments	*0*	*6*	*0*	*0*	*6*
In debt securities	*0*	*948*	*0*	*0*	*948*
Other	2 790	1	0	0	2 791
Total	312 064	5 674	16 611	286	334 634
FINANCIAL LIABILITIES, 31-12-2024					
Deposits from credit institutions (excl. repos)	12 852	0	0	0	12 852
of which repayable on demand					*6 456*
Deposits from customers and debt securities (excl. repos)	270 030	22	1 035	0	271 087
Demand deposits	*110 090*	*0*	*0*	*0*	*110 090*
Time deposits	*42 781*	*22*	*163*	*0*	*42 966*
Savings accounts	*74 440*	*0*	*0*	*0*	*74 440*
Savings certificates	*1 250*	*0*	*0*	*0*	*1 250*
Subtotal, customer deposits	*228 562*	*22*	*163*	*0*	*228 747*
Certificates of deposit	*14 376*	*0*	*5*	*0*	*14 382*
Non-convertible bonds	*24 185*	*0*	*745*	*0*	*24 930*
Non-convertible subordinated liabilities	*2 907*	*0*	*121*	*0*	*3 028*
Repos	20 985	94	0	0	21 079
with credit institutions	*18 587*	*94*	*0*	*0*	*18 681*
with customers	*2 398*	*0*	*0*	*0*	*2 398*
Liabilities under investment contracts	27	0	15 644	0	15 671
Derivatives	0	4 679	0	316	4 995
Short positions	0	882	0	0	882
In equity instruments	*0*	*9*	*0*	*0*	*9*
In debt securities	*0*	*872*	*0*	*0*	*872*
Other	2 157	0	0	0	2 157
Total	306 050	5 677	16 680	316	328 723

Impaired financial assets (note 4.2.1 in the annual accounts 2024)

(in millions of EUR)	Carrying value before impairment	Impairment	Carrying value after impairment
31-03-2025			
FINANCIAL ASSETS AT AMORTISED COST			
Loans and advances *	238 191	- 2 408	235 783
Stage 1 (12-month ECL)	218 855	- 180	218 675
Stage 2 (lifetime ECL)	15 461	- 288	15 173
Stage 3 (lifetime ECL)	3 330	- 1 785	1 545
Purchased or originated credit impaired assets (POCI)	545	- 155	390
Debt Securities	53 408	- 9	53 399
Stage 1 (12-month ECL)	53 325	- 6	53 318
Stage 2 (lifetime ECL)	79	- 1	78
Stage 3 (lifetime ECL)	5	- 2	3
Purchased or originated credit impaired assets (POCI)	0	0	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI			
Debt Securities	23 444	- 4	23 440
Stage 1 (12-month ECL)	23 437	- 4	23 433
Stage 2 (lifetime ECL)	6	0	6
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0
31-12-2024			
FINANCIAL ASSETS AT AMORTISED COST			
Loans and advances *	217 093	- 2 448	214 645
Stage 1 (12-month ECL)	197 031	- 176	196 855
Stage 2 (lifetime ECL)	16 177	- 331	15 847
Stage 3 (lifetime ECL)	3 472	- 1 803	1 669
Purchased or originated credit impaired assets (POCI)	414	- 138	276
Debt Securities	50 084	- 8	50 075
Stage 1 (12-month ECL)	49 979	- 6	49 973
Stage 2 (lifetime ECL)	100	- 1	99
Stage 3 (lifetime ECL)	5	- 2	3
Purchased or originated credit impaired assets (POCI)	0	0	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI			
Debt Securities	22 543	- 4	22 539
Stage 1 (12-month ECL)	22 543	- 4	22 539
Stage 2 (lifetime ECL)	0	0	0
Stage 3 (lifetime ECL)	0	0	0
Purchased or originated credit impaired assets (POCI)	0	0	0

(*) The carrying value after impairment in this note is equal to the sum of the lines Loans and advances to credit institutions (excl. reverse repos), Loans and advances to customers (excl. reverse repos) and Reverse repos in note 4.1 (in the column Measured at amortised cost)

Financial assets and liabilities not measured at fair value – fair value (note 4.4 in the annual accounts 2024)

The difference between the fair value and the carrying value of the debt securities at amortised cost has slightly decreased from -1 870 million euros at 31 December 2024 (carrying amount of 50 075 million euros versus fair value of 48 205 million euros) to -1 864 million euros at 31 March 2025 (carrying amount of 53 399 million euros versus fair value of 51 535 million euros), mainly due to the unwinding effect offset by an increase of long-term interest rates.

As a hold-to-collect business model is applied on assets at amortised cost, interim changes in fair value are less relevant.

Financial assets and liabilities measured at fair value – fair value hierarchy (note 4.5 in the annual accounts 2024)

For more details on how KBC defines and determines (i) fair value and the fair value hierarchy and (ii) level 3 valuations reference is made to notes 4.4 up to and including 4.7 of the annual accounts 2024.

(in millions of EUR)				31-03-2025				31-12-2024
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS AT FAIR VALUE								
Mandatorily measured at fair value through profit or loss (other than held for trading)	16 465	82	1 081	17 628	16 539	75	1 009	17 624
Held for trading	4 021	4 756	1 138	9 915	3 354	6 097	1 057	10 509
Designated at fair value	0	0	0	0	0	0	0	0
At fair value through OCI	22 398	2 056	675	25 130	21 410	2 200	651	24 261
Hedging derivatives	0	267	0	267	0	271	0	271
Total	42 885	7 161	2 894	52 940	41 303	8 644	2 717	52 665
FINANCIAL LIABILITIES AT FAIR VALUE								
Held for trading	961	3 194	1 519	5 674	883	3 388	1 406	5 677
Designated at fair value	15 603	240	767	16 611	15 644	186	850	16 680
Hedging derivatives	0	238	48	286	0	265	51	316
Total	16 565	3 672	2 334	22 571	16 527	3 838	2 307	22 673

Financial assets and liabilities measured at fair value – transfers between level 1 and 2 (note 4.6 in the annual accounts 2024)

During 1Q 2025, KBC transferred about 298 million euros worth of financial assets and liabilities out of level 1 and into level 2. It also reclassified approximately 321 million euros worth of financial assets and liabilities from level 2 to level 1. Most of these reclassifications were carried out due to a change in the liquidity of government and corporate bonds.

Financial assets and liabilities measured at fair value – focus on level 3 (note 4.7 in the annual accounts 2024)

In 1Q 2025 significant movements in financial assets and liabilities classified in level 3 of the fair value hierarchy included the following:

- Financial assets measured at fair value through profit and loss: the fair value of loans and advances increased by 70 million euros, mostly due to new transactions.
- Financial assets held for trading: the fair value of derivatives increased by 53 million euros, primarily due to changes in market parameters and new acquisitions, partly offset by sales of existing positions. The fair value of loans has increased by 27 million euros, due to new transactions.
- Financial assets measured at fair value through other comprehensive income: the fair value of debt securities has decreased by 11 million euros, primarily due to sales of existing positions and maturities, partly offset by changes in market parameters. The fair value of equity instruments increased by 35 million euros, mostly due to acquisitions.
- Financial liabilities held for trading: the fair value of derivatives increased by 113 million euros, mostly due to changes in market parameters and new transactions, partly offset by sales of existing positions.
- Financial liabilities designated at fair value: the fair value of debt securities issued decreased by 82 million euros, primarily due to deals that reached maturity, sales of existing positions and changes in market parameters, only partially offset by acquisitions.

Insurance contract liabilities (note 5.6 in the annual accounts 2024)

The Contractual Service Margin (CSM) as included in the insurance contract liabilities, evolved from 2 276 million euros at the end of 2024 to 2 307 million euros at 31 March 2025, or an increase of 31 million euros. This increase is mainly explained by CSM of new business (+62 million euros) which was slightly higher compared to the CSM release in the income statement (-41 million euros), reinforced by positive interest accretion (time value) on the CSM (+7 million euros).

Parent shareholders' equity and AT1 instruments (note 5.10 in the annual accounts 2024)

Quantities	31-03-2025	31-12-2024
Ordinary shares	417 544 151	417 544 151
of which ordinary shares that entitle the holder to a dividend payment	*396 563 328*	*396 563 328*
of which treasury shares	*20 980 825*	*20 980 825*
Additional information		
Par value per share (in EUR)	3.51	3.51
Number of shares issued but not fully paid up	0	0

The ordinary shares of KBC Group NV have no nominal value and are quoted on Euronext Brussels.

The treasury shares almost entirely relate to shares bought in the share buyback programme.

Main changes in the scope of consolidation (note 6.6 in the annual accounts 2024)

On 30 April 2024, KBC Bank Ireland returned its banking license to the Central Bank of Ireland and subsequently has been renamed as Exicon. The expected closing of the liquidation process in 3Q 2025 has led to a tax benefit (deferred income tax) in P&L of 318 million euros in 4Q 2024 (see also note 3.11 in this report). Exicon is no longer fully consolidated as of 1 January 2025 because of immateriality.

Post-balance sheet events (note 6.8 in the annual accounts 2024)

Significant non-adjusting events between the balance sheet date (31 March 2025) and the publication of this report (15 May 2025):

The figures of 1Q 2025 do not include any impact of increased trade tariffs announced on the so-called Liberation Day (on 2 April 2025), which is considered a non-adjusting subsequent event.

