

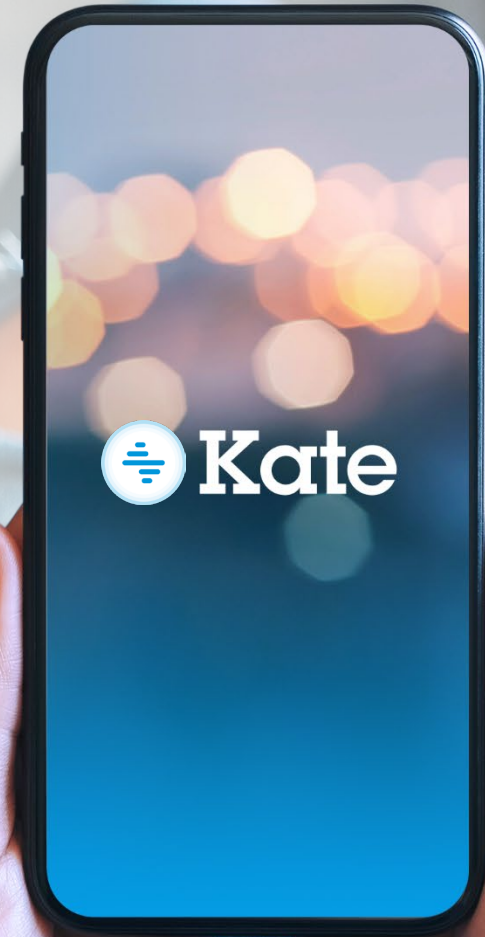


# KBC Group Analysts' presentation FY 2025 / 4Q 2025

The webinar link is available on [www.kbc.com](https://www.kbc.com)

More information: [www.kbc.com](https://www.kbc.com)

KBC Group - Investor Relations Office: [IR4U@kbc.be](mailto:IR4U@kbc.be)



# Highlights

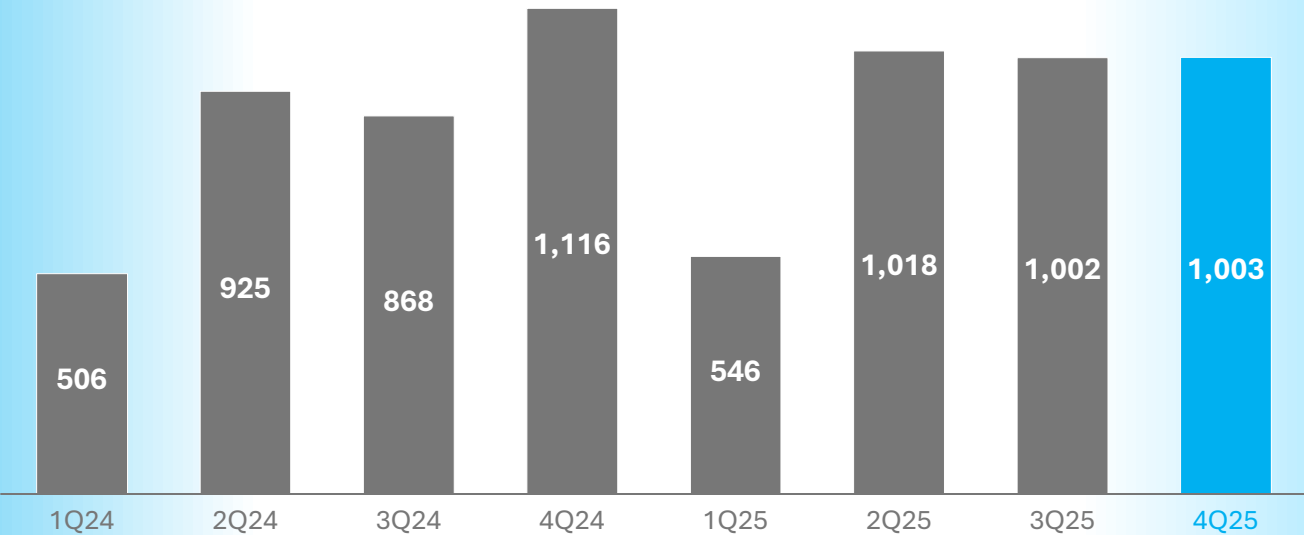
- Commercial bank-insurance franchises performed **excellently**
- KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business that has a highly diversified income (50% NII and 50% non-NII of FY25 total income)
- **Customer loans** and **customer deposits** increased q-o-q in almost all our core countries (on a comparable basis). **Core customer money inflow of 4.5bn EUR** in 4Q25 (13.0bn in FY25) with a **continuous shift from term deposits to savings accounts**
- Much higher **net interest income q-o-q, resulting in higher than guided FY25 NII**
- Higher **net fee and commission income**. **Record-high** net inflows in direct client money in FY25 (6.0bn EUR)
- Q-o-q higher **net result from financial instruments at fair value & IFIE, net other income** below the normal run rate
- Higher sales of **non-life insurance** y-o-y, excellent sales of **life insurance** (up q-o-q and y-o-y)
- **FY25 total income rose by 8.9% y-o-y excluding FX, while FY25 costs excl. bank & insurance taxes rose by 2.5% y-o-y excluding FX... leading to jaws of +6.4% (higher than the guided 5.0%)**
- Higher **impairments**. **Excellent credit cost ratio**
- Solid **solvency and liquidity position**
- **A total gross dividend of 5.1 EUR per share will be proposed to the AGM for the accounting year 2025**, of which an interim dividend of 1.0 EUR per share already paid in November 2025 and the remaining 4.1 EUR per share to be paid in May 2026), **reflecting a pay-out ratio (also including AT1 coupon) of 60% of 2025 net profit**
- **Updated financial guidance (see slides 17-21)**

## Net result of 1,003m EUR over 4Q25



### NET RESULT

in m EUR



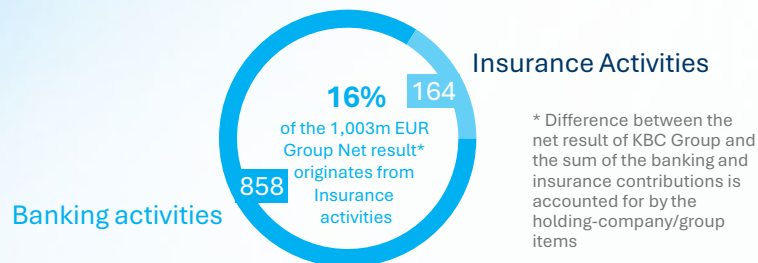
Return on tangible equity **16%\***  
Cost-income ratio excluding bank & insurance taxes **41%**  
Combined ratio **87%** (vs below 91% guided)  
Credit cost ratio **0.13%** (vs well below TTC of 25-30bps guided)  
CET1 ratio **14.9%\*\*** (B4, DC, unfloored fully loaded)  
Leverage ratio **5.6%** (fully loaded)  
NSFR **138%** & LCR **159%**

\* Excluding one-offs. Return on equity = 15% excluding one-offs

\*\* Unfloored fully loaded CET1 ratio = fully loaded Basel 4 CET1 ratio excluding output floor impact

## Unique integrated bank-insurance model

- We offer an **integrated response** to our clients' banking and insurance needs. Our **organisation** is similarly integrated, operating as a single business and a **digital-first, data-driven and AI-led bank-insurer**.
- Our integrated model offers our clients the **benefit of a comprehensive, one-stop, relevant and personalised financial service** that allows them to choose from a wider, complementary and optimised range of products and services, which go beyond pure bank-insurance.
- For ourselves, it offers benefits in terms of income and risk diversification, additional sales potential through intensive co-operation between the bank and insurance distribution channels, significant cost-savings and synergies, and heightened interaction opportunities with and a **more complete understanding of our clients**.



## Successful digital-first approach through KATE



- Our **digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development.
- **Artificial intelligence** and data analysis play an important part in digital sales and advice. Kate, our AI-powered personal digital assistant, features prominently in this regard.
- Kate has recently been **further upgraded** in Belgium to enable even **more natural and intuitive conversations** (Kate 2.0 using LLM), which **further boosts autonomy and customer usage**
- **The independent international consulting firm Sia Partners again ranked KBC Mobile the N°1 mobile banking app worldwide in 2025: a clear recognition of a decade of innovation, development and listening closely to our clients.**

6.0 million users in contact with Kate



KATE autonomy  
82% BE  
69% CZ

## Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three cornerstones: **encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse impact we might have**

see climate targets on Slide 67



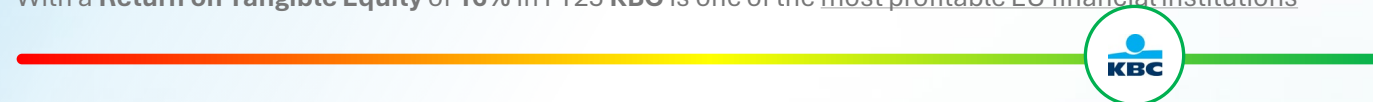
# Strategic focus | The reference

At KBC it is our  
ambition to  
**be the reference**  
for bank-insurance  
in all our core markets



## Profitability

With a **Return on Tangible Equity** of **16%** in FY25 **KBC** is one of the most profitable EU financial institutions



## Solvency

With an **unfloored fully loaded CET1 ratio** of **14.9%** at end FY25 KBC is amongst the better capitalised EU banks



## Sustainability

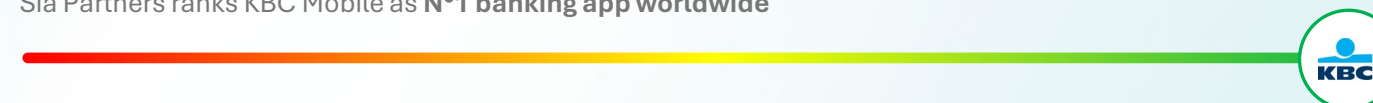
Sustainalytics ranks KBC in the **3rd percentile of 215 diversified banks assessed**  
(last full update September 23, 2025)



## Digitalisation



Sia Partners ranks KBC Mobile as **N°1 banking app worldwide**



“KBC Mobile is a **high-performance** and **efficient banking app** for everyday needs and one of the **most innovative** with some interesting extras. The app surprises clients with its wide range of functionalities and the **virtual assistance by Kate.**”

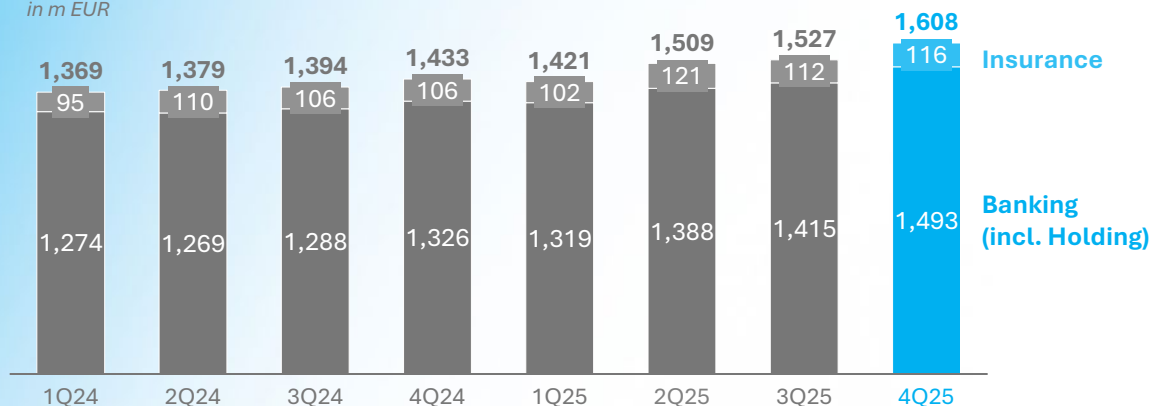
# Main exceptional items

		4Q25	3Q25	4Q24
IM BU	SK – Impairments – Modification losses	-9m EUR		
	HU –NOI – Legal case			-28m EUR
	HU – Impairments – Modification losses			-4m EUR
	BG – Opex – Integration costs Raiffeisenbank Bulgaria			-4m EUR
	BG – Opex – EUR adoption costs			-5m EUR
<b>Total Exceptional items BU International Markets</b>				<b>-40m EUR</b>
GCC BU	TAX – DTA adjustments			-9m EUR
	TAX – Forthcoming liquidation KBC Bank Ireland			+318m EUR
<b>Total Exceptional items BU Group Centre</b>				<b>+309m EUR</b>
<b>Total Exceptional items</b>		<b>-9m EUR</b>	<b>0m EUR</b>	<b>+269m EUR</b>
<b>Total Exceptional items (post-tax)</b>		<b>-7m EUR</b>	<b>0m EUR</b>	<b>+270m EUR</b>