- On the one hand, uncertainty around economic policy and the ongoing trade conflict are likely to lead to low economic growth in the euro area over the next quarters. On the other hand, the macro-economic environment is also driven by amongst others the European fiscal spending ('Re-Arm Europe' and huge German infrastructure investments) on the back of which the medium-term growth outlook improves.
- Although revised downwards, GDP growth in CEE is still substantially above Western-Europe. A crucial element in favor of CEE countries is the cost competitiveness within Europe. Therefore, KBCs geographical diversification remains supportive for KBC's growth.
- Thanks to KBCs well-diversified loan book focused on retail and SMEs, the potentially directly impacted sectors (including pharma & chemicals) by currently known US tariff increases is limited to roughly 7% of KBCs total granted loan portfolio.
- KBC has very limited USD exposure.
- Therefore, our ST & LT financial guidance (as provided with FY24 results) remains valid.

Furthermore, KBC reached an agreement to acquire 98.45% of 365.bank in Slovakia. Closure of the deal is subject to regulatory approval and is expected by the end of this year. *For more information, please refer to page 3 of this report as well as separate press release and investor presentation on our website www.kbc.com*

KPMG

Statutory auditor's report to the board of directors of KBC Group NV on the review of the condensed consolidated interim financial information as at 31 March 2025 and for the three-month period then ended

Introduction

We have reviewed the accompanying consolidated balance sheet of KBC Group NV as at 31 March 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the three-month period then ended, and notes to the accounting policies, notes on segment reporting and other notes ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 31 March 2025 and for the three-month period then ended is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Zaventem, 14 May 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Kenneth Vermeire
Bedrijfsrevisor /
Réviseur d'Entreprises

Stéphane Nolf
Bedrijfsrevisor /
Réviseur d'Entreprises

KBC Group

Additional Information

1Q 2025

Section not reviewed by the Auditor

Credit risk

Snapshot of the loan portfolio (banking activities)

The main source of credit risk is the loan portfolio of the bank. It includes all the loans and guarantees that KBC has granted to individuals, companies, governments and banks. Debt securities in the investment portfolio are included if they are issued by companies or banks. Government bonds are not included. The loan portfolio as defined in this section differs from 'Loans and advances to customers' in Note 4.1 of the 'Consolidated financial statements' section of the annual accounts 2024. For more information, please refer to 'Details of ratios and terms on KBC Group level'.

A snapshot of the banking portfolio is shown in the table below. Further on in this chapter, extensive information is provided on the credit portfolio of each business unit.

Credit risk: loan portfolio overview	31-03-2025	31-12-2024
Total loan portfolio (in billions of EUR) [1]		
Amount outstanding and undrawn	265	263
Amount outstanding	215	211
Loan portfolio breakdown by business unit (as a % of the outstanding portfolio)		
Belgium	63.9%	64.5%
Czech Republic	20.0%	19.4%
International Markets	15.7%	15.6%
Group Centre [2]	0.4%	0.5%
Loan portfolio breakdown by counterparty sector (as a % of the outstanding portfolio)		
Private individuals	40.7%	40.8%
Finance and insurance	5.5%	5.3%
Governments	3.2%	2.9%
Corporates	50.6%	51.0%
Services	10.7%	10.7%
Distribution	8.0%	8.2%
Real estate [3]	6.8%	6.9%
Building & construction	4.7%	4.8%
Agriculture, farming, fishing	2.7%	2.7%
Automotive	2.6%	2.7%
Electricity	2.0%	1.9%
Food Producers	1.8%	2.0%
Metals	1.5%	1.5%
Chemicals	1.4%	1.4%
Shipping	1.0%	0.8%
Machinery & Heavy equipment	1.0%	0.9%
Oil, gas & other fuels	0.9%	0.9%
Hotels, bars & restaurants	0.8%	0.7%
Electrotechnics	0.5%	0.5%
Timber & wooden furniture	0.5%	0.5%
Other [4]	3.7%	3.8%
Loan portfolio breakdown by region (as a % of the outstanding portfolio)		
Belgium	54.3%	54.9%
Czech Republic	18.8%	18.6%
Slovakia	6.2%	6.1%
Hungary	4.0%	4.0%
Bulgaria	5.6%	5.6%
Rest of Western Europe	7.6%	7.6%
Rest of Central and Eastern Europe	0.2%	0.2%
of which: Russia and Ukraine	0.00%	0.01%
North America	1.0%	1.1%
Asia	0.9%	0.9%
Other	1.4%	1.0%
Loan portfolio breakdown by counterparty (as % of the outstanding portfolio)		
Retail	40.6%	40.7%
of which: mortgages	36.7%	36.8%
of which: consumer finance	3.9%	3.9%
SME	21.8%	22.0%
Corporate	37.7%	37.3%

	31-03-2025	31-12-2024
Loan portfolio breakdown by IFRS 9 ECL stage (as % of the outstanding portfolio)		
Stage 1 (credit risk has not increased significantly since initial recognition)	90.6%	90.2%
of which: PD 1 - 4	64.7%	64.5%
of which: PD 5 - 9 including unrated	25.8%	25.7%
Stage 2 (credit risk has increased significantly since initial recognition – not credit impaired) incl. POCI [5]	7.5%	7.8%
of which: PD 1 - 4	2.2%	2.2%
of which: PD 5 - 9 including unrated	5.3%	5.6%
Stage 3 (credit risk has increased significantly since initial recognition – credit impaired) incl. POCI [5]	1.9%	2.0%
of which: PD 10 impaired loans	0.9%	0.9%
of which: more than 90 days past due (PD 11+12)	1.0%	1.0%
Impaired loan portfolio (in millions of EUR)		
Impaired loans (PD10 + 11 + 12)	4 126	4 171
of which: more than 90 days past due	2 193	2 178
Impaired loans ratio (%)		
Belgium	1.9%	2.0%
Czech Republic	1.3%	1.3%
International Markets	1.6%	1.6%
Group Centre [2]	36.6%	38.3%
Total	1.9%	2.0%
of which: more than 90 days past due	1.0%	1.0%
Loan loss impairment (in millions of EUR)		
Loan loss Impairment for Stage 1 portfolio	206	201
Loan loss Impairment for Stage 2 portfolio	294	340
Loan loss Impairment for Stage 3 portfolio	1 977	1 979
of which: more than 90 days past due	1 499	1 492
Cover ratio of impaired loans (%)		
Loan loss impairments for stage 3 portfolio / impaired loans	47.9%	47.4%
of which: more than 90 days past due	68.4%	68.5%
Cover ratio of impaired loans, mortgage loans excluded (%)		
Loan loss impairments for stage 3 portfolio / impaired loans, mortgage loans excluded	51.0%	50.5%
of which: more than 90 days past due	71.2%	71.4%
Credit cost ratio (%)		
Belgium	0.07%	0.19%
Czech Republic	0.13%	-0.09%
International Markets	0.05%	-0.08%
Slovakia	-0.08%	-0.14%
Hungary	0.02%	-0.27%
Bulgaria	0.20%	0.14%
Group Centre	0.22%	1.58%
Total	0.08%	0.10%

[1] Outstanding portfolio includes all on-balance sheet commitments and off-balance sheet guarantees but excludes off-balance sheet undrawn commitments; the amounts are measured in Gross Carrying Amounts

[2] Business Unit Group Centre = part of non-legacy portfolio assigned to BU Group, activities in wind-down (e.g. ex-Antwerp Diamond Bank). The presence of the residual portfolios of the activities in wind-down explains the high share of impaired loans

[3] Real estate = Income producing commercial real estate to 3rd parties

[4] Other includes corporate sectors not exceeding 0.5% concentration and unidentified sectors

[5] Purchased or originated credit impaired assets

Impaired loans are loans for which full (re)payment of the contractual cash flows is deemed unlikely. This coincides with KBC's Probability-of-Default-classes 10, 11 and 12 (see annual accounts FY 2024 - section on credit risk for more information on PD classification). These impaired loans are equal to 'non-performing loans' under the definition used by EBA.

Loan portfolio per Business Unit (banking activities)

Legend:

- **ind. LTV - Indexed Loan To Value:** current outstanding loan / current value of property
- **Impaired loans:** loans for which full (re)payment is deemed unlikely (coincides with KBC's PD-classes 10, 11 or 12)
- **Impaired loans that are more than 90 days past due:** loans that are more than 90 days overdue and/or loans which have been terminated/cancelled or bankrupt obligors (coincides with KBC's PD-classes 11 and 12)
- Stage 1+2 impairments: impairments for non-impaired exposure (i.e. exposure with PD < PD 10)
- Stage 3 impairments: loan loss impairments for impaired exposure (i.e. exposure with PD 10, 11 or 12)
- **Cover ratio impaired loans:** stage 3 impairments / impaired loans

Loan portfolio per Business Unit 31-03-2025, in millions of EUR	Business Unit Belgium[1]			Business Unit Czech Republic			Business Unit International Markets			Business Unit Group Centre[2]		
Total portfolio outstanding	**137 801**			**42 991**			**33 821**			**873**		
Counterparty break down		% outst.			% outst.			% outst.			% outst.	
retail	47 780	35%		23 959	56%		15 641	46%		0	0%	
o/w mortgages	46 069	33%		20 972	49%		12 001	35%		0	0%	
o/w consumer finance	1 711	1%		2 987	7%		3 641	11%		0	0%	
SME	36 651	27%		6 088	14%		4 216	12%		0	0%	
corporate	53 370	39%		12 945	30%		13 963	41%		873	100%	
Mortgage loans		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV
total	46 069	33%	54%	20 972	49%	51%	12 001	35%	58%	0	0%	0%
o/w FX mortgages	0	0%	-	0	0%	-	64	0%	38%	0	0%	-
o/w ind. LTV > 100%	406	0%	-	14	0%	-	70	0%	-	0	0%	-
Probability of default (PD)		% outst.			% outst.			% outst.			% outst.	
low risk (PD 1-4; 0.00%-0.80%)	101 144	73%		25 442	59%		17 097	51%		521	60%	
medium risk (PD 5-7; 0.80%-6.40%)	30 605	22%		15 319	36%		15 065	45%		33	4%	
high risk (PD 8-9; 6.40%-100.00%)	3 067	2%		1 649	4%		1 087	3%		0	0%	
impaired loans (PD 10 - 12)	2 681	2%		578	1%		547	2%		319	37%	
unrated	304	0%		4	0%		25	0%		0	0%	
Overall risk indicators		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover
outstanding impaired loans	2 681	1 177	44%	578	249	43%	547	245	45%	319	307	96%
o/w PD 10 impaired loans	1 404	349	25%	239	52	22%	273	71	26%	17	6	35%
o/w more than 90 days past due (PD 11+12)	1 278	828	65%	339	197	58%	274	174	63%	302	301	100%
all impairments (stage 1+2+3)	1 401			394			375			307		
o/w stage 1+2 impairments (incl. POCI)	225			145			130			0		
o/w stage 3 impairments (incl. POCI)	1 177			249			245			307		
2024 Credit cost ratio (CCR)[3]	0.19%			-0.09%			-0.08%			1.58%		
2025 Credit cost ratio (CCR)[3] - YTD	0.07%			0.13%			0.05%			0.22%		

[1] Business Unit Belgium = KBC Bank (all retail and corporate credit lending activities including the foreign branches, part of non-legacy portfolio assigned to BU Belgium), CBC, KBC Lease Belgium, KBC Immolease, KBC Commercial Finance

[2] Business Unit Group Centre = part of non-legacy portfolio assigned to BU Group and activities in wind-down (e.g. ex-Antwerp Diamond Bank)

[3] CCR at country level in local currency

Loan portfolio Business Unit International Markets

Legend:

- **ind. LTV - Indexed Loan To Value:** current outstanding loan / current value of property
- **Impaired loans:** loans for which full (re)payment is deemed unlikely (coincides with KBC's PD-classes 10, 11 or 12)
- **Impaired loans that are more than 90 days past due:** loans that are more than 90 days overdue and/or loans which have been terminated/cancelled or bankrupt obligors (coincides with KBC's PD-classes 11 and 12)
- Stage 1+2 impairments: impairments for non-impaired exposure (i.e. exposure with PD < PD 10)
- Stage 3 impairments: loan loss impairments for impaired exposure (i.e. exposure with PD 10, 11 or 12)
- **Cover ratio impaired loans:** stage 3 impairments / impaired loans

Loan portfolio Business Unit International Markets

31-03-2025, in millions of EUR	Slovakia			Hungary			Bulgaria		
Total portfolio outstanding	**12 821**			**8 697**			**12 303**		
Counterparty break down		% outst.			% outst.			% outst.	
retail	7 446	58%		3 075	35%		5 120	42%	
o/w mortgages	6 886	54%		2 036	23%		3 079	25%	
o/w consumer finance	560	4%		1 040	12%		2 041	17%	
SME	1 301	10%		101	1%		2 814	23%	
corporate	4 073	32%		5 521	63%		4 369	36%	
Mortgage loans		% outst.	ind. LTV		% outst.	ind. LTV		% outst.	ind. LTV
total	6 886	54%	61%	2 036	23%	44%	3 079	25%	62%
o/w FX mortgages	0	0%	-	0	0%	38%	64	1%	38%
o/w ind. LTV > 100%	38	0%	-	17	0%		16	0%	-
Probability of default (PD)		% outst.			% outst.			% outst.	
low risk (PD 1-4; 0.00%-0.80%)	8 529	67%		4 591	53%		3 977	32%	
medium risk (PD 5-7; 0.80%-6.40%)	3 514	27%		3 858	44%		7 693	63%	
high risk (PD 8-9; 6.40%-100.00%)	542	4%		159	2%		385	3%	
impaired loans (PD 10 - 12)	212	2%		88	1%		247	2%	
unrated	23	0%		1	0%		0	0%	
Overall risk indicators		stage 3 imp.	% cover		stage 3 imp.	% cover		stage 3 imp.	% cover
outstanding impaired loans	212	89	42%	88	32	36%	247	124	50%
o/w PD 10 impaired loans	104	23	22%	62	16	26%	107	32	30%
o/w more than 90 days past due (PD 11+12)	108	67	62%	26	15	59%	140	92	66%
all impairments (stage 1+2+3)	124			68			183		
o/w stage 1+2 impairments (incl. POCI)	34			36			59		
o/w stage 3 impairments (incl. POCI)	89			32			124		
2024 Credit cost ratio (CCR)[1]	-0.14%			-0.27%			0.14%		
2025 Credit cost ratio (CCR)[3] - YTD	-0.08%			0.02%			0.20%		

[1] CCR at country level in local currency

Solvency

KBC reports its solvency at group, banking and insurance level, calculating it on the basis of IFRS figures and the relevant guidelines issued by the competent regulator.

Solvency KBC Group

We report the solvency of the group, the bank and the insurance company based on IFRS data and according to the rules imposed by the regulator. For the KBC group, this implies that we calculate our solvency ratios based on CRR/CRD. This regulation entered gradually into force as of 1 January 2014.

Based on CRR/CRD, profit can be included in CET1 capital only after the profit appropriation decision by the final decision body, for KBC Group it is the General Meeting. ECB can allow to include interim or annual profit in CET1 capital before the decision by the General Meeting. In that case, the foreseeable dividend should be deducted from the profit that is included in CET1. Considering that our Dividend Policy of “at least 50%” does not include a maximum, KBC Group no longer requests ECB approval to include interim or annual profit in CET1 capital before the decision by the General Meeting. As such, the annual profit of 2024 and the dividend re. 2024 have been recognised in the official (transitional) CET1 of the 1st quarter 2025, which is reported after the General Meeting.

The 2025 interim profit is only included in the fully loaded CET1 (taking into account 50% pay-out in line with our Dividend Policy). As from 2Q2025, KBC intends to resume interim profit recognition (subject to ECB approval) in transitional CET1 in line with the revised Dividend Policy. *For more information see page 11 of this report.*

The general rule under CRR/CRD for insurance participations is that an insurance participation is deducted from common equity at group level, unless the competent authority grants permission to apply a risk weighting instead (Danish compromise). As of the fourth quarter of 2020, the revised CRR/CRD requires the use of the equity method, unless the competent authority allows institutions to apply a different method. KBC Group has received ECB approval to continue to use the historical carrying value for risk weighting (250% from 1 January 2025, 370% before), after having deconsolidated KBC Insurance from the group figures.

In addition to the solvency ratios under CRR/CRD, KBC is considered a financial conglomerate since it covers both significant banking and insurance activities. Therefore KBC also has to disclose its solvency position as calculated in accordance with the Financial Conglomerate Directive (FICOD; 2002/87/EC). This implies that available capital is calculated on the basis of the consolidated position of the group and the eligible items recognised as such under the prevailing sectorial rules, which are CRR/CRD for the banking business and Solvency II for the insurance business. The capital requirement for the insurance business based on Solvency II is multiplied by 12.5 to obtain a risk weighted asset equivalent.

The overall capital requirement (CET1) that KBC is to uphold is set at 10.83% (fully loaded, Danish Compromise which includes the CRR/CRD minimum requirement (4.50%), the Pillar 2 Requirement (1.06% P2R, taking into account CRD V Art 104a(4)) and the buffers set by national competent authorities (2.50% Capital Conservation Buffer, 1.50% buffer for other systemically important banks, 0.11% Systemic Risk Buffer and 1.15% Countercyclical Buffer). Furthermore ECB has set a Pillar 2 Guidance of 1.25%.
In line with CRD V Art. 104a(4), ECB allows banks to satisfy the P2R (1.83%, 3bps lower compared to 31 December 2024 which is explained by a lower add-on related to the back-stop shortfall for non-performing exposures defaulted before 01-04-2018) with additional tier-1 instruments (1.75% up to 1.5/8) and tier-2 instruments (1.75% up to 2/8) based on the same relative weights as allowed for meeting the 8% Pillar 1 Requirement. The CET1 requirement related to P2R now includes 100% of the 8bps add-on related to the back-stop shortfall for non-performing exposures defaulted before 01-04-2018.

Distributions (being dividend payments, payments related to additional tier 1 instruments or variable remuneration) are limited in case the combined buffer requirements described above are breached. This limitation is also referred to as “Maximum Distributable Amount” or “MDA” thresholds.

The next table provides an overview of the buffers KBC Group has compared to these thresholds, both on an actuals basis (i.e. versus the regulatory targets that apply at the reporting date) and a fully loaded basis (i.e. versus the regulatory targets that will apply going forward).

Buffer vs. Overall Capital Requirement (in millions of EUR) (consolidated, under CRR, Danish compromise method)	31-03-2025 Fully loaded	31-03-2025 Actuals	31-12-2024 Fully loaded	31-12-2024 Actuals
CET1 Pillar 1 minimum	4.50%	4.50%	4.50%	4.50%
Pillar 2 requirement to be satisfied with CET1	1.06%	1.06%	1.09%	1.05%
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%
Buffer for systemically important institutions (O-SII)	1.50%	1.50%	1.50%	1.50%
Systemic Risk Buffer (SRyB)	0.11%	0.11%	0.14%	0.14%
Entity-specific countercyclical buffer	1.15%	1.12%	1.15%	1.12%
Overall Capital Requirement (OCR) - with P2R split, CRD Art. 104a(4)	**10.83%**	**10.80%**	**10.88%**	**10.80%**
CET1 used to satisfy shortfall in AT1 bucket	0.33%	0.31%	0.27%	0.29%
CET1 used to satisfy shortfall in T2 bucket	0.31%	0.29%	0.30%	0.33%
CET1 requirement for MDA	**11.47%**	**11.40%**	**11.45%**	**11.42%**
CET1 capital	18 047	17 937	17 947	16 621
CET1 buffer (= buffer compared to MDA)	3 735	3 912	4 212	2 919

Following table groups the solvency on the level of KBC Group according to different methodologies and calculation methods, including the deduction method.