# Much higher net interest income q-o-q, resulting in higher than guided FY25 NII

## NET INTEREST INCOME

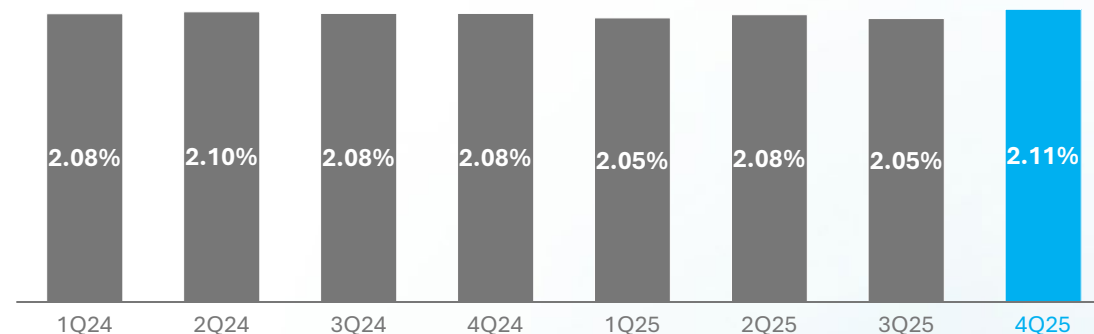
in m EUR



- **NII increased by 5% q-o-q and by 12% y-o-y**
- Q-o-q change was driven primarily by:
  - Higher commercial transformation result (due to continued increasing reinvestment yields, higher benchmarked deposit volumes and lower external rates)
  - Slightly higher lending income (good loan volume growth largely offset by lower loan margins in some core markets)
  - Higher NII on term deposits, as lower volume (due to shifts from term deposits to mainly savings accounts) was more than offset by higher margins
  - Higher dealing room NII
  - Higher short-term cash management
  - +4m q-o-q NII insurance on bond portfolio, of which +1m q-o-q NII on inflation-linked bonds (from +4m EUR in 3Q25 to +5m EUR in 4Q25)
- partly offset by:
  - Lower ALM result
  - Higher wholesale funding costs
- Y-o-y increase was driven primarily by significantly higher commercial transformation result, higher lending income, higher dealing room NII and lower subordination costs, partly offset by lower ALM result, lower NII on term deposits, higher wholesale funding costs and lower short-term cash management

## NET INTEREST MARGIN\*

in %, calculated excluding dealing room, ALM FX swaps & repos



- Rose by 7\* bps q-o-q and by 3 bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

\* rounding effect

## ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume	209bn	84bn	238bn
Growth q-o-q*	+1%	+2%	+2%
Growth y-o-y	+7%	+7%	+2%

\* Non-annualised \*\* Loans to customers, excluding reverse repos

\*\*\* Customer deposits, excluding debt certificates and repos, but including customer savings certificates.

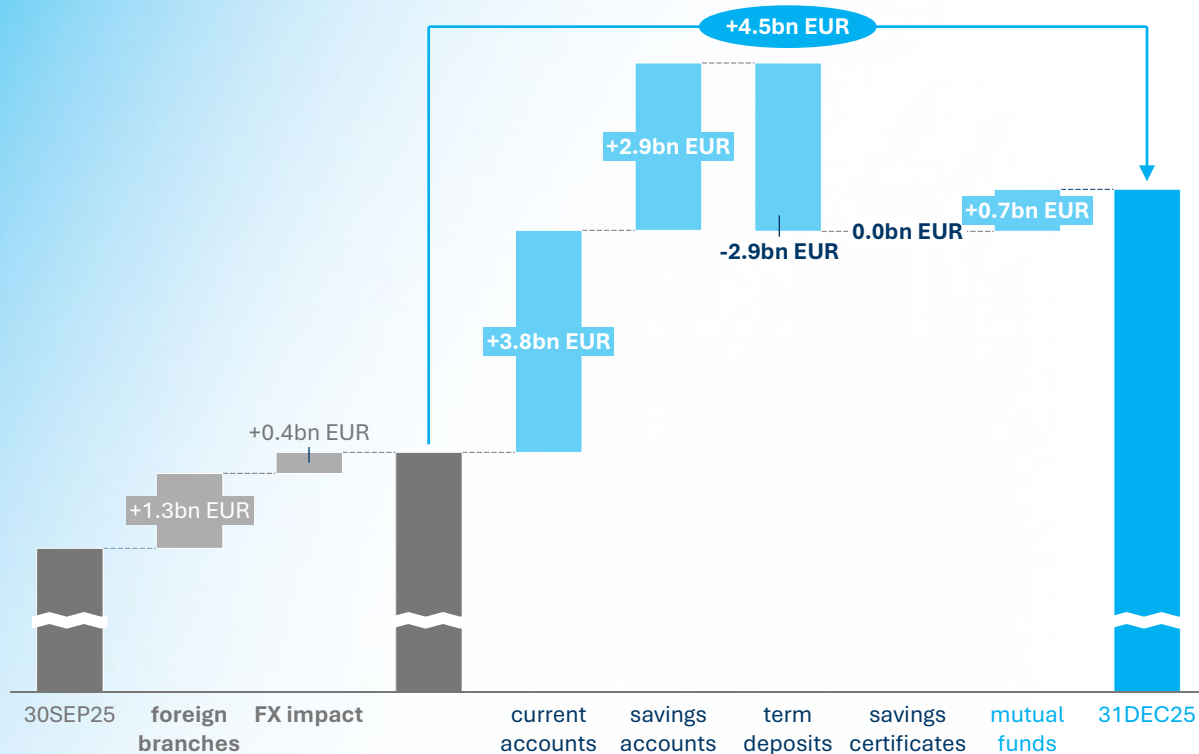
**Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits rose by 2% q-o-q and 3% y-o-y**

Growth figures are excluding FX, consolidation adjustments and reclassifications.

# Inflow of core customer money

## CUSTOMER MONEY DYNAMIC OVER 4Q25

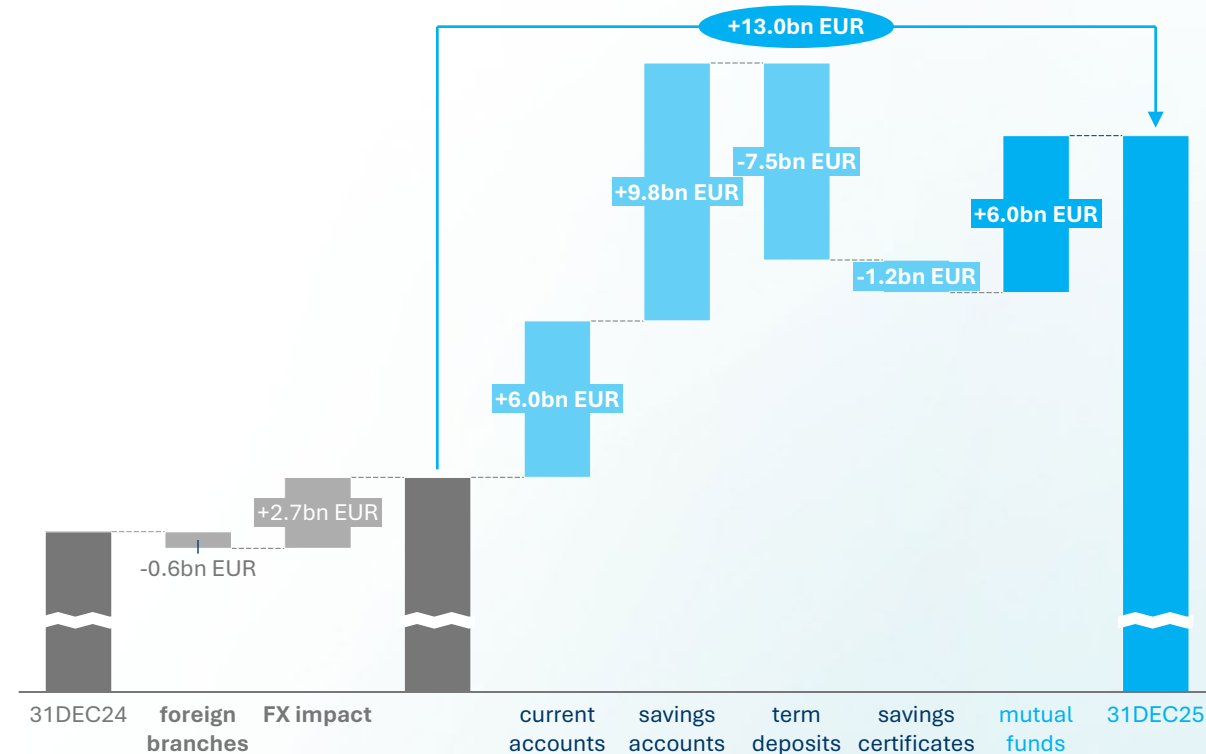
in bn EUR



- **4Q25** saw an inflow of core customer money of **+4.5bn EUR** (+4.8bn EUR incl. FX impact)

## CUSTOMER MONEY DYNAMIC OVER FY25

in bn EUR

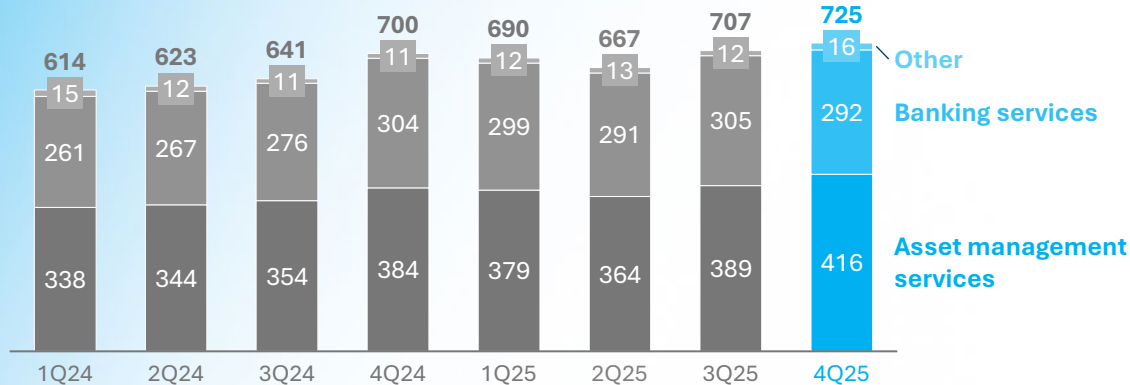


- **FY25** saw an inflow of core customer money of **+13.0bn EUR** (+15.7bn EUR incl. FX impact)

# Higher net fee and commission income, Record-high net inflows in direct client money in FY25

## NET FEE & COMMISSION INCOME

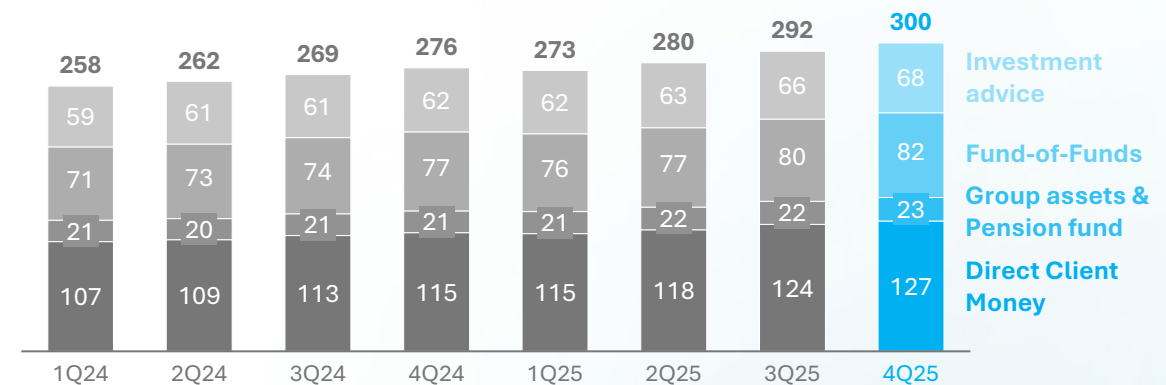
in m EUR



- **Up by 2% q-o-q and by 4% y-o-y**
- Q-o-q increase was driven primarily by:
  - Net F&C income from Asset Management Services increased by 7% q-o-q due mainly to higher management fees
  - Net F&C income from banking services fell by 4% q-o-q due chiefly to higher distribution commissions paid for banking products, higher client incentives, seasonally lower network income and the SRT coupon cost, partly offset by higher securities-related fees, higher fees from payment services and higher fees from credit files & bank guarantees
  - Higher distribution fees linked to insurance
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 8% y-o-y due mainly to higher management fees
  - Net F&C income from banking services decreased by 4% y-o-y due mainly to higher distribution commissions paid for banking products, higher client incentives, lower fees from credit files & bank guarantees and the SRT coupon cost, partly offset by higher securities-related fees, higher fees from payment services and higher network income
  - Higher distribution fees linked to insurance
- Note that roughly 15m net F&C income in 4Q25 were some year-end effects (linked to the performance of CZ pension fund), and therefore may not be extrapolated going forward

## ASSETS UNDER MANAGEMENT

in bn EUR



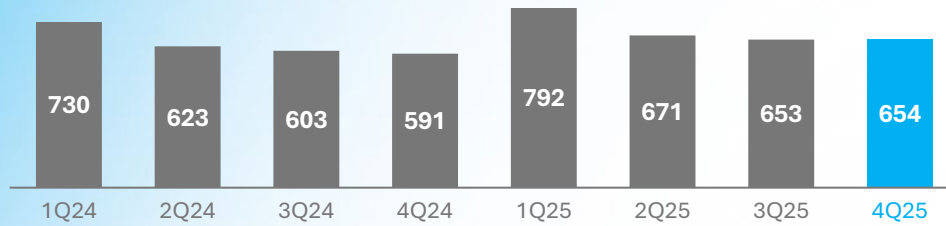
- **Increased by 3% q-o-q** due to net inflows (+1%) and positive market performance (+2%)
- **Increased by 9% y-o-y** due to net inflows (+5%) and positive market performance (+4%)
- The mutual fund business has seen strong net inflows in FY25, both in higher-margin direct client money (**record-high 6.0bn EUR in FY25** versus 5.0bn in FY24) as well as in lower-margin assets



# Non-life sales up y-o-y, excellent life sales (up q-o-q and y-o-y)

## NON-LIFE SALES

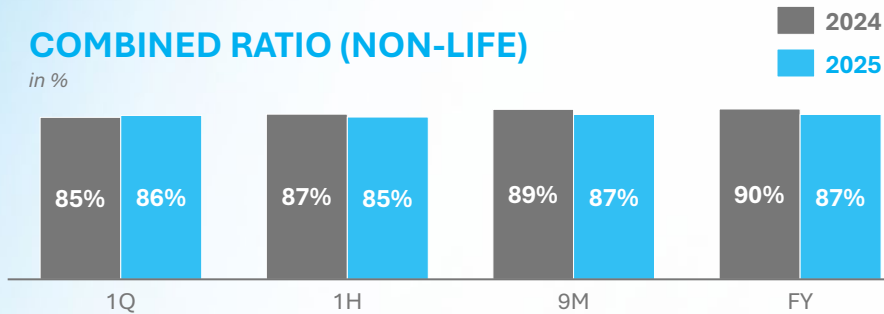
in m EUR



- Up by 11% y-o-y, with growth in all countries and all main classes, due to a combination of volume and tariff increases

## COMBINED RATIO (NON-LIFE)

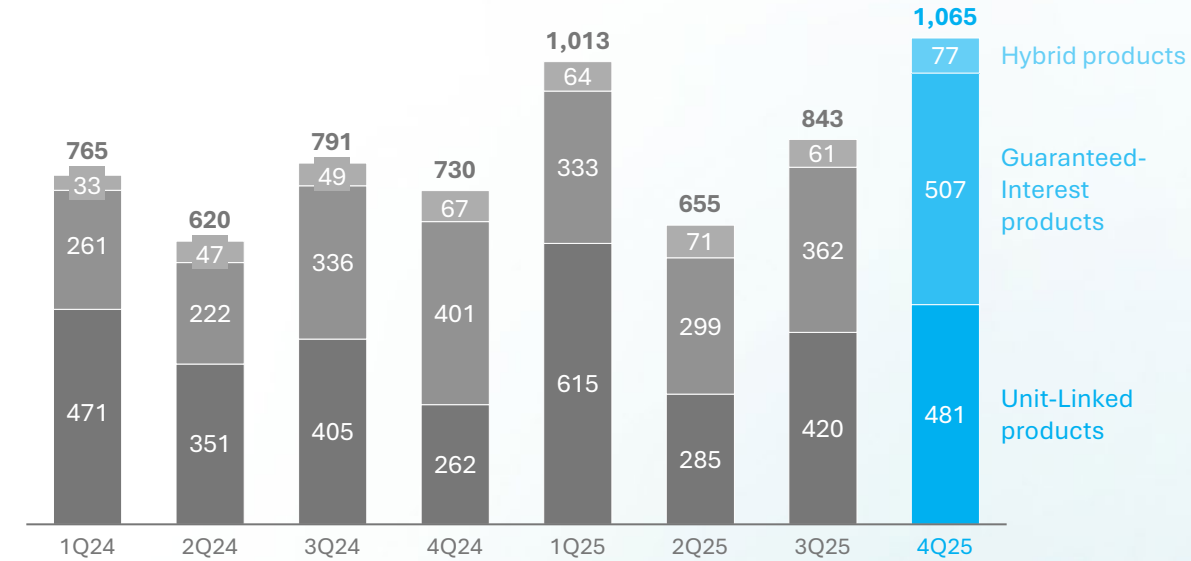
in %



- Non-life combined ratio for FY25 amounted to an excellent 87% (90% in FY24). This is mainly the result of:
  - 9% y-o-y higher insurance revenues before reinsurance
  - 3% y-o-y higher insurance service expenses before reinsurance, mainly in anticipation of further claims inflation
  - Lower net result from reinsurance contracts held (down by 59m EUR y-o-y due to material external recuperations related to storm Boris in FY24)

## LIFE SALES

in m EUR



- Increased by 26% q-o-q due to higher sales of unit-linked products (as the result of a successful launch of structured emissions and commercial actions linked to the large term deposits maturities in Belgium on one hand, and single-premium campaigns in CEE on the other hand), higher sales of guaranteed-interest products (due chiefly to traditionally higher volumes in tax-incentivized pension savings products in Belgium and commercial actions) and higher sales of hybrid products
- Increased by 46% y-o-y due to higher sales of guaranteed-interest products, unit-linked products and hybrid products
- Sales of guaranteed-interest products and unit-linked products accounted for 48% and 45% of total life insurance sales in 4Q25 respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder
- Life sales in FY25 rose by 23% y-o-y

# FIFV & IFIE result up q-o-q and net other income below the normal run rate

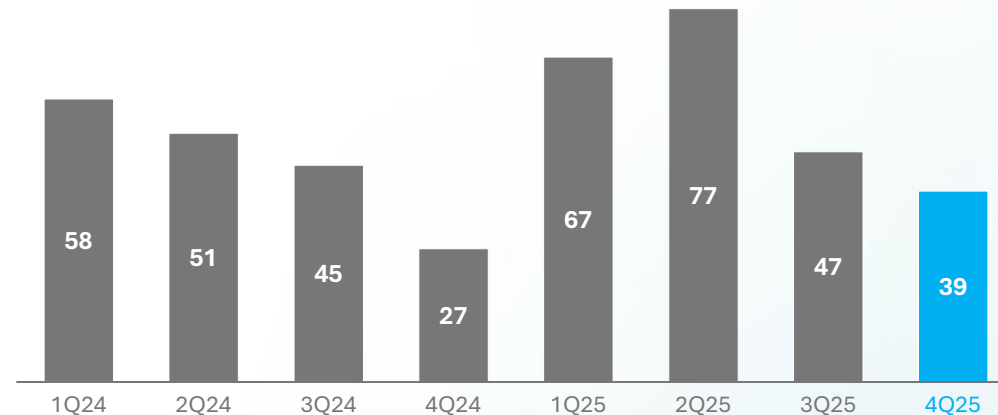
## FIFV & IFIE

in m EUR

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Dealing room	102	62	64	66	77	60	53	56
MVA/CVA/FVA	5	1	-24	-6	-1	0	5	-6
IFIE – mainly interest accretion	-60	-60	-63	-66	-67	-67	-69	-72
M2M ALM derivatives and other	-102	0	-19	-68	-55	-27	-51	1
FIFV & IFIE	-55	3	-42	-74	-45	-34	-62	-22

## NET OTHER INCOME

in m EUR



- **FIFV & IFIE result up q-o-q**, attributable mainly to:

- Positive change in 'ALM derivatives and other'
- Higher dealing room result

partly offset by:

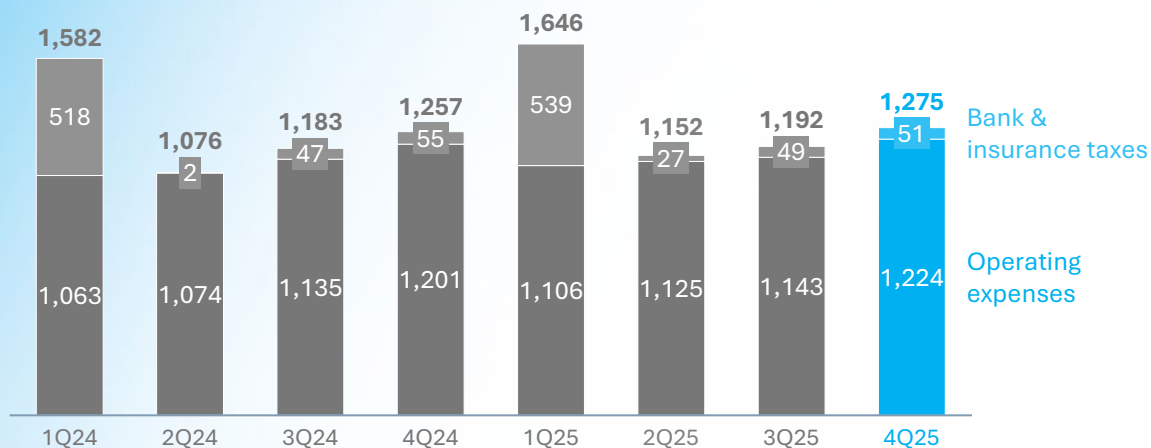
- Negative credit, funding and market value adjustments, mainly the result of negative spread evolution, increased volumes and a decrease of the CZK yield curve, only slightly offset by an increase in the EUR yield curve and increased KBC funding spreads
- Slightly more negative IFIE due to strong growth in insurance

- **Net other income**: lower than the normal run rate of 50m EUR per quarter

# Costs excluding bank & insurance taxes increased q-o-q, in line with guidance

## OPERATING EXPENSES (INCLUDING COSTS DIRECTLY ATTRIBUTABLE TO INSURANCE)

in m EUR



- Operating expenses excluding bank & insurance taxes rose by 7% q-o-q and by 2% y-o-y (+7% q-o-q and +1% y-o-y excluding FX effect)
  - The q-o-q increase was due mainly to higher ICT costs, seasonally higher marketing and professional fee expenses, higher facility expenses and higher depreciations
  - The y-o-y increase was due to, amongst others, higher staff costs (mainly the impact of wage inflation, partly offset by lower FTEs), higher ICT costs, higher marketing costs, higher professional fee expenses and higher depreciations
- FY25 opex excluding bank & insurance taxes rose by 2.8% y-o-y including FX effect and by 2.5% y-o-y excluding FX effect, **in line with our FY25 guidance**
- Excluding Ireland and one-off costs in Bulgaria** (due to integration of Raiffeisenbank Bulgaria and the EUR adoption costs) both in FY24 and FY25, operating expenses excluding bank & insurance taxes went **up by 3.6% y-o-y (and +3.2% y-o-y excluding FX effect) in FY25**

## BANK AND INSURANCE TAX SPREAD 2025

in m EUR

	Total	Upfront				Spread out over the year				Total
	4Q25	1Q25	2Q25	3Q25	4Q25	1Q25	2Q25	3Q25	4Q25	FY25
BE BU	0	356	0	0	0	0	0	0	0	356
CZ BU	1	25	-4	1	1	0	0	0	0	24
Hungary	48	83	0	0	0	45	38	45	48	259
Slovakia	1	0	0	0	0	4	2	3	1	10
Bulgaria	0	22	-9	0	0	0	0	0	0	14
Group Centre	0	4	0	0	0	0	0	0	0	4
<b>Total</b>	<b>51</b>	<b>490</b>	<b>-13</b>	<b>1</b>	<b>1</b>	<b>49</b>	<b>40</b>	<b>48</b>	<b>50</b>	<b>666</b>

- Total **bank & insurance taxes** increased by 7% y-o-y to 666m EUR in 2025 (623m EUR in 2024)
- FY25 cost/income ratio**
  - 46% when excluding certain non-operating items\* (47% in FY24)
  - 41% excluding all bank & insurance taxes (43% in FY24)