Overview of KBC Group's capital ratios (in millions of EUR) 31-03-2025		numerator (common equity)	denominator (total weighted risk volume)	ratio (%)
Common Equity ratio				
Danish Compromise	Fully loaded	18 047	124 789	14.46%
Deduction Method	Fully loaded	17 411	123 200	14.13%
Financial Conglomerates Directive	Fully loaded	19 803	145 753	13.59%
Danish Compromise	Transitional	17 937	123 005	14.58%
Deduction Method	Transitional	17 284	121 373	14.24%
Financial Conglomerates Directive	Transitional	19 693	143 970	13.68%

KBC's fully loaded CET1 ratio of 14.46% at the end of March 2025 represents a solid capital buffer of 2.99% compared with the Maximum Distributable Amount (MDA) of 11.47%.

The Annual General Meeting of shareholders (on 30 April 2025) approved a gross dividend of 4.85 euros per share related to the accounting year 2024, of which:

- an interim dividend of 0.70 euros per share (280 million euros in total), as decided by KBC Group's Board of Directors of 15 May 2024 and paid on 29 May 2024, reflecting the distribution of the surplus capital above 15% fully loaded CET1 threshold per end 2023
- 4.15 euros per share:
  - an interim dividend of 1.00 euro per share (396 million euros in total), as decided by KBC Group's Board of Directors of 7 August 2024 and paid on 14 November 2024, in line with our Dividend Policy
  - a final ordinary dividend of 3.15 euros per share (1 249 million euros in total) paid on 8 May 2025

  Therefore, reflecting a pay-out ratio (including 4.15 euros per share and AT1-coupon) of approximately 51% of 2024 net profit.

The EBA Monitoring report on AT1, Tier 2 and TLAC / MREL eligible liabilities instruments (27 June 2024) recommends to use the carrying amounts (including accrued interest and hedge adjustments) instead of nominal amounts for own funds calculation. KBC has applied this EBA recommendation as from 30-09-2024. Implementation of this approach increases the volatility in the Tier 2 capital: as at 31-03-2025 it has a 56 million euros positive impact on Tier 2 capital at KBC Group level (compared to 47 million euros on 31-12-2024).

The impact of Basel 4 based on the 31-03-2025 balance sheet is as follows (projections applying a static balance sheet and all other parameters ceteris paribus, without mitigating actions):

- at 1 January 2025, a first-time application impact of +0.9 billion euros in risk-weighted assets and -76m EUR higher expected loss (EL) deducted in CET1 under the IRB shortfall;
- between 1Q25 and 4Q32 a further phase-in impact of +1.6 billion euros in risk-weighted assets

both resulting in a total negative impact of 0.4% pt. on the unfloored fully loaded CET1 ratio;

- as from 1 January 2033, a further impact of +2.6 billion euros in risk-weighted assets resulting from the output floor.

Solvency ratios KBC Group (Danish Compromise)

In millions of EUR	31-03-2025 Fully loaded	31-03-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Total regulatory capital (after profit appropriation)	22 567	22 443	22 374	21 048
Tier-1 capital	19 911	19 801	19 811	18 485
Common equity	18 047	17 937	17 947	16 621
Parent shareholders' equity (after deconsolidating KBC Insurance)	22 188	21 782	21 589	18 932
Intangible fixed assets, incl deferred tax impact (-)	- 677	- 677	- 743	- 743
Goodwill on consolidation, incl deferred tax impact (-)	- 1 058	- 1 058	- 1 052	- 1 052
Minority interests	0	0	0	0
Hedging reserve (cash flow hedges) (-)	283	283	508	508
Valuation diff. in financial liabilities at fair value - own credit risk (-)	- 29	- 29	- 29	- 29
Value adjustment due to the requirements for prudent valuation (-)	- 34	- 34	- 35	- 35
Dividend payout (-)	- 1 499	- 1 249	- 1 249	0
Share buyback (part not yet executed) (-)	0	0	0	0
Coupon of AT1 instruments (-)	- 10	- 10	- 27	- 27
Deduction re. financing provided to shareholders (-)	- 20	- 20	- 23	- 23
Deduction re. Irrevocable payment commitments (-)	- 87	- 90	- 90	- 90
Deduction re NPL backstops (-)	- 197	- 197	- 205	- 205
Deduction re pension plan assets (-)	- 180	- 180	- 205	- 205
IRB provision shortfall (-)	- 278	- 229	- 141	- 66
Deferred tax assets on losses carried forward (-)	- 355	- 355	- 353	- 353
Transitional adjustments to CET1	0	0	0	7
Limit on deferred tax assets from timing differences relying on future profitability and significant participations in financial sector entities (-)	0	0	0	0
Additional going concern capital	1 864	1 864	1 864	1 864
CRR compliant AT1 instruments	1 864	1 864	1 864	1 864
Minority interests to be included in additional going concern capital	0	0	0	0
Tier 2 capital	2 656	2 643	2 563	2 563
IRB provision excess (+)	255	241	167	167
Transitional adjustments to T2	0	0	0	0
Subordinated liabilities	2 401	2 401	2 396	2 396
Subordinated loans non-consolidated financial sector entities (-)	0	0	0	0
Minority interests to be included in tier 2 capital	0	0	0	0
Total weighted risk volume	124 789	123 005	119 945	119 950
Banking	117 878	116 094	110 082	110 087
Insurance	6 171	6 171	9 133	9 133
Holding activities	740	740	734	734
Elimination of intercompany transactions	0	0	- 5	- 5
Solvency ratios				
Common equity ratio	14.46%	14.58%	14.96%	13.86%
Tier-1 ratio	15.96%	16.10%	16.52%	15.41%
Total capital ratio	18.08%	18.25%	18.65%	17.55%

Note:

- For the composition of the banking RWA, see section ‘Solvency banking and insurance activities separately’ further in this report.
- As at 31-03-2025, the difference between the fully loaded total own funds (22 567 million euros, interim profit after 50% pay-out re. 2025 is included) and the transitional own funds (22 443 million euros, interim profit after 50% pay-out re. 2025 is not included) is mainly explained by the net result for 1Q2025 (406 million euros under the Danish Compromise method), the 50% pay-out (-250 million euros dividend accrual) and the IRB excess/shortfall (-34 million euros).
- At year-end 2024, the difference between the fully loaded total own funds (22 374 million euros; profit and dividend re. 2024 is included) and the transitional own funds (21 048 million euros; profit and dividend re. 2024 is not included) is explained by the net result for 2024 (+3 333 million euros under the Danish Compromise method), the ordinary dividend for 2024 pay-out (-1 645 million euros dividend accrual, of which -396 million euros interim dividend of 2024), the extraordinary interim dividend (-280 million euros, paid out in 2Q 2024), the impact of the IFRS 9 transitional measures and IRB excess/shortfall (-81 million euros).
- In September 2024, KBC Group issued a new AT1 for an amount of 750 million euros and at the same time has repurchased 636 million euro from the 1 billion euro AT1 instrument that was issued in April 2018 and has a first call date on 24-10-2025.

Leverage ratio KBC Group

Leverage ratio KBC Group In millions of EUR	31-03-2025 Fully loaded	31-03-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Tier-1 capital	19 911	19 801	19 811	18 485
Total exposures	370 530	370 536	360 085	360 092
Total Assets	380 313	380 313	373 048	373 048
Deconsolidation KBC Insurance	-33 852	-33 852	-33 734	-33 734
Transitional adjustment	0	0	0	7
Adjustment for derivatives	- 576	- 576	- 885	- 885
Adjustment for regulatory corrections in determining Basel III Tier-1 capital	-2 756	-2 750	-2 681	-2 681
Adjustment for securities financing transaction exposures	2 107	2 107	1 686	1 686
Central Bank exposure	0	0	0	0
Off-balance sheet exposures	25 293	25 293	22 651	22 651
Leverage ratio	5.37%	5.34%	5.50%	5.13%

At the end of March 2025, the fully loaded leverage ratio decreased compared to December 2024, due to higher leverage ratio exposure chiefly as a result of a large increase in reverse repos (for more information see balance sheet in the Consolidated financial statements section).

Solvency banking and insurance activities separately

As is the case for the KBC group, the solvency of KBC Bank is calculated based on CRR/CRD. The solvency of KBC Insurance is calculated on the basis of Solvency II rules as they became effective on 1 January 2016.

The tables below show the tier-1 and CAD ratios calculated under Basel III (CRR/CRD) for KBC Bank, as well as the solvency ratio of KBC Insurance under Solvency II.