\* See glossary for the exact definition

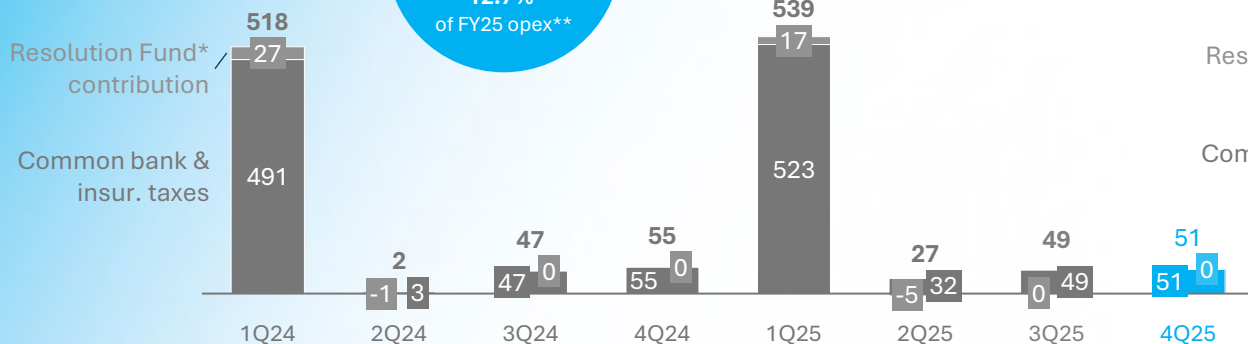
# Overview of bank & insurance taxes\*

## KBC GROUP

in m EUR

KBC Group  
**666m EUR**

12.7%  
of FY25 opex\*\*

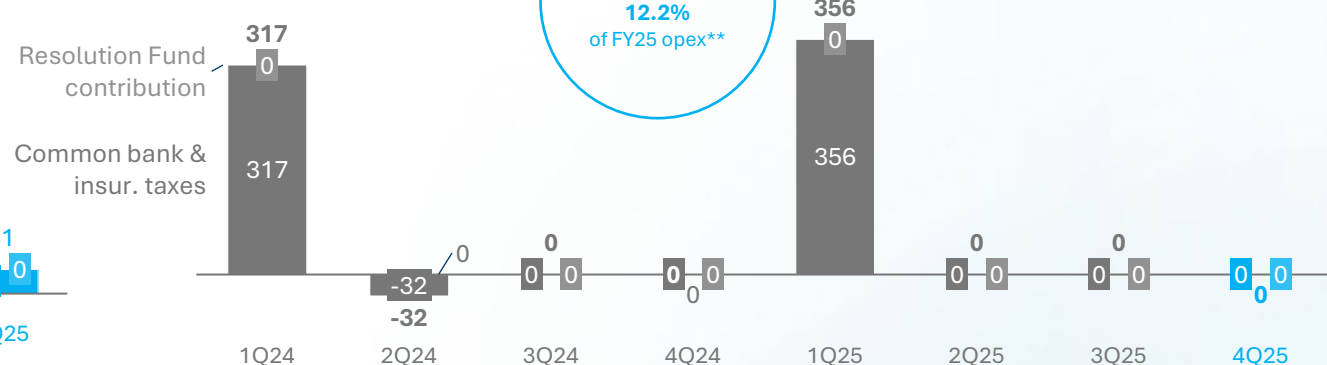


## BELGIUM BU

in m EUR

BU BE  
**356m EUR**

12.2%  
of FY25 opex\*\*

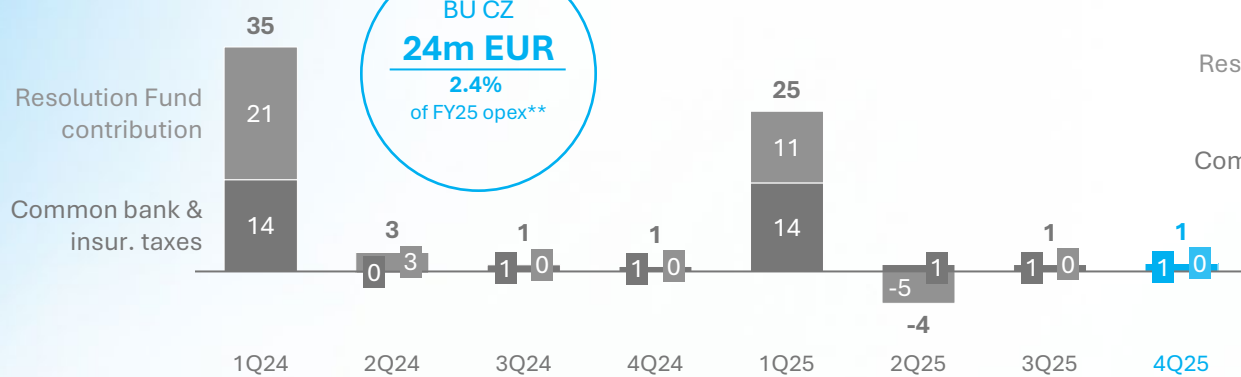


## CZECH REPUBLIC BU

in m EUR

BU CZ  
**24m EUR**

2.4%  
of FY25 opex\*\*

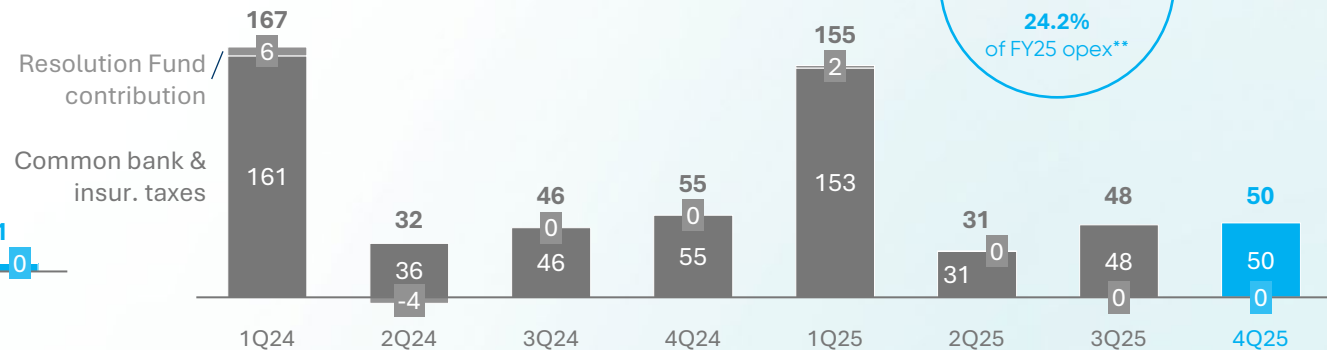


## INTERNATIONAL MARKETS BU

in m EUR

BU IM  
**283m EUR**

24.2%  
of FY25 opex\*\*



\* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

\*\* Including directly attributable costs to insurance

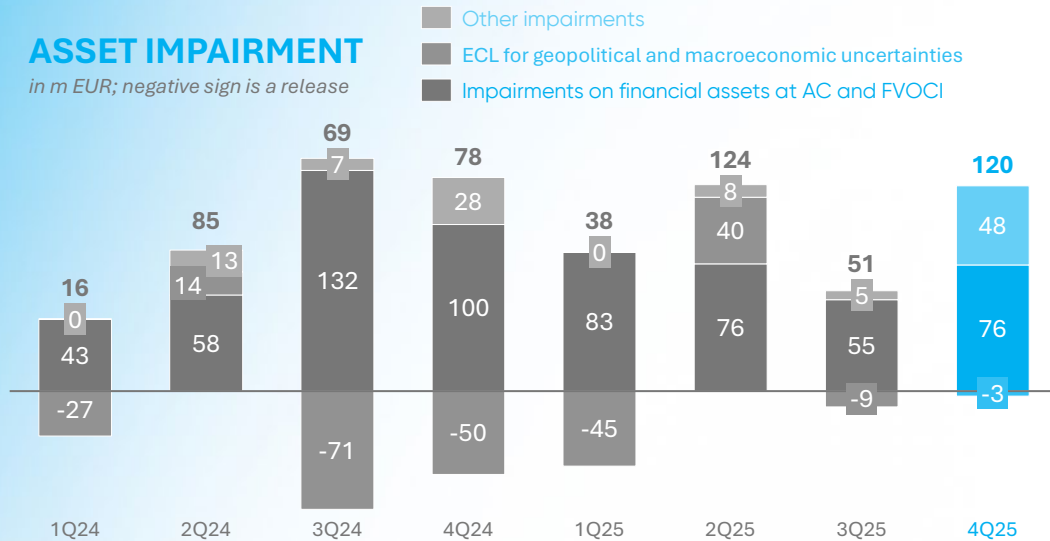


# Higher net loan loss impairment charges & excellent credit cost ratio

## Higher impairments on 'goodwill' and 'other'

### ASSET IMPAIRMENT

in m EUR; negative sign is a release



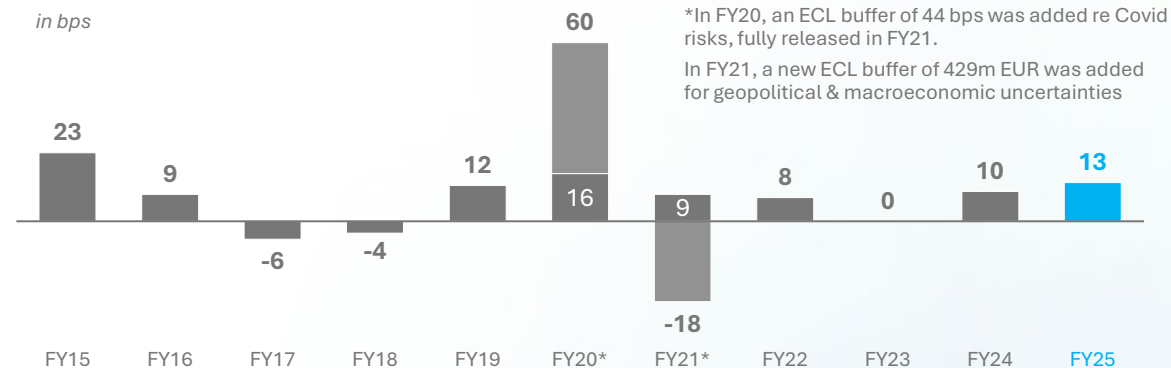
- **Net loan loss impairment charges of 73m EUR in 4Q25** (compared with 45m EUR in 3Q25) due to:
  - 76m EUR net loan loss impairment charges on lending book (compared with 55m EUR in 3Q25)
  - A decrease of 3m EUR of the ECL buffer (versus a decrease of 9m EUR of the ECL buffer in 3Q25), driven mainly by micro- and macroeconomic indicators
  - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 100m EUR

#### 48m EUR impairment on 'goodwill' and 'other', of which:

- 26m EUR impairment on software
- 9m EUR modification losses related to the mortgage loan support scheme in Slovakia
- 7m EUR goodwill impairment

### CREDIT COST RATIO

in bps



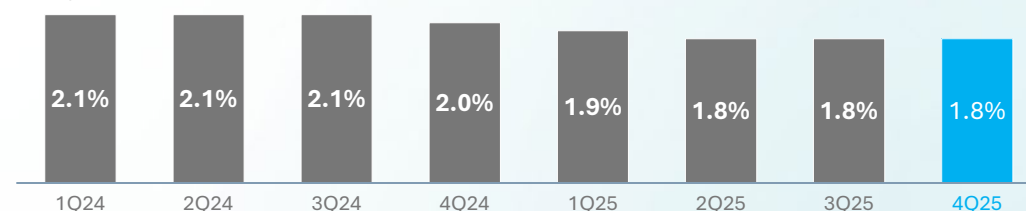
\*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

In FY21, a new ECL buffer of 429m EUR was added for geopolitical & macroeconomic uncertainties

- The **credit cost ratio** in FY25 amounted to:
  - 13 bps (16 bps in FY24) without ECL for geopolitical & macroeconomic uncertainties
  - 13 bps (10 bps in FY24) with ECL for geopolitical & macroeconomic uncertainties

### IMPAIRED LOANS RATIO

in %

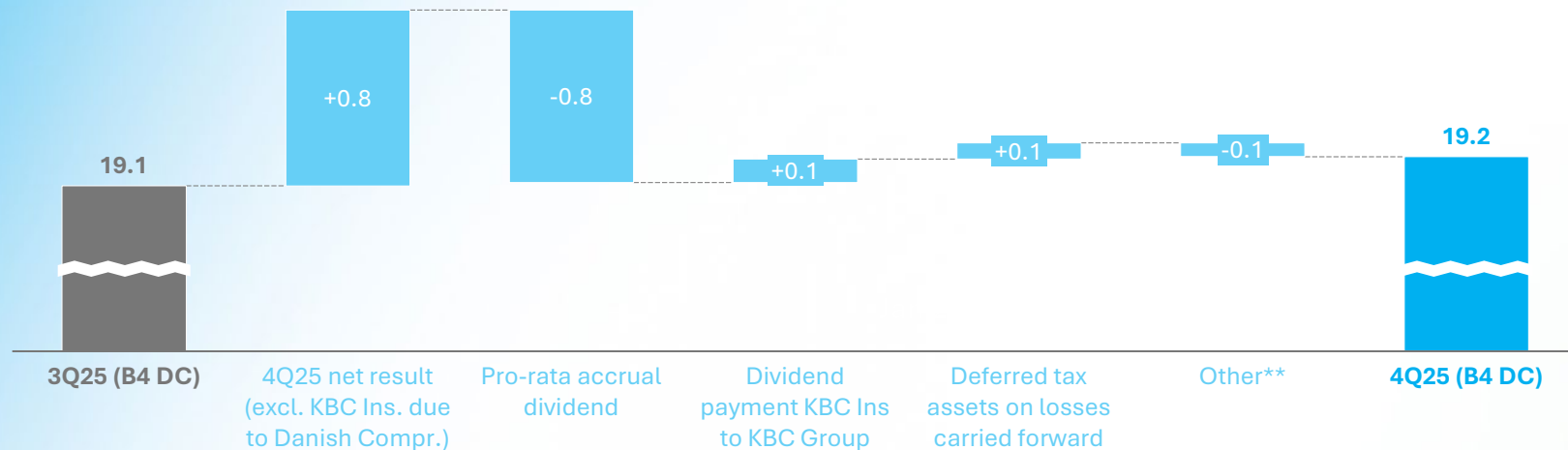


- The **impaired loans ratio** amounted to **1.8%** (0.9% of which over 90 days past due)

# Unfloored\* fully loaded Basel 4 CET1 ratio from 3Q25 to 4Q25

## Q-O-Q VARIANCE OF CET1 CAPITAL

in bn EUR

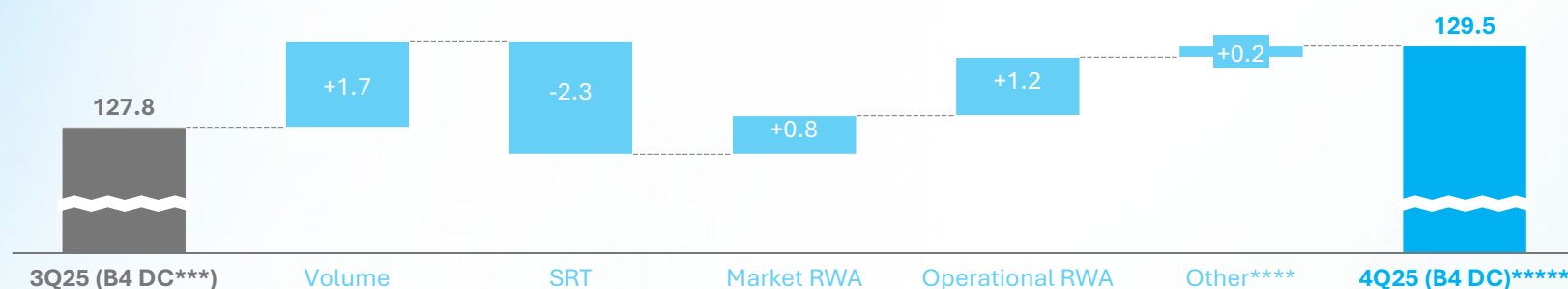


Unfloored fully loaded B4 common equity ratio amounted to **14.9%** at the end of FY25 based on the Danish Compromise

The 365.bank acquisition was closed on 15 January 2026, while the Business Lease acquisition was closed on 10 February 2026. This will be a **headwind** for the unfloored fully loaded CET1 ratio in 1Q26 of approximately 50bps combined

## Q-O-Q VARIANCE OF RWA

in bn EUR



\* Fully loaded Basel 4 CET1 ratio excluding output floor impact

\*\* Includes the q-o-q delta in foreign currency translation differences, intangible fixed assets, AT1 coupon, remeasurement of defined benefit obligations, deduction pension plan assets, NPL shortfall etc.

\*\*\* Includes the RWA equivalent for KBC Insurance based on DC, calculated as the historical book value of KBC Insurance multiplied by 250% under B4

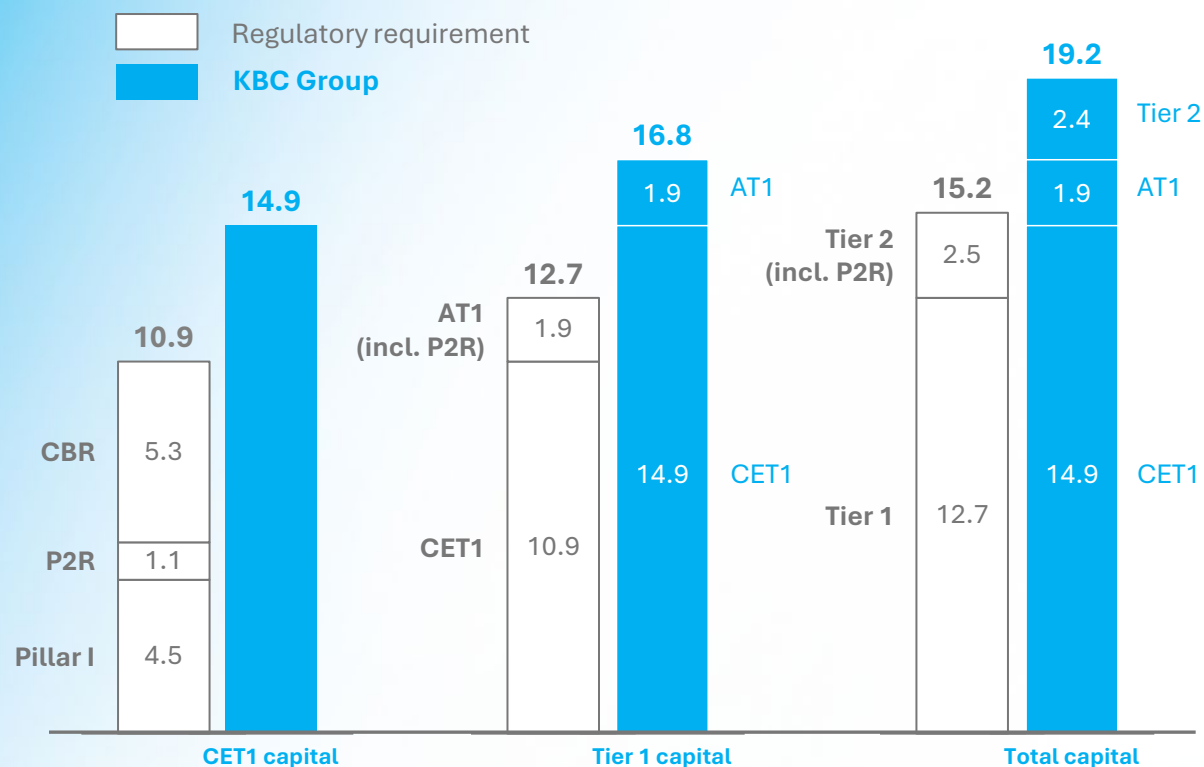
\*\*\*\* Includes foreign currency translation differences, asset quality, model changes, ...

\*\*\*\*\* Delta with transitional RWAs is the phased-in B4 impact and the impact of the transitional rule regarding Standardised RW for EUR sovereign exposure issued by non-EUR EU countries

# Strong capital position with substantial buffer to MDA

## CAPITAL REQUIREMENTS AND DISTANCE TO MAXIMUM DISTRIBUTABLE AMOUNT (MDA) RESTRICTIONS AS AT 31DEC25 (FULLY LOADED, B4)

in %



- **P2R 1.95% (= Pillar II requirement)**  
1.10% to be met with CET1, 37bps eligible for AT1 and 49bps for Tier 2
- **CBR 5.28% (= Combined buffer requirement)**  
2.50% Capital conservation buffer  
1.50% O-SII buffer  
1.28% Countercyclical buffer
- **OCR\* (10.87%) buffer 4.0%**
- **MDA buffer 3.9%**  
lowest of the buffers between available and required (i) CET1 capital, (ii) Tier 1 capital and (iii) Total capital
- **MDA 10.91%**  
i.e. the net of the CET1 ratio (14.9%) and the MDA buffer (3.9%)

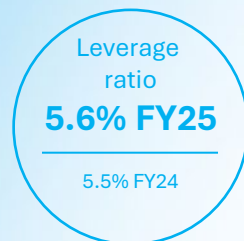


\* As announced on 7 November 2025, the countercyclical buffer in Belgium increased from 1.0% to 1.25%, while the systemic risk buffer applied to the Belgian IRB mortgage loan portfolios of 0.10% was deactivated, both applicable as from mid-2026. As such, OCR at KBC Group level increased from 10.85% to 10.87%

# Leverage ratio, liquidity ratios and Solvency II ratio

## LEVERAGE RATIO | KBC GROUP

fully loaded



Q-o-q lower leverage ratio (from 5.8% to 5.6%) due mainly to higher volatile assets (chiefly increase in cash & cash balances and trading securities)

## LIQUIDITY RATIOS | KBC GROUP

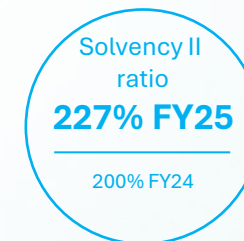
in %



Both LCR\* and NSFR\*\* were well above the regulatory requirement of 100%

## SOLVENCY II RATIO | KBC INSURANCE

in %



Q-o-q higher Solvency II ratio due mainly to lower bond spreads, an increase of the EUR interest rate curve and the 4Q25 IFRS P&L result, partly offset by the estimated dividend and higher global equity markets

\* Liquidity Coverage ratio (LCR) is based on the Delegated Act requirements. From EOY2017 onwards, KBC Bank discloses 12 months average LCR in accordance with EBA guidelines on LCR disclosure.

\*\* Net Stable Funding Ratio (NSFR) is based on KBC Bank's interpretation of the proposal of CRR amendment.

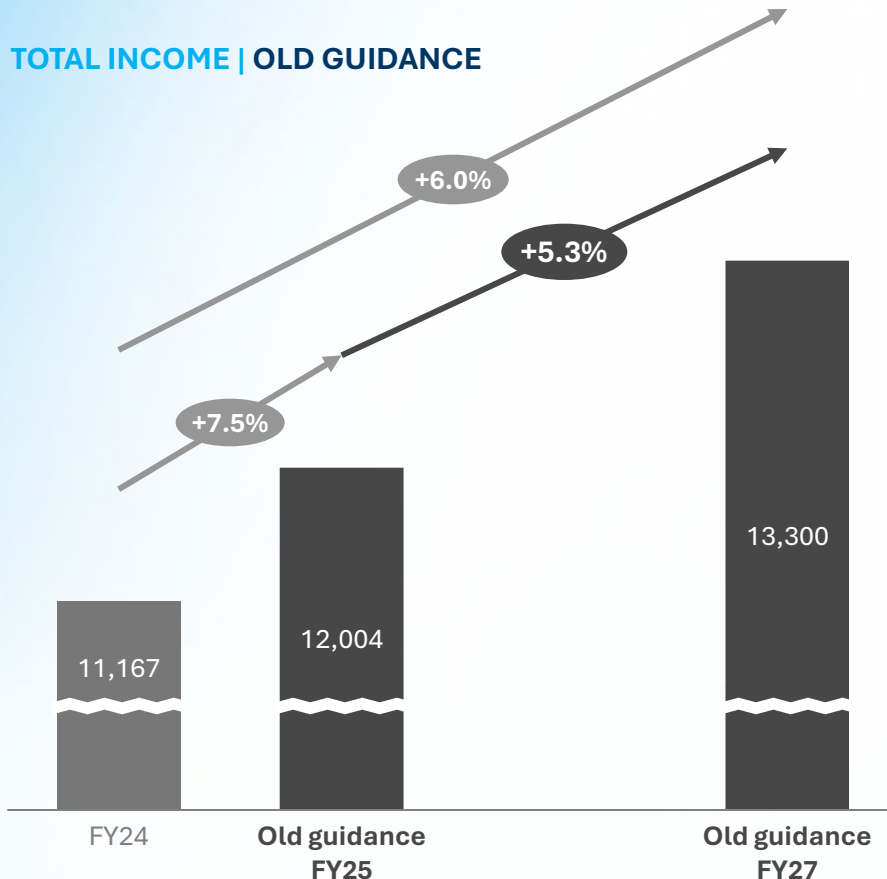


## Looking forward | Where are we coming from? Current baseline

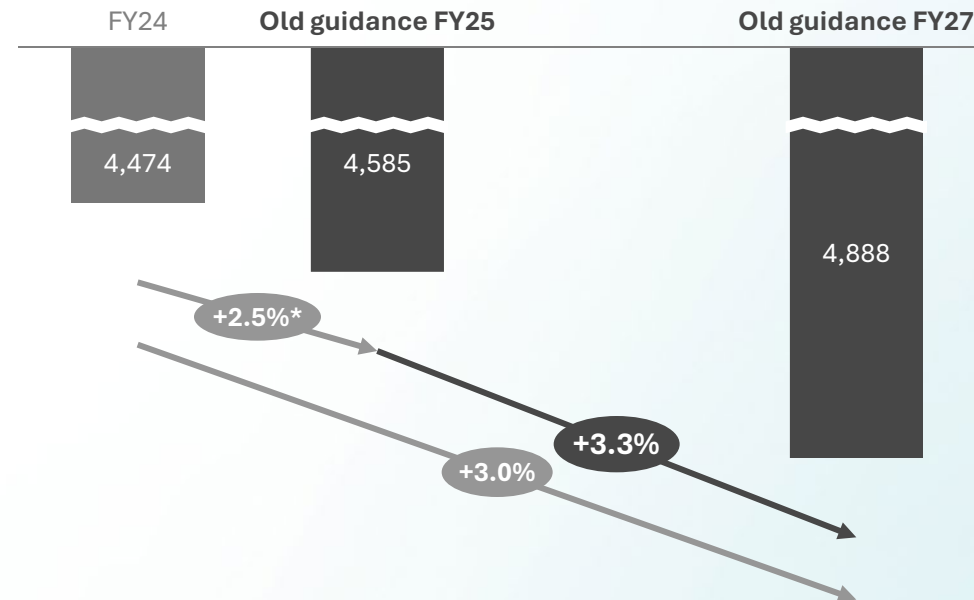
Observing KBC's current market guidance over the 2024-2027 horizon,

- On Total income, combining the +7.5% guided y-o-y growth into 2025 with the +6.0% guided CAGR24-27 implied a projected annual growth of **Total income of +5.3% for 2026 and 2027**
- On Operating expenses excl. bank and insurance tax, combining the +2.5% guided y-o-y growth into 2025 with the +3.0% guided CAGR24-27 implied a projected annual growth of **Operating expenses excl. BIT of +3.3% for 2026 and 2027**.