Regulatory capital requirements KBC Bank (consolidated) (in millions of EUR)	31-03-2025 Fully loaded	31-03-2025 Transitional	31-12-2024 Fully loaded	31-12-2024 Transitional
Total regulatory capital, after profit appropriation	20 522	20 319	20 296	18 981
Tier-1 capital	17 892	17 702	17 755	16 440
Common equity	16 028	15 838	15 891	14 576
Parent shareholders' equity	19 155	18 764	18 559	16 665
Solvency adjustments	-3 128	-2 926	-2 668	-2 088
Additional going concern capital	1 864	1 864	1 864	1 864
Tier-2 capital	2 630	2 617	2 541	2 541
Total weighted risk volume	118 022	116 239	110 082	110 087
Credit risk	99 269	97 986	94 213	94 218
Market risk	2 440	1 940	2 026	2 026
Operation risk	16 313	16 313	13 843	13 843
Common equity ratio	13.6%	13.6%	14.4%	13.2%

Solvency II, KBC Insurance consolidated (in millions of EUR)	31-03-2025	31-12-2024
Own Funds	4 551	4 392
Tier 1	4 050	3 891
IFRS Parent shareholders equity	3 612	3 331
Dividend payout	- 179	- 91
Deduction intangible assets and goodwill (after tax)	- 211	- 207
Valuation differences (after tax)	583	633
Volatility adjustment	192	189
Other	54	37
Tier 2	501	501
Subordinated liabilities	501	501
Solvency Capital Requirement (SCR)	2 171	2 196
Market risk	1 474	1 533
Non-life	817	821
Life	1 312	1 222
Health	268	321
Counterparty	138	121
Diversification	-1 379	-1 385
Other	- 459	- 435
Solvency II ratio	210%	200%

Minimum requirement for own funds and eligible liabilities (MREL)

Besides the ECB and NBB, which supervise KBC on a going concern basis, KBC is also subject to requirements set by the Single Resolution Board (SRB). The SRB is developing resolution plans for the major banks in the euro area. The resolution plan for KBC is based on a Single Point of Entry (SPE) approach at the level of KBC Group with 'bail-in' as the primary resolution tool. MREL measures the amount of own funds and eligible liabilities that can be credibly and feasibly bailed-in.

In June 2024, the SRB formally communicated to KBC binding MREL targets (under BRRD2), expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE):

- 28.47% of RWA as from 1Q 2025 (including transitional Combined Buffer Requirement[1] of 5.24% as from 1Q 2025)
- 7.42% of LRE

Besides a total MREL amount, BRRD2 also requires KBC to maintain a certain part of MREL in subordinated format (i.e. instruments subordinated to liabilities, excluded from bail-in).

The binding subordinated MREL targets are:

- 24.04% of RWA as from 1Q 2025 (including the Combined Buffer Requirement[1] of 5.24% as from 1Q 2025)
- 7.42% of LRE

At the end of March 2025, the MREL ratio stands at 31.4% as a % of RWA (versus 30.7% as at the end 2024) and at 10.4% as % of LRE (versus 10.2% as at the end of 2024). The increased MREL ratio in % of RWA reflects the higher available MREL (higher CET1 capital explained by retained profit 2024 and new MREL instruments issues) partly offset by increase of RWA. The increase of the MREL ratio in % of LRE is driven mainly higher available MREL, partly offset by increased leverage exposure.

(1) Combined Buffer Requirement (transitional) = Conservation Buffer (2.50%) + O-SII Buffer (1.50%) + Countercyclical Buffer (1.12%) + Systemic Risk Buffer (0.11%) comes on top of the MREL target as a percentage of RWA.

Income statement, volumes and ratios of KBC Group and per business unit

Details on our segments or business units are available in the company presentation.

Note: The ECB approved to apply the IFRS9 transitional arrangements from 2Q 2020, as such the difference between fully loaded and the transitional measures are assigned to Group Centre. In other words, the RWA, allocated capital and the ROAC of the different countries remain based on fully loaded.

KBC Group (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	1 421	1 433	1 394	1 379	1 369
Insurance revenues before reinsurance	773	764	740	726	714
Non-life	648	640	631	613	598
Life	125	124	109	114	116
Dividend income	9	13	11	26	7
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 45	- 74	- 42	3	- 55
Net fee and commission income	690	700	641	623	614
Net other income	67	27	45	51	58
TOTAL INCOME	2 915	2 863	2 787	2 809	2 708
Operating expenses (excluding opex allocated to insurance service expenses)	- 1 498	- 1 126	- 1 058	- 950	- 1 431
Total Opex without bank and insurance tax	- 1 106	- 1 201	- 1 135	- 1 074	- 1 063
Total bank and insurance tax	- 539	- 55	- 47	- 2	- 518
Minus: Opex allocated to insurance service expenses	148	131	124	126	150
Insurance service expenses before reinsurance	- 622	- 635	- 688	- 590	- 563
Of which Insurance commissions paid	- 102	- 103	- 99	- 92	- 89
Non-life	- 543	- 561	- 615	- 514	- 489
of which Non-life - Claim related expenses	- 337	- 364	- 427	- 331	- 293
Life	- 79	- 74	- 72	- 76	- 73
Net result from reinsurance contracts held	- 9	- 4	28	- 24	- 18
Impairment	- 38	- 78	- 69	- 85	- 16
on FA at amortised cost and at FVOCI	- 38	- 50	- 61	- 72	- 16
on goodwill	0	0	0	0	0
other	0	- 28	- 7	- 13	0
Share in results of associated companies and joint ventures	0	- 1	78	2	0
RESULT BEFORE TAX	747	1 020	1 079	1 162	680
Income tax expense	- 202	96	- 211	- 237	- 175
RESULT AFTER TAX	546	1 115	868	925	506
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**546**	**1 116**	**868**	**925**	**506**
Banking	395	967	774	774	356
Insurance	140	139	104	139	133
Holding activities	11	10	- 9	13	16
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	197 326	192 067	188 623	187 502	183 722
of which Mortgage loans (end of period)	*79 429*	*78 059*	*76 926*	*76 236*	*75 311*
Customer deposits and debt certificates excl. repos (end of period)	271 716	271 087	263 071	271 610	263 700
Insurance related liabilities (including Inv. Contracts)					
Life insurance	29 296	29 596	29 020	28 272	27 938
Liabilities under investment contracts (IFRS 9)	*15 631*	*15 671*	*15 193*	*14 780*	*14 319*
Insurance contract liabilities (IFRS 17)	*13 665*	*13 925*	*13 827*	*13 492*	*13 618*
Non-life insurance	3 247	3 186	3 186	3 029	2 984
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	124 789	119 945	116 817	115 635	114 101
Required capital, insurance (end of period)	2 171	2 196	2 206	2 153	2 055
Allocated capital (end of period)	15 076	14 297	13 965	13 783	13 517
Return on allocated capital (ROAC, YTD)	15%	25%	22%	21%	15%
Cost/income ratio without banking and insurance tax (YTD)	41%	43%	43%	42%	43%
Combined ratio, non-life insurance (YTD)	86%	90%	89%	87%	85%
Net interest margin, banking (QTD)	2.05%	2.08%	2.08%	2.10%	2.08%

Business unit Belgium (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	830	837	828	831	809
Insurance revenues before reinsurance	471	469	447	445	443
Non-life	390	387	379	371	365
Life	81	83	68	74	78
Dividend income	9	12	7	24	7
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 71	- 113	- 65	- 64	- 101
Net fee and commission income	454	446	419	409	409
Net other income	61	51	49	46	54
TOTAL INCOME	1 753	1 703	1 686	1 692	1 621
Operating expenses (excluding opex allocated to insurance service expenses)	- 900	- 589	- 563	- 503	- 841
Total Opex without bank and insurance tax	- 628	- 666	- 634	- 609	- 606
Total bank and insurance tax	- 356	0	0	32	- 317
Minus: Opex allocated to insurance service expenses	84	76	71	73	82
Insurance service expenses before reinsurance	- 383	- 386	- 360	- 363	- 340
Of which Insurance commissions paid	- 63	- 63	- 62	- 59	- 57
Non-life	- 330	- 337	- 311	- 311	- 289
of which Non-life - Claim related expenses	- 224	- 228	- 209	- 210	- 191
Life	- 53	- 49	- 49	- 53	- 52
Net result from reinsurance contracts held	- 4	- 10	- 20	- 9	- 24
Impairment	- 24	- 58	- 42	- 123	- 37
on FA at amortised cost and at FVOCI	- 24	- 48	- 40	- 122	- 37
on goodwill	0	0	0	0	0
other	0	- 11	- 2	- 1	0
Share in results of associated companies and joint ventures	1	0	78	1	0
RESULT BEFORE TAX	443	660	779	694	380
Income tax expense	- 163	- 173	- 182	- 176	- 137
RESULT AFTER TAX	281	487	598	518	242
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**281**	**487**	**598**	**519**	**243**
Banking	187	391	503	407	143
Insurance	94	96	95	111	99
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	126 204	123 887	121 832	121 459	119 331
of which Mortgage loans (end of period)	*46 835*	*46 297*	*45 970*	*45 613*	*45 397*
Customer deposits and debt certificates excl. repos (end of period)	163 206	164 483	157 465	165 002	157 665
Insurance related liabilities (including Inv. Contracts)					
Life insurance	27 573	27 862	27 266	26 530	26 213
Liabilities under investment contracts (IFRS 9)	*15 631*	*15 671*	*15 193*	*14 780*	*14 319*
Insurance contract liabilities (IFRS 17)	*11 942*	*12 191*	*12 073*	*11 750*	*11 894*
Non-life insurance	2 424	2 371	2 361	2 298	2 282
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	71 982	67 340	65 297	63 753	63 063
Required capital, insurance (end of period)	1 849	1 868	1 906	1 801	1 785
Allocated capital (end of period)	9 681	9 221	9 036	8 763	8 672
Return on allocated capital (ROAC, YTD)	12%	21%	21%	18%	11%
Cost/income ratio without banking and insurance tax (YTD)	39%	41%	41%	40%	41%
Combined ratio, non-life insurance (YTD)	86%	88%	87%	86%	86%
Net interest margin, banking (QTD)	1.87%	1.90%	1.94%	1.97%	1.94%

Business unit Czech Republic (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	336	335	325	323	315
Insurance revenues before reinsurance	156	153	151	144	138
Non-life	130	126	126	119	114
Life	26	26	25	25	24
Dividend income	0	0	0	1	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	17	28	11	10	22
Net fee and commission income	94	97	87	84	84
Net other income	2	0	0	- 1	5
TOTAL INCOME	605	614	573	561	564
Operating expenses (excluding opex allocated to insurance service expenses)	- 228	- 222	- 207	- 196	- 229
Total Opex without bank and insurance tax	- 231	- 249	- 234	- 221	- 220
Total bank and insurance tax	- 25	- 1	- 1	- 3	- 35
Minus: Opex allocated to insurance service expenses	28	28	29	27	26
Insurance service expenses before reinsurance	- 115	- 130	- 198	- 104	- 99
Of which Insurance commissions paid	- 21	- 21	- 20	- 16	- 17
Non-life	- 100	- 115	- 185	- 91	- 86
of which Non-life - Claim related expenses	- 58	- 73	- 143	- 53	- 49
Life	- 14	- 16	- 13	- 12	- 13
Net result from reinsurance contracts held	- 5	10	60	- 6	- 4
Impairment	- 14	11	- 17	41	- 4
on FA at amortised cost and at FVOCI	- 14	13	- 17	41	- 4
on goodwill	0	0	0	0	0
other	0	- 2	0	- 1	0
Share in results of associated companies and joint ventures	- 1	- 1	0	0	0
RESULT BEFORE TAX	243	282	211	297	229
Income tax expense	- 36	- 44	- 32	- 52	- 33
RESULT AFTER TAX	207	238	179	244	197
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**207**	**238**	**179**	**244**	**197**
Banking	176	210	165	213	164
Insurance	32	28	15	31	32
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	40 530	38 338	37 756	37 422	36 262
of which Mortgage loans (end of period)	*20 480*	*20 028*	*19 738*	*19 685*	*19 283*
Customer deposits and debt certificates excl. repos (end of period)	53 942	52 709	51 867	51 939	51 435
Insurance related liabilities (including Inv. Contracts)					
Life insurance	831	835	862	868	891
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*831*	*835*	*862*	*868*	*891*
Non-life insurance	411	413	422	349	343
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	21 533	18 530	18 389	18 124	17 488
Required capital, insurance (end of period)	176	169	166	170	163
Allocated capital (end of period)	2 519	2 193	2 174	2 149	2 073
Return on allocated capital (ROAC, YTD)	35%	40%	39%	42%	38%
Cost/income ratio without banking and insurance tax (YTD)	42%	43%	43%	42%	42%
Combined ratio, non-life insurance (YTD)	81%	86%	87%	80%	79%
Net interest margin, banking (QTD)	2.44%	2.46%	2.40%	2.42%	2.39%

Business unit International Markets (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	328	328	321	317	324
Insurance revenues before reinsurance	143	139	138	133	130
Non-life	126	123	123	119	116
Life	18	16	15	15	15
Dividend income	0	0	1	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	10	7	8	14	26
Net fee and commission income	143	158	136	131	122
Net other income	5	- 21	0	9	6
TOTAL INCOME	629	610	604	605	608
Operating expenses (excluding opex allocated to insurance service expenses)	- 332	- 264	- 236	- 215	- 326
Total Opex without bank and insurance tax	- 213	- 236	- 214	- 207	- 200
Total bank and insurance tax	- 155	- 55	- 46	- 32	- 167
Minus: Opex allocated to insurance service expenses	35	26	25	25	41
Insurance service expenses before reinsurance	- 124	- 120	- 127	- 121	- 125
Of which Insurance commissions paid	- 18	- 19	- 17	- 17	- 15
Non-life	- 113	- 110	- 117	- 111	- 116
of which Non-life - Claim related expenses	- 56	- 65	- 73	- 67	- 55
Life	- 11	- 10	- 9	- 11	- 9
Net result from reinsurance contracts held	- 3	- 2	6	- 3	0
Impairment	- 4	- 15	- 9	- 3	20
on FA at amortised cost and at FVOCI	- 4	0	- 4	9	20
on goodwill	0	0	0	0	0
other	0	- 15	- 6	- 11	0
Share in results of associated companies and joint ventures	0	0	0	0	0
RESULT BEFORE TAX	165	209	239	263	177
Income tax expense	- 30	- 34	- 34	- 39	- 30
RESULT AFTER TAX	135	175	205	224	146
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**135**	**175**	**205**	**224**	**146**
Banking	118	158	187	212	141
Insurance	17	17	18	12	6
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	30 592	29 842	29 035	28 621	28 129
of which Mortgage loans (end of period)	*12 113*	*11 735*	*11 218*	*10 937*	*10 631*
Customer deposits and debt certificates excl. repos (end of period)	32 905	32 832	32 189	31 730	31 702
Insurance related liabilities (including Inv. Contracts)					
Life insurance	892	899	891	875	833
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*892*	*899*	*891*	*875*	*833*
Non-life insurance	397	382	379	362	345
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	23 699	23 757	22 758	23 382	23 082
Required capital, insurance (end of period)	193	188	183	179	171
Allocated capital (end of period)	2 772	2 782	2 668	2 732	2 691
Return on allocated capital (ROAC, YTD)	19%	28%	29%	27%	22%
Cost/income ratio without banking and insurance tax (YTD)	37%	38%	37%	36%	35%
Combined ratio, non-life insurance (YTD)	95%	96%	97%	100%	102%
Net interest margin, banking (QTD)	3.13%	3.16%	3.18%	3.27%	3.40%

Note: The combined ratio, non-life insurance includes a significant windfall tax fully booked in first quarter. Excluding the windfall tax, the combined ratio amounted to 87% in 1Q 2025, 93% in 2024, 92% in 9M 2024 & 1H 2024 and 88% in 1Q 2024.

Slovakia (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	72	70	69	69	67
Insurance revenues before reinsurance	28	28	28	27	26
Non-life	22	22	22	22	21
Life	6	6	5	5	5
Dividend income	0	0	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	4	0	- 1	2	3
Net fee and commission income	23	25	21	21	21
Net other income	3	1	0	5	3
TOTAL INCOME	130	124	116	125	121
Operating expenses (excluding opex allocated to insurance service expenses)	- 64	- 69	- 69	- 66	- 64
Total Opex without bank and insurance tax	- 67	- 68	- 66	- 64	- 62
Total bank and insurance tax	- 4	- 8	- 9	- 8	- 9
Minus: Opex allocated to insurance service expenses	7	7	7	7	7
Insurance service expenses before reinsurance	- 25	- 29	- 28	- 32	- 24
Of which Insurance commissions paid	- 4	- 4	- 3	- 3	- 3
Non-life	- 21	- 26	- 24	- 28	- 21
of which Non-life - Claim related expenses	- 13	- 17	- 16	- 21	- 13
Life	- 4	- 3	- 4	- 4	- 3
Net result from reinsurance contracts held	- 1	1	3	0	- 1
Impairment	2	3	- 3	6	11
on FA at amortised cost and at FVOCI	2	4	- 3	6	11
on goodwill	0	0	0	0	0
other	0	0	0	0	0
Share in results of associated companies and joint ventures	0	0	0	0	0
RESULT BEFORE TAX	43	30	20	33	43
Income tax expense	- 9	- 4	- 4	- 7	- 9
RESULT AFTER TAX	34	26	16	27	34
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**34**	**26**	**16**	**27**	**34**
Banking	31	25	13	30	33
Insurance	3	1	2	- 4	1
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	12 195	11 887	11 672	11 667	11 625
of which Mortgage loans (end of period)	*6 849*	*6 729*	*6 622*	*6 578*	*6 504*
Customer deposits and debt certificates excl. repos (end of period)	8 995	9 360	9 228	8 961	8 830
Insurance related liabilities (including Inv. Contracts)					
Life insurance	166	174	173	173	165
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*166*	*174*	*173*	*173*	*165*
Non-life insurance	77	75	72	68	59
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	7 429	7 949	7 768	7 827	7 817
Required capital, insurance (end of period)	34	33	32	32	30
Allocated capital (end of period)	842	901	880	886	884
Return on allocated capital (ROAC, YTD)	16%	11%	11%	14%	15%
Cost/income ratio without banking and insurance tax (YTD)	54%	57%	56%	54%	54%
Combined ratio, non-life insurance (YTD)	98%	112%	112%	120%	107%

Hungary (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	144	141	143	138	149
Insurance revenues before reinsurance	55	50	52	50	52
Non-life	49	45	47	45	47
Life	6	5	5	5	5
Dividend income	0	0	0	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	6	8	9	12	22
Net fee and commission income	81	92	75	71	63
Net other income	1	- 28	- 2	3	3
TOTAL INCOME	287	263	277	275	289
Operating expenses (excluding opex allocated to insurance service expenses)	- 188	- 124	- 103	- 87	- 179
Total Opex without bank and insurance tax	- 79	- 87	- 75	- 72	- 69
Total bank and insurance tax	- 128	- 46	- 37	- 24	- 137
Minus: Opex allocated to insurance service expenses	20	9	9	9	27
Insurance service expenses before reinsurance	- 54	- 42	- 53	- 44	- 66
Of which Insurance commissions paid	- 3	- 3	- 3	- 4	- 2
Non-life	- 50	- 39	- 50	- 40	- 63
of which Non-life - Claim related expenses	- 18	- 21	- 31	- 21	- 25
Life	- 4	- 3	- 3	- 4	- 3
Net result from reinsurance contracts held	- 1	- 1	6	- 2	5
Impairment	0	- 15	1	- 3	11
on FA at amortised cost and at FVOCI	0	- 1	6	8	10
on goodwill	0	0	0	0	0
other	0	- 14	- 5	- 11	0
Share in results of associated companies and joint ventures	0	0	0	0	0
RESULT BEFORE TAX	45	81	127	139	60
Income tax expense	- 10	- 17	- 17	- 18	- 10
RESULT AFTER TAX	35	65	110	121	50
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**35**	**65**	**110**	**121**	**50**
Banking	33	57	105	115	58
Insurance	2	8	5	6	- 8
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	6 996	6 857	6 860	6 773	6 640
of which Mortgage loans (end of period)	*2 023*	*1 937*	*1 980*	*1 903*	*1 815*
Customer deposits and debt certificates excl. repos (end of period)	10 100	9 607	9 587	9 536	9 577
Insurance related liabilities (including Inv. Contracts)					
Life insurance	310	308	316	315	305
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*310*	*308*	*316*	*315*	*305*
Non-life insurance	126	119	125	119	117
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	6 865	6 661	6 491	6 777	6 641
Required capital, insurance (end of period)	67	64	62	62	58
Allocated capital (end of period)	814	791	771	802	784
Return on allocated capital (ROAC, YTD)	17%	44%	48%	43%	25%
Cost/income ratio without banking and insurance tax (YTD)	29%	29%	27%	26%	25%
Combined ratio, non-life insurance (YTD)	104%	100%	104%	109%	124%

Note: The combined ratio, non-life insurance includes a significant windfall tax fully booked in first quarter. Excluding the windfall tax, the combined ratio amounted to 84% in 1Q 2025, 91% in 2024, 92% in 9M 2024, 90% in 1H 2024 and 89% in 1Q 2024.