### TOTAL INCOME | OLD GUIDANCE



### OPEX EXCL. BIT | OLD GUIDANCE



\* when excluding Ireland and one-off costs in Bulgaria (due to integration of Raiffeisenbank Bulgaria and the EUR adoption costs) both in FY24 and FY25, underlying Operating expenses excl. BIT went up by +3.6% y-o-y in FY25

Beyond business development, the underlying P&L evolution that was indicated in last year's long-term guidance is being impacted in two material ways:

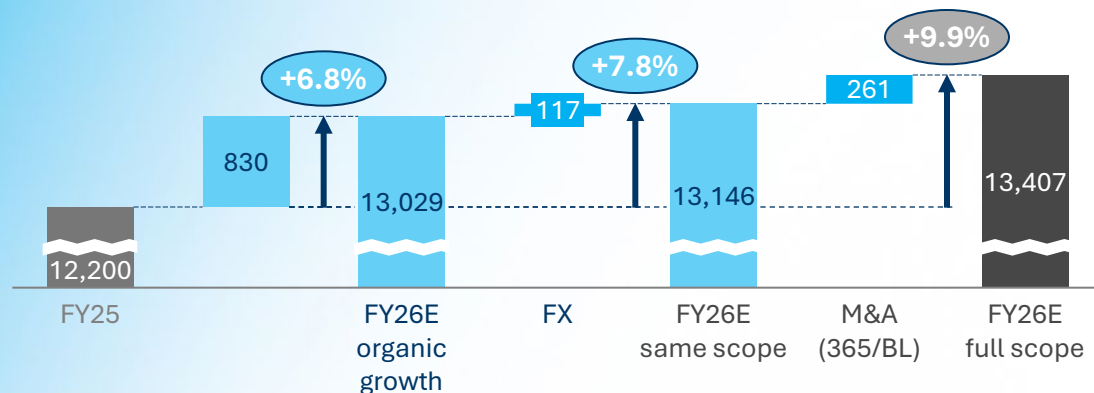
- **FX impact**
  - Both CZK and HUF have moved on an appreciation trajectory that is much stronger than anticipated last year
  - This is particularly the case for the CZK for which, early 2025 – when the former long-term guidance was set up, our macroeconomic scenario anticipated the average EUR-CZK rate over 2026 to be around 24.9, while this estimate now has meanwhile dropped below 24.0
  - With Czech operations contributing more than 2.5bn EUR to Total income and around 1bn EUR to Operating expenses excl. BIT, this gap brings about material positive contributions to income and negative impacts to expenses that we call out explicitly for 2026
  - Impacts on HUF are of a similar nature, yet overall less material
- **M&A**
  - The consolidation of 365.bank and Business Lease onboards these subsidiaries' P&L into the Group P&L as from 2026 will have material impacts as well, as provided below in detail
  - As announced upon the signing of these deals,
    - We anticipate to realise the integration and restructuring of these businesses within the KBC organisation within the first two years (2026 and 2027), when the bulk of integration and restructuring costs are foreseen
    - We expect the envisaged synergies to come to full fruition as of year three (2028)

## AGGREGATE PROJECTED CONTRIBUTION OF 365.BANK AND BUSINESS LEASE TO PROFIT AND LOSS

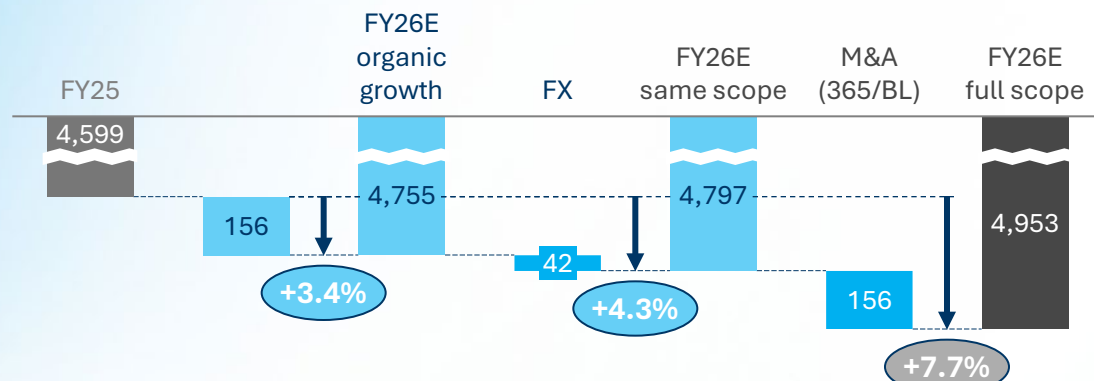
<i>in m EUR</i>	2026	2027	2028
Net interest income	157	169	177
Total income	261	284	297
Operating expenses	-156	-159	-86

# Looking forward | FY26 OpEx and Total income guidance

## TOTAL INCOME | DRIVERS TOWARDS 2026



## OPERATING EXPENSES EXCL. BIT | DRIVERS TOWARDS 2026



**JAWS** +3.4% +3.4% +2.2%

**COST/INCOME** 40.0% 40.0% 40.4%

Clearly, both M&A and FX effects have a benign impact on Total income, while negatively impacting the Operating Expenses line. For full transparency, we show the expected impacts broken down over 2026 on the left.

Focusing on the **organic evolutions** (i.e. excluding FX and M&A),

- **Total income** is guided to a **y-o-y growth of +6.8%**, a further improvement against the +5.3% growth anticipated in the former guidance (even against a much stronger than expected starting point)
  - The main driver for the further growth remains a continued uplift in **Net interest income that we now guide for at least 6,725m EUR on the full scope of KBC Group** (which translates to at least 6,500m EUR excl. FX impact and M&A)
- **Operating expenses excl. BIT** is guided to a **y-o-y growth of +3.4%**, in line with the trajectory that was laid out in the former guidance at +3.3% and slightly better than the underlying growth of +3.6% in 2025
  - The Operating expenses growth is nearly fully explained by **inflationary effects**: the expected weighted average wage inflation for KBC Group is +3.7% for 2026
- Our **Cost/income ratio will further improve** from approximately 41% in 2025 to approximately 40% in 2026, improving our efficiency levels while investing in further income growth

## Our bank-insurance model is firing on all cylinders

Note: all growth figures are based on reported 2025 figures

	2026, organic growth	2026, full scope
<b>Total income</b>	<u>at least</u> +6.8% y-o-y	<u>at least</u> +9.9% y-o-y
<b>Net interest income*</b> <i>Organic loan volume growth</i>	<u>at least</u> 6,500m EUR <i>approximately +5% y-o-y</i>	<u>at least</u> 6,725m EUR
<b>Insurance revenues</b> (before reinsurance)	<u>at least</u> +7.5% y-o-y	<u>at least</u> +7.5% y-o-y
<b>Operating expenses</b> (excl. bank/insurance tax)	<u>below</u> +3.4% y-o-y	<u>below</u> +7.7% y-o-y
<b>Combined ratio</b>	<b>Jaws <u>at least</u> +3.4%</b> <b>Cost/income** <u>approx.</u> 40%</b> <u>below</u> 91%	<u>below</u> 91%
<b>Credit cost ratio</b>	<u>well below</u> TTC of 25-30bps	<u>well below</u> TTC of 25-30bps

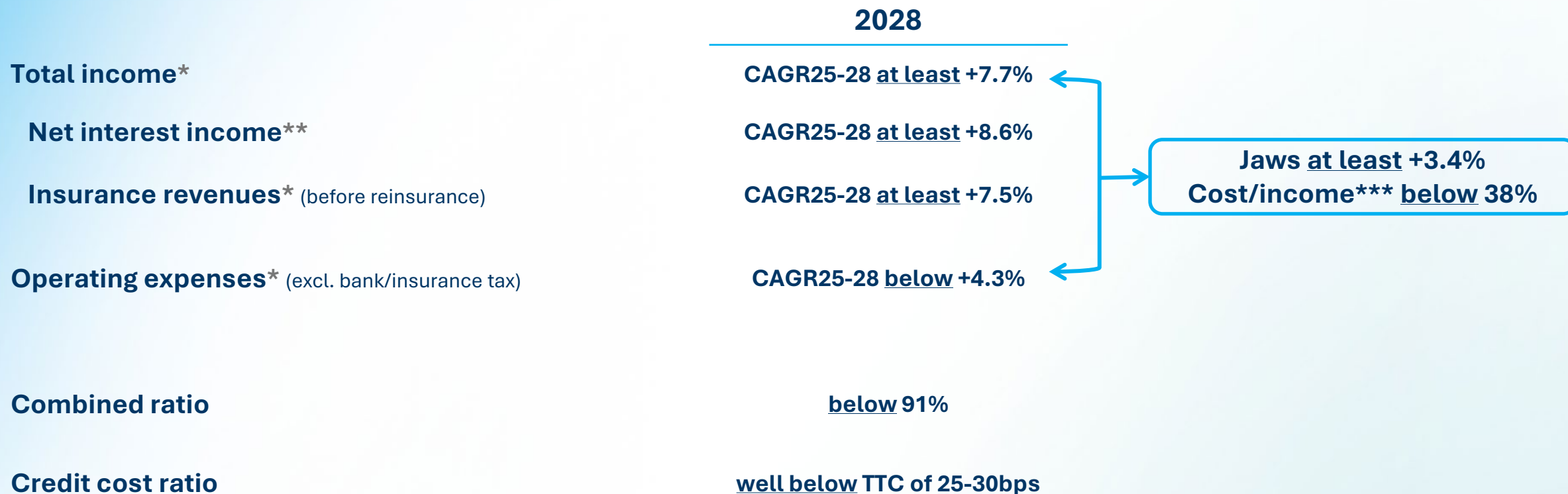
\* Based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts

\*\* KBC's Cost/income ratio includes in the numerator Insurance commissions paid; for FY26, these are estimated in line with the Insurance revenues growth, i.e. at least +7.5% y-o-y which corresponds to at least 461m EUR



## Our bank-insurance model is firing on all cylinders

Note: all growth figures are based on reported 2025 figures



\* Including FX impacts and closed M&A files (365.bank and Business Lease)

\*\* Including FX impacts and closed M&A files (365.bank and Business Lease), and based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts

\*\*\* KBC's Cost/income ratio includes in the numerator Insurance commissions paid; for FY28, these are estimated in line with the Insurance revenues growth, i.e. at least +7.5% CAGR25-28 which corresponds to at least 533m EUR

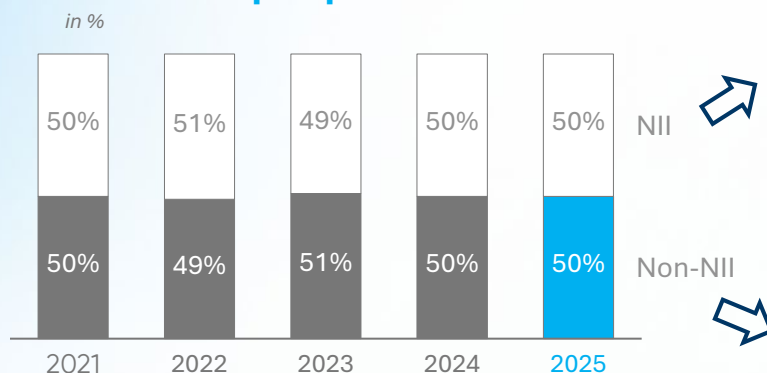
## Well-diversified, both geographically and from a business point of view

- **geographically ...**
  - Mature markets (BE, CZ) combined with growth markets (SK, HU, BG)
  - Robust market position in all key markets & strong trends in loan and deposit growth
  - Wealth levels are and will continue to gradually converge towards Western European standards
- **... and from a business point of view**
  - Unique integrated, digital-first, data-driven and AI-led bank-insurer with a strongly developed & tailored AM business
  - Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients
  - Our fully integrated distribution model and increasingly straight-through processes allow for sustainable efficiency gains in tandem with a full range of products and services that go beyond banking and insurance through ecospheres
  - Global recognition for our digital-first approach through Kate, fueled by the number 1 banking app worldwide in 2025



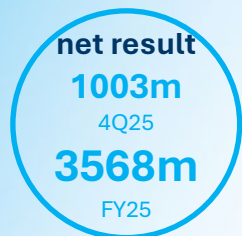
**Successful digital-first approach through KATE**

## KBC Group topline diversification: roughly 50% NII and 50% non-NII

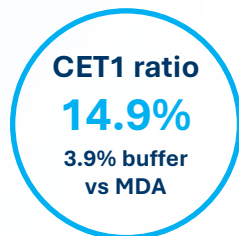


- CAGR25-28 NII of at least +8.6%, even in stabilising (policy) rate environment
  - Longer average duration of the replication portfolio will generate a further NII increase, even as interest rates are stabilising
  - The negative impact from the State Note in Belgium has disappeared
  - Shifts from TD to CASA will continue to happen, albeit at a slower pace
- Implicit CAGR25-28 non-NII of roughly +7%
  - Insurance revenues (before reinsurance) CAGR25-28 of at least +7.5%
  - Sustained fee income growth, propelled by strong net sales year after year thanks to success of Regular Investment Plans and the gradual convergence of wealth levels in Central Europe towards Western European standards
  - Negative impact from SRT coupon costs following our securitisation program