Bulgaria (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	112	117	110	110	107
Insurance revenues before reinsurance	60	61	59	57	53
Non-life	54	56	54	52	48
Life	6	5	5	5	5
Dividend income	0	0	1	0	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	- 1	0	- 1	- 1	0
Net fee and commission income	39	41	40	38	37
Net other income	1	6	2	1	0
TOTAL INCOME	212	224	211	205	197
Operating expenses (excluding opex allocated to insurance service expenses)	- 81	- 71	- 64	- 62	- 83
Total Opex without bank and insurance tax	- 67	- 81	- 72	- 71	- 70
Total bank and insurance tax	- 22	0	0	0	- 21
Minus: Opex allocated to insurance service expenses	9	10	9	9	8
Insurance service expenses before reinsurance	- 46	- 49	- 45	- 45	- 35
Of which Insurance commissions paid	- 11	- 11	- 10	- 10	- 9
Non-life	- 43	- 46	- 43	- 42	- 32
of which Non-life - Claim related expenses	- 25	- 27	- 26	- 26	- 17
Life	- 3	- 3	- 3	- 3	- 3
Net result from reinsurance contracts held	- 2	- 2	- 2	- 1	- 4
Impairment	- 6	- 4	- 7	- 5	- 2
on FA at amortised cost and at FVOCI	- 6	- 3	- 7	- 5	- 2
on goodwill	0	0	0	0	0
other	0	- 1	- 1	0	0
Share in results of associated companies and joint ventures	0	0	0	0	0
RESULT BEFORE TAX	77	98	92	91	74
Income tax expense	- 11	- 14	- 12	- 14	- 11
RESULT AFTER TAX	66	85	80	76	63
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**66**	**85**	**80**	**76**	**63**
Banking	54	76	69	67	50
Insurance	12	8	11	9	13
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	11 401	11 098	10 503	10 182	9 864
of which Mortgage loans (end of period)	*3 241*	*3 068*	*2 616*	*2 456*	*2 312*
Customer deposits and debt certificates excl. repos (end of period)	13 811	13 865	13 373	13 234	13 295
Insurance related liabilities (including Inv. Contracts)					
Life insurance	416	417	402	387	364
Liabilities under investment contracts (IFRS 9)	*0*	*0*	*0*	*0*	*0*
Insurance contract liabilities (IFRS 17)	*416*	*417*	*402*	*387*	*364*
Non-life insurance	194	188	182	176	169
Performance Indicators					
Risk-weighted assets, banking (Basel III fully loaded, end of period)	9 405	9 148	8 499	8 778	8 623
Required capital, insurance (end of period)	92	91	89	85	83
Allocated capital (end of period)	1 116	1 090	1 017	1 044	1 024
Return on allocated capital (ROAC, YTD)	24%	29%	29%	27%	25%
Cost/income ratio without banking and insurance tax (YTD)	37%	40%	40%	40%	40%
Combined ratio, non-life insurance (YTD)	85%	86%	85%	83%	79%

Note: 4Q 2024 includes a reclassification of term loans to mortgage loans (+0.3 billion euros).

Business unit Group Centre (in millions of EUR)	1Q 2025	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Breakdown P&L					
Net interest income	- 73	- 68	- 80	- 92	- 79
Insurance revenues before reinsurance	3	4	4	4	4
Non-life	3	4	4	4	4
Life	0	0	0	0	0
Dividend income	0	0	2	1	0
Net result from financial instruments at fair value through profit or loss & Insurance finance income and expense (for contracts issued)	0	4	4	42	- 1
Net fee and commission income	- 1	- 1	- 1	- 1	- 1
Net other income	- 1	- 2	- 4	- 3	- 7
TOTAL INCOME	- 72	- 63	- 76	- 49	- 85
Operating expenses (excluding opex allocated to insurance service expenses)	- 38	- 50	- 52	- 36	- 36
Total Opex without bank and insurance tax	- 35	- 51	- 53	- 37	- 37
Total bank and insurance tax	- 4	0	0	0	1
Minus: Opex allocated to insurance service expenses	1	1	1	1	1
Insurance service expenses before reinsurance	0	1	- 2	- 1	1
Of which Insurance commissions paid	0	0	0	0	0
Non-life	0	1	- 2	- 1	1
of which Non-life - Claim related expenses	1	2	- 2	- 1	2
Life	0	0	0	0	0
Net result from reinsurance contracts held	3	- 3	- 18	- 6	10
Impairment	3	- 16	- 1	1	4
on FA at amortised cost and at FVOCI	3	- 15	- 1	1	4
other	0	0	0	0	0
Share in results of associated companies and joint ventures	0	0	0	0	0
RESULT BEFORE TAX	- 104	- 131	- 150	- 92	- 105
Income tax expense	27	346	36	30	26
RESULT AFTER TAX	- 77	215	- 114	- 61	- 80
attributable to minority interests	0	0	0	0	0
attributable to equity holders of the parent	**- 77**	**215**	**- 114**	**- 61**	**- 80**
Banking	- 86	207	- 81	- 59	- 92
Insurance	- 2	- 2	- 24	- 16	- 4
Holding activities	11	10	- 9	13	16
Breakdown Loans and deposits					
Total customer loans excluding reverse repos (end of period)	0	0	0	0	0
of which Mortgage loans (end of period)	*0*	*0*	*0*	*0*	*0*
Customer deposits and debt certificates excl. repos (end of period)	21 662	21 063	21 550	22 938	22 898
Performance Indicators					
Risk-weighted assets, banking (end of period, Basel III fully loaded)	1 404	1 184	1 241	1 243	1 335
Risk-weighted assets, insurance (end of period, Basel III fully loaded)	6 171	9 133	9 133	9 133	9 133
Required capital, insurance (end of period)	- 48	- 28	- 48	2	- 65
Allocated capital (end of period)	105	101	87	138	81

Details of ratios and terms on KBC Group level

Basic and diluted earnings per share

Gives an idea of the amount of profit over a certain period that is attributable to one share (and, where applicable, including dilutive instruments).

Calculation (in millions of EUR)	Reference	1Q 2025	2024	1Q 2024
Result after tax, attributable to equity holders of the parent (A)	'Consolidated income statement'	546	3 415	506
-				
Coupon on the additional tier-1 instruments included in equity (B)	'Consolidated statement of changes in equity'	- 23	- 84	- 25
/				
Average number of ordinary shares less treasury shares (in millions) in the period (C)	Note 5.10	397	400	406
or				
Average number of ordinary shares plus dilutive options less treasury shares in the period (D)		397	400	406
Basic = (A-B) / (C) (in EUR)		1.32	8.33	1.18
Diluted = (A-B) / (D) (in EUR)		1.32	8.33	1.18

Combined ratio (non-life insurance – including reinsurance)

Gives insight into the technical profitability of the short-term non-life insurance business, more particularly the extent to which insurance premiums adequately cover claim payments and expenses. The combined ratio is defined net of reinsurance.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Non-life PAA – Claims and claim related costs net of reinsurance (A)	Note 3.6, component of 'Insurance revenues before reinsurance' & of 'Net result from reinsurance contracts held'	340	1 362	309
+				
Costs other than claims and commissions (B)	Note 3.6, component of 'Insurance Service Expenses' & of 'Non-directly attributable income and expenses' & of 'Net result from reinsurance contracts held'	189	729	173
/				
Non-life PAA - Net earned expected premiums received (C)	Note 3.6, component of 'Insurance revenues before reinsurance' & of 'Net result from reinsurance contracts held'	613	2 331	565
= (A+B) / (C)		86.3%	89.7%	85.3%

Common equity ratio

A risk-weighted measure of the group's solvency based on common equity tier-1 capital (the ratios given here are based on the Danish compromise). Changes to the capital rules are gradually being implemented to allow banks to build up the necessary capital buffers. The capital position of a bank, when account is taken of the transition period, is referred to as the 'transitional' view. The capital position based on full application of all the rules – as would be the case after this transition period – is referred to as 'fully loaded'.

A detailed calculation can be found under 'Solvency KBC Group' section.

Cost/income ratio without banking and insurance tax (group)

Gives an impression of the relative cost efficiency (costs relative to income without banking and insurance tax, but including insurance commissions paid) of the group.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Cost/income ratio				
Total Opex without bank and insurance tax (A) +	Consolidated income statement	1 106	4 474	1 063
Insurance commissions paid (B)	Note 3.6, component of 'Insurance Service Expenses'	102	383	89
/				
Total income (C)	Consolidated income statement	2 915	11 167	2 708
=(A+B) / (C)		41.5%	43.5%	42.5%

Where relevant, we also exclude the exceptional and/or non-operating items when calculating the cost/income ratio. This calculation aims to give a better idea of the relative cost efficiency of the pure business activities. The adjustments include: MTM ALM derivatives (fully excluded) and one-off items. The Cost/Income ratio adjusted for specific items is 46% in 1Q2025 (versus 47% in 2024).

Cover ratio

Indicates the proportion of impaired loans (see 'Impaired loans ratio' for definition) that are covered by impairment charges. The numerator and denominator in the formula relate to all impaired loans, but may be limited to impaired loans that are more than 90 days past due (the figures for that particular calculation are given in the 'Credit risk' section.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Stage 3 impairment on loans (A)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	1 977	1 979	1 915
/				
Outstanding impaired loans (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	4 126	4 171	4 299
= (A) / (B)		47.9%	47.4%	44.5%

Credit cost ratio

Gives an idea of loan impairment charges recognised in the income statement for a specific period, relative to the total loan portfolio (see 'Loan portfolio' for definition). In the longer term, this ratio can provide an indication of the credit quality of the portfolio.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Net changes in impairment for credit risks (A)	'Consolidated income statement': component of 'Impairment'	42	207	22
/				
Average outstanding loan portfolio (B)	'Credit risk: loan portfolio overview' table in the 'Credit risk' section	213 194	206 928	202 590
= (A) (annualised) / (B)		0.08%	0.10%	0.04%

Note: a negative % is a release

In 1Q25, the credit cost ratio without the outstanding ECL for geopolitical and macroeconomic uncertainties, amounts to 0.16% (versus 0.16% in 2024).

Impaired loans ratio

Indicates the proportion of impaired loans in the loan portfolio (see 'Loan portfolio' for definition) and, therefore, gives an idea of the creditworthiness of the portfolio. Impaired loans are loans where it is unlikely that the full contractual principal and interest will be repaid/paid. These loans have a KBC default status of PD 10, PD 11 or PD 12. Where appropriate, the numerator in the formula may be limited to impaired loans that are more than 90 days past due (PD 11 + PD 12). Relevant figures for that calculation are given in the ‘Credit Risk’ section.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Amount outstanding of impaired loans (A)	'Credit risk: loan portfolio overview’ table in the 'Credit risk' section	4 126	4 171	4 299
/				
Total outstanding loan portfolio (B)	'Credit risk: loan portfolio overview in the 'Credit risk' section	215 486	210 903	202 226
= (A) / (B)		1.9%	2.0%	2.1%

Leverage ratio

Gives an idea of the group's solvency, based on a simple non-risk-weighted ratio.

A detailed calculation can be found under ‘Solvency KBC Group’ section.

Liquidity coverage ratio (LCR)

Gives an idea of the bank's liquidity position in the short term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-month period. It is the average of 12 end-of-month LCR figures.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Stock of high-quality liquid assets (A)	Based on the European Commission's Delegated Act on LCR and the European Banking Authority's guidelines for LCR disclosure	98 995	100 631	102 401
/				
Total net cash outflows over the next 30 calendar days (B)		63 209	63 588	63 370
= (A) / (B)		157%	158%	162%

KBCs large stock of high-quality liquid assets (approximately 99 billion euros in 1Q25), which consist of cash and bonds which can be repoed in the private market and at the central banks. Note that the 99 billion euros consist of:

- 37 billion euros (or 37%) ‘Cash & Central Bank receivables’ (= liquidity that could at all times be used instantaneously to cover outflows)
- 62 billion euros (or 62%) ‘LCR eligible bonds’ which are reported at fair value at all times, independent of IFRS classification

Loan Portfolio

Gives an idea of the magnitude of (what are mainly traditional) lending activities.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Loans and advances to customers (A)	Note 4.1, component of 'Loans and advances to customers'	197 326	192 067	183 722
+				
Reverse repos (not with Central Banks) (B)	Note 4.1, component of 'Reverse repos with credit institutions'	1 126	424	588
+				
Debt instruments issued by corporates and by credit institutions (not with Central Banks) (banking) (C)	Note 4.1, component of 'Debt instruments issued by corporates and by credit institutions'	5 559	5 690	6 606
+				
Other exposures to credit institutions (D)		3 506	3 207	3 520
+				
Financial guarantees granted to clients and other commitments (E)	Note 6.1, component of 'Financial guarantees given'	10 767	10 476	9 941
+				
Impairment on loans (F)	Note 4.2, component of 'Impairment'	2 416	2 455	2 443
+				
Insurance entities (G)	Note 4.1, component of 'Loans and advances to customers'	- 1 817	- 1 847	- 1 921
+				
Non-loan-related receivables (H)		- 710	- 499	- 517
+				
Other (I)	Component of Note 4.1	- 2 687	- 1 071	- 2 155
Gross Carrying amount = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)		215 486	210 903	202 226

Net interest margin

Gives an idea of the net interest income of the banking activities (one of the most important sources of revenue for the group) relative to the average total interest-bearing assets of the banking activities.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Net interest income of the banking activities (A)	'Consolidated income statement': component of 'Net interest income'	1 292	5 063	1 238
/				
Average interest-bearing assets of the banking activities (B)	'Consolidated balance sheet': component of 'Total assets'	252 054	238 600	235 195
= (A) (annualised x360/number of calendar days) / (B)		2.05%	2.09%	2.08%

The net interest margin is the net interest income of the banking activities, excluding dealing rooms and the net interest impact of ALM FX swaps and repos.

Net stable funding ratio (NSFR)

Gives an idea of the bank's structural liquidity position in the long term, more specifically the extent to which the group is able to overcome liquidity difficulties over a one-year period.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Available amount of stable funding (A)	Regulation (EU) 2019/876 dd. 20-05-2019	226 454	221 939	212 326
/				
Required amount of stable funding (B)		161 959	159 835	152 858
= (A) / (B)		140%	139%	139%

Parent shareholders' equity per share

Gives the carrying value of a KBC share, i.e. the value in euros represented by each share in the parent shareholders' equity of KBC.

Calculation (in millions of EUR or number)	Reference	1Q 2025	2024	1Q 2024
Parent shareholders' equity (A)	'Consolidated balance sheet'	23 327	22 447	22 166
/				
Number of ordinary shares less treasury shares (at period-end) (B)	Note 5.10	397	397	403
= (A) / (B) (in EUR)		58.82	56.60	54.94

KBC Group launched a share buyback program for the purpose of distributing the surplus capital from 11th August 2023 until 31st July 2024, for a maximum amount of 1.3 billion euros. At the end of September 2024, the total number of shares entitled to dividend reduced with 20 980 823 shares.

Return on allocated capital (ROAC) for a particular business unit

Gives an idea of the relative profitability of a business unit, more specifically the ratio of the net result to the capital allocated to the business unit.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
BELGIUM BUSINESS UNIT				
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	281	1 846	243
/				
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under CRR/CRD) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		9 438	8 832	8 570
= (A) annualised / (B)		11.9%	20.9%	11.3%
CZECH REPUBLIC BUSINESS UNIT				
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	207	858	197
/				
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under CRR/CRD) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		2 352	2 133	2 075
= (A) annualised / (B)		35.3%	40.3%	38.0%
INTERNATIONAL MARKETS BUSINESS UNIT				
Result after tax (including minority interests) of the business unit (A)	Note 2.2: Results by segment	135	751	146
/				
The average amount of capital allocated to the business unit is based on the risk-weighted assets for the banking activities (under CRR/CRD) and risk-weighted asset equivalents for the insurance activities (under Solvency II) (B)		2 772	2 710	2 684
= (A) annualised / (B)		19.5%	27.7%	21.8%

Return on equity

Gives an idea of the relative profitability of the group, more specifically the ratio of the net result to equity.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Result after tax, attributable to equity holders of the parent (A)	'Consolidated income statement'	546	3 415	506
-				
Coupon on the additional tier-1 instruments included in equity (B)	'Consolidated statement of changes in equity'	- 23	- 84	- 25
/				
Average parent shareholders' equity (C)	'Consolidated statement of changes in equity'	22 887	22 228	22 088
= (A-B) (annualised) / (C)		9.1%	15.0%	8.7%

In 1Q 2025, the return on equity amounts to 15% when including evenly spreading of the bank taxes throughout the year and excluding one-offs.

Sales Life (insurance)

Total sales of life insurance compromise new business of guaranteed interest contracts, unit-linked investment contracts and hybrid contracts.

Calculation (in millions of EUR or %)	Reference	1Q 2025	2024	1Q 2024
Guaranteed Interest products		333	1 219	261
+				
Unit-Linked products		615	1 490	471
+				
Hybrid products		64	197	33
Total sales Life (A)+ (B) + (C)		1 013	2 906	765

Solvency ratio (insurance)

Measures the solvency of the insurance business, as calculated under Solvency II.

A detailed calculation can be found under 'Solvency banking and insurance activities separately' section.

Total assets under management

Total assets under management (AuM) consist of direct client money (Assets under Distribution towards retail, private banking and institutional clients), KBC Group assets (incl. pension fund), fund-of-funds assets and investment advice. Total AuM comprise assets managed by the group's various asset management companies (KBC Asset Management, ČSOB Asset Management, etc.), as well as assets under advisory management at KBC Bank. The size and development of total AuM are major factors behind net fee and commission income (generating entry and management fees) and hence determine a large part of any change in this income line.

Calculation (in billions of EUR or quantity)	Reference	1Q 2025	2024	1Q 2024
Belgium Business Unit (A)	Company presentation on www.kbc.com	242	245	230
+				
Czech Republic Business Unit (B)		20	19	18
+				
International Markets Business Unit (C)		11	11	10
A)+(B)+(C)		273	276	258