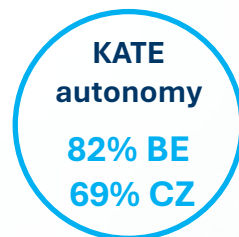
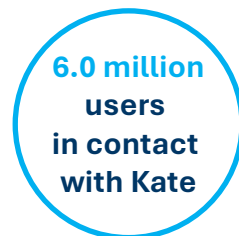
## Excellent financial performance



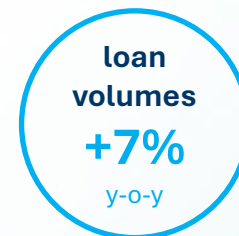
## Outstanding solvency and liquidity



## Kate convinces customers



## Franchise is growing



\* Excluding one-offs

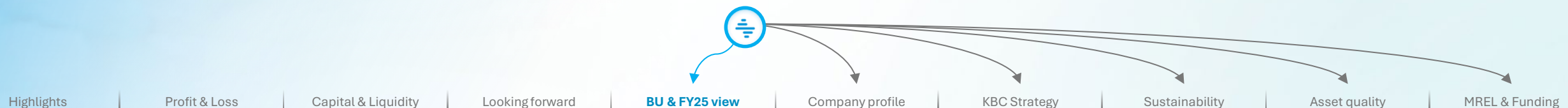
## BU & FY25 view (slide 25-47)

- Belgium BU
- Czech Republic BU
- International Markets BU
  - Slovakia
  - Hungary
  - Bulgaria
- Group Centre BU
- FY 2025

## Annexes (slide 48-76)

- Company profile
- KBC strategy
- Sustainability
- Asset quality
- MREL & funding

Navigate quickly to this content by using the below tabs in the digital version of this presentation

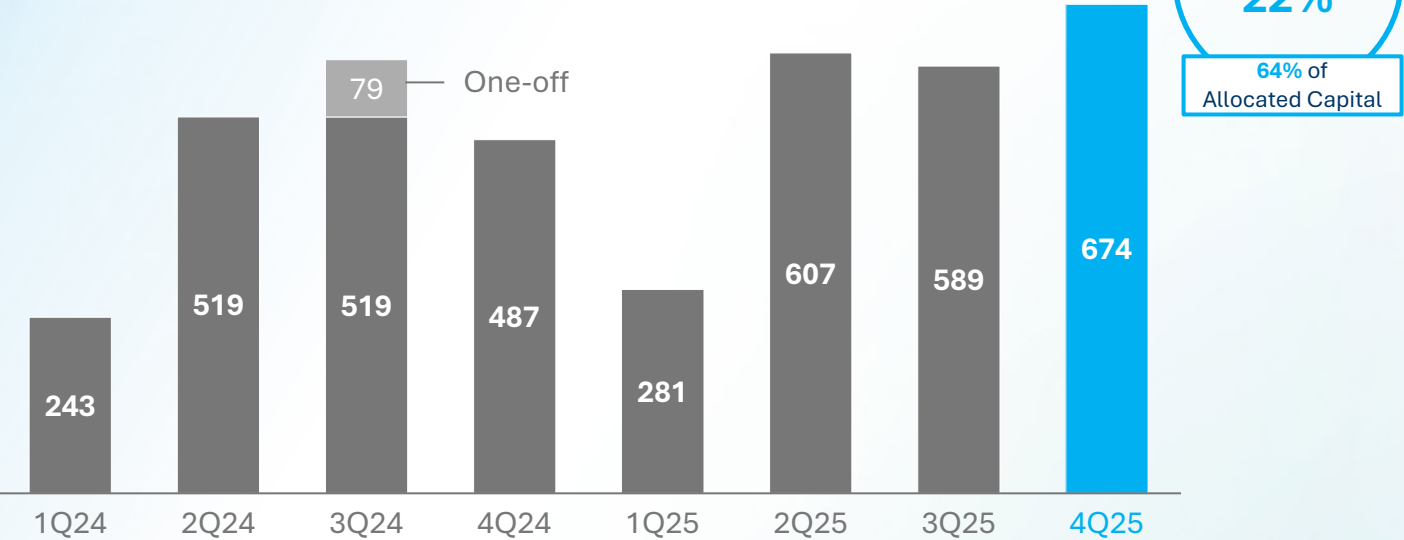




# Belgium BU (1) | Net result

## NET RESULT

in m EUR

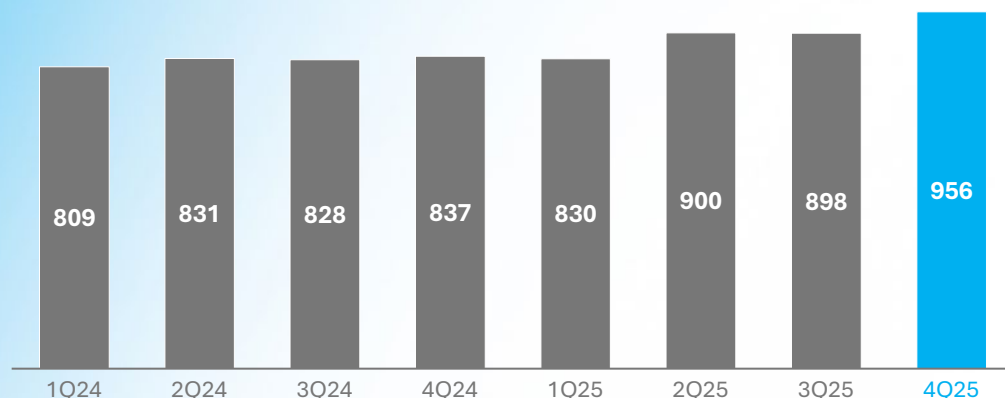


- The quarter was characterised by higher net interest income, higher net fee and commission income, lower sales of non-life insurance products, higher sales of life insurance products, better net result from financial instruments at fair value & IFIE, higher dividend income, lower net other income, higher operating expenses, lower insurance service expenses after reinsurance and lower net impairment charges

# Belgium BU (2) | Net interest income

## NET INTEREST INCOME

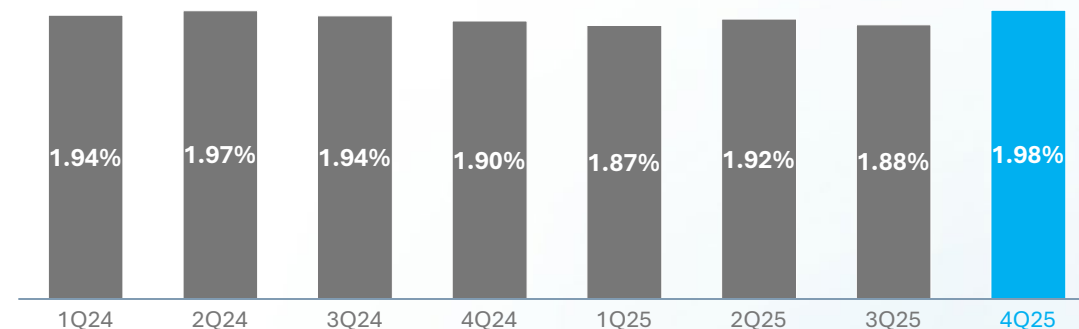
in m EUR



- +6% q-o-q, as
  - Higher commercial transformation result
  - Higher NII on term deposits
  - Higher dealing room NII
  - Higher short-term cash management
  - Slightly higher NII on inflation-linked bonds (+1m EUR q-o-q, from +4m EUR in 3Q25 to +5m EUR in 4Q25)
  - Lower costs on the minimum required reserves held with the central bank was partly offset by
  - Lower lending income (loan volume growth was more than offset by margin pressure on the outstanding loan portfolio)
  - Lower ALM result
- +14% y-o-y as sharply higher commercial transformation result, higher lending income (loan volume growth more than offset margin pressure on the outstanding loan portfolio), higher NII on term deposits, higher dealing room NII and lower costs on the minimum required reserves held with the central bank, were partly offset by lower ALM result and lower short-term cash management

## NET INTEREST MARGIN

in %



- Increased by 10 bps q-o-q and by 7\* bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

\* rounding effect

## ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	131bn	49bn	148bn
Growth q-o-q*	+1%	+1%	+3%
Growth y-o-y	+5%	+5%	+1%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos

\*\*\* Customer deposits, excluding debt certificates and repos, but including customer savings certificates.

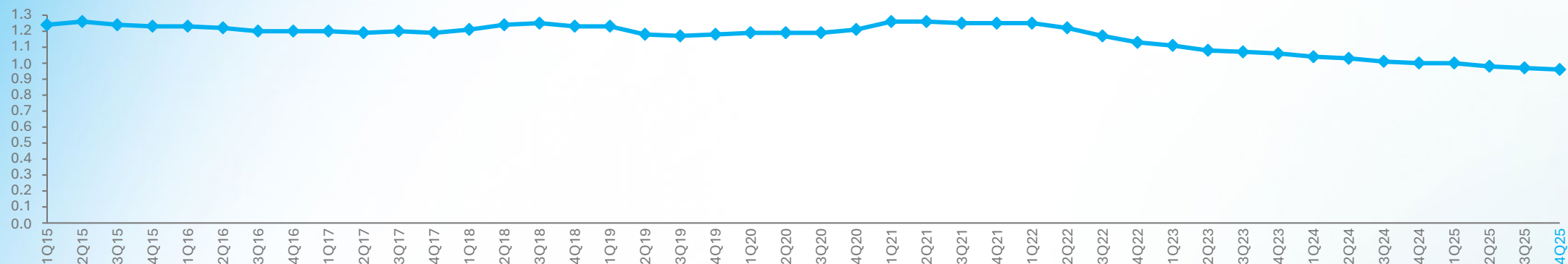
Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), customer deposits rose by 2% both q-o-q and y-o-y

Growth figures are excluding FX, consolidation adjustments and reclassifications

# Belgium BU (3) | Credit margins in Belgium

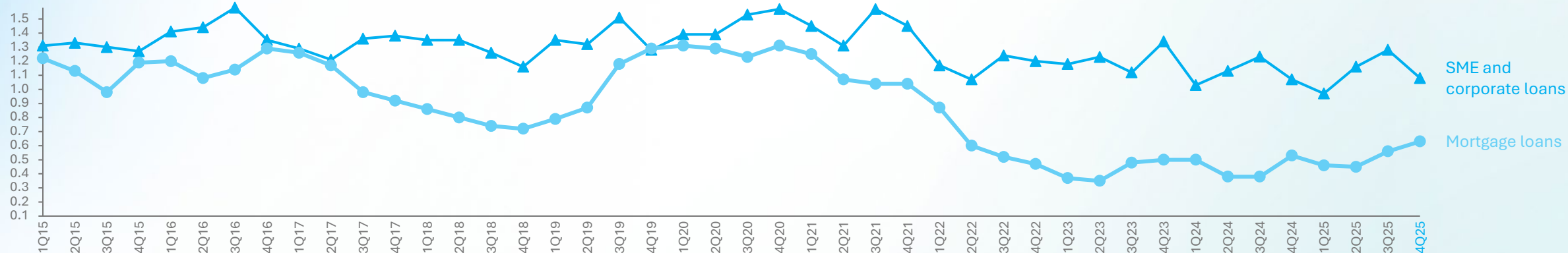
## PRODUCT SPREAD ON CUSTOMER LOAN BOOK | OUTSTANDING

in %



## PRODUCT SPREAD | NEW PRODUCTION

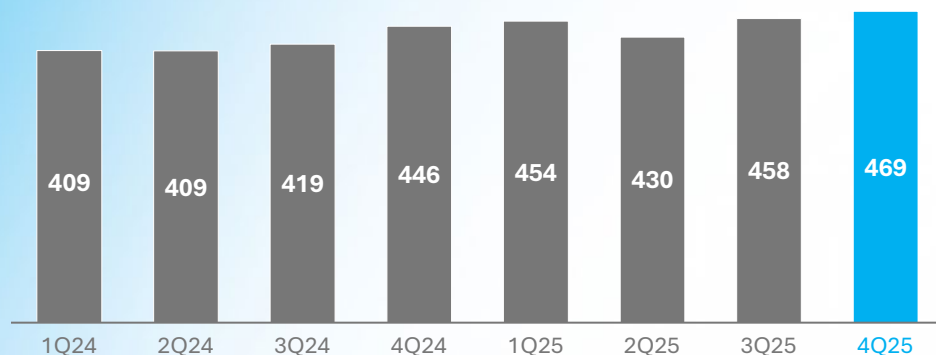
in %



# Belgium BU (4) | Other income lines & cross-selling

## NET FEE & COMMISSION INCOME

in m EUR



- The 2% higher q-o-q net F&C income was mainly the result of higher management fees, higher securities-related fees, higher network income and higher fees from credit files & bank guarantees, partly offset by lower entry fees, lower payment-related fees, higher distribution fees paid for mutual funds and the coupon cost on SRT issues
- The 5% higher y-o-y net F&C income was driven chiefly by higher management & entry fees, higher securities-related fees, higher network income and higher distribution fees received linked to insurance, partly offset by higher distribution fees paid for mutual funds, lower payment-related fees, lower fees from credit files & bank guarantees and the coupon cost on SRT issues

## ASSETS UNDER MANAGEMENT

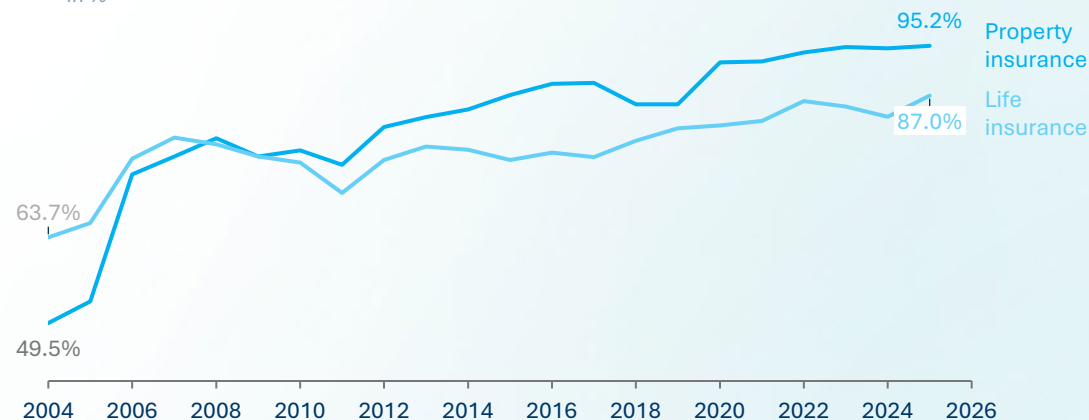
- 265bn EUR
- Increased by 3% q-o-q due to net inflows (+1%) and positive market performance (+2%)
- Increased by 8% y-o-y due to net inflows (+4%) and positive market performance (+4%)

## INSURANCE

- Insurance sales: 1,302m EUR
  - Non-life sales (366m EUR) +7% y-o-y, due to premium growth in all classes, due to a combination of volume and tariff increases
  - Life sales (936m EUR) rose by 26% q-o-q and by 49% y-o-y
    - The q-o-q increase was due mainly to sharply higher sales of guaranteed-interest products (due chiefly to traditionally higher volumes in tax-incentivised pension savings products and commercial actions) as well as higher sales of unit-linked products (as the result of a successful launch of structured emissions in Belgium and commercial actions linked to the large term deposit maturities) and hybrid products
    - The y-o-y increase was driven by sharply higher sales of unit-linked products and higher sales of guaranteed-interest products
- Combined ratio amounted to an excellent 86% in FY25 (88% in FY24)

## MORTGAGE-RELATED CROSS-SELLING RATIOS

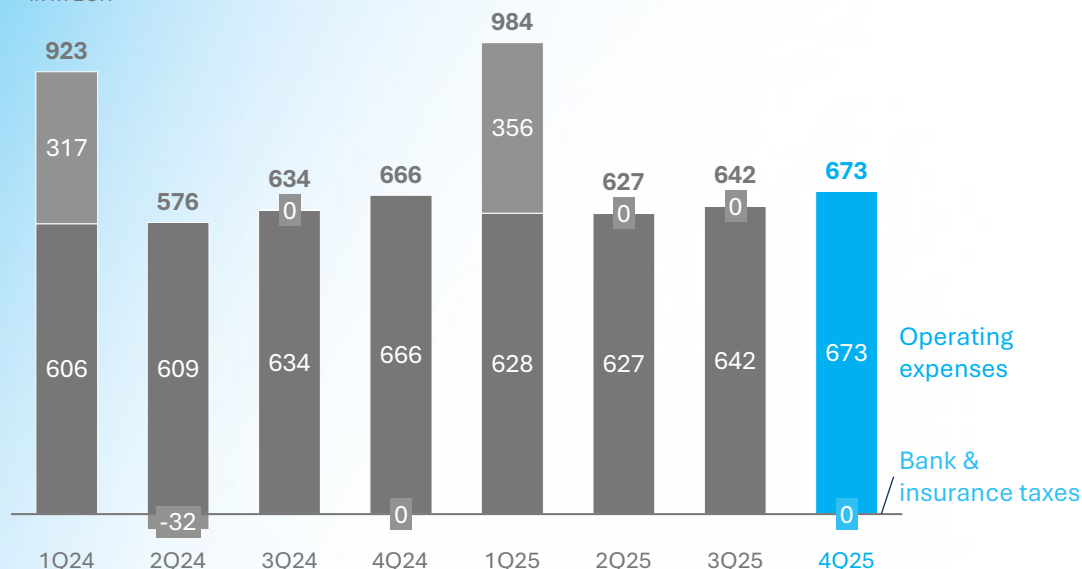
in %



# Belgium BU (5) | Opex & impairments

## OPERATING EXPENSES

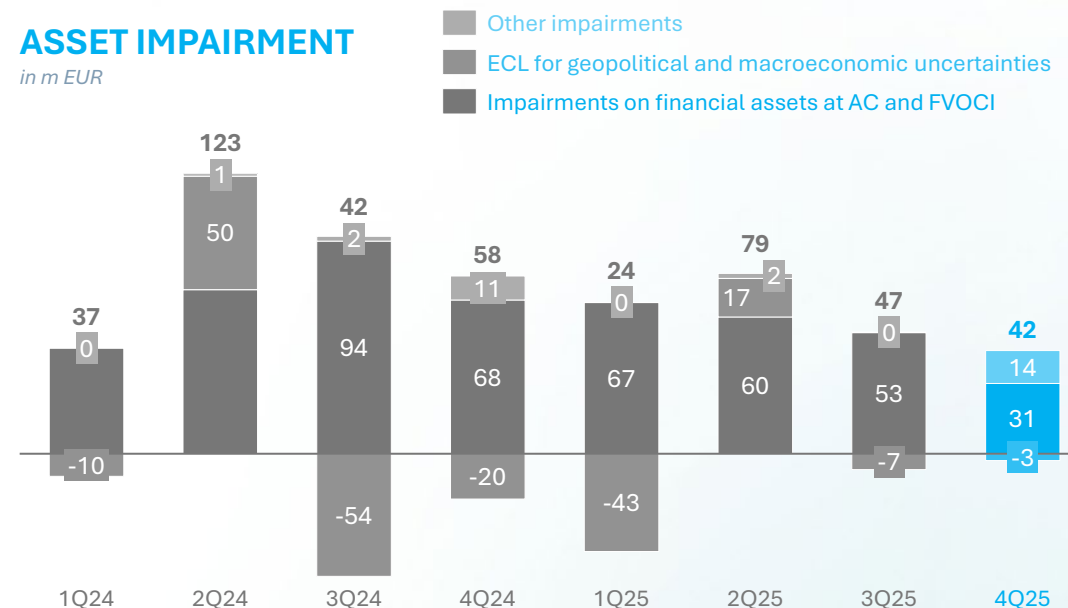
in m EUR



- **Opex (including costs directly attributable to insurance, but excluding bank & insurance taxes): +5% q-o-q and +1% y-o-y**
- +5% q-o-q as higher ICT costs, seasonally higher marketing expenses and higher facility expenses were partly offset by lower staff costs
- +1% y-o-y due chiefly to higher staff costs (mainly the impact of wage inflation, partly offset by lower FTEs), ICT costs, higher marketing costs and higher facility costs, partly offset by lower professional fee expenses and lower depreciations
- Cost/income ratio adjusted for specific items: 43% in FY25 (44% in FY24)

## ASSET IMPAIRMENT

in m EUR



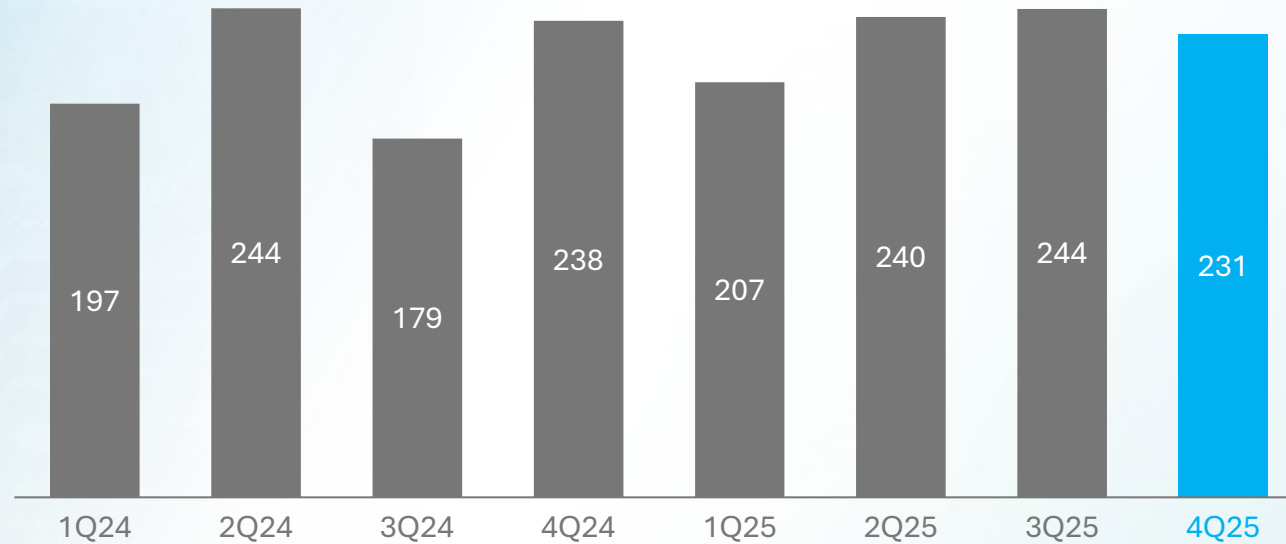
- **Net loan loss impairment charges** of 28m EUR in 4Q25 (compared with 46m EUR in 3Q25) due to:
  - 31m EUR net loan loss impairment charges on lending book (versus 53m EUR in 3Q25)
  - a 3m EUR net impairment release for geopolitical & macroeconomic uncertainties (versus a 7m release in 3Q25)
- **Credit cost ratio** amounted to 13 bps in FY25 (19 bps in FY24)
- 14m EUR impairment charge on 'goodwill and other' (on software, buildings and a goodwill impairment)
- **Impaired loans ratio** improved to 1.8%, 0.8% of which over 90 days past due



## Czech Republic BU (1) | Net result

### NET RESULT

in m EUR



ROAC  
FY25  
**37%**

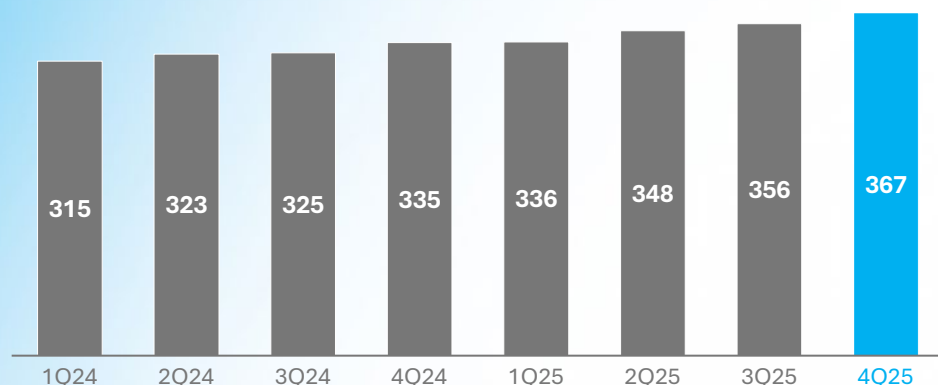
16% of  
Allocated Capital

- The quarter was characterised by higher net interest income, stable net fee & commission income, stable sales of non-life and higher sales of life insurance products, lower net result from financial instruments at fair value & IFIE, higher net other income, higher costs, slightly higher insurance service expenses after reinsurance and higher impairments

# Czech Republic BU (2) | Net interest income

## NET INTEREST INCOME

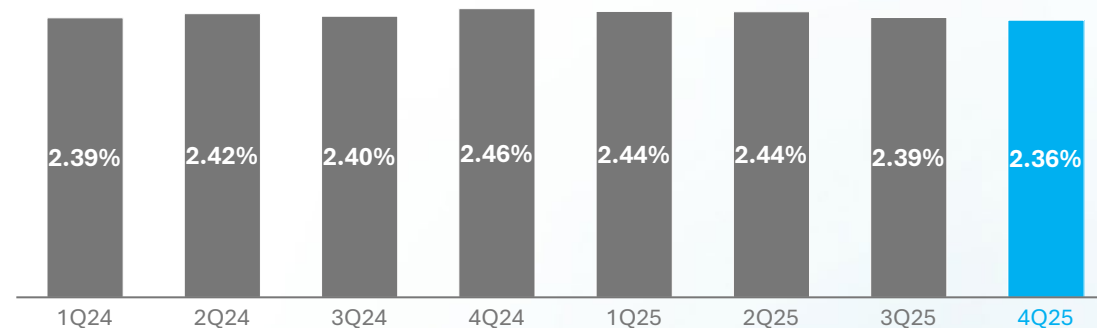
in m EUR



- +2% q-o-q and +5 y-o-y (both excl. FX effect)
- Q-o-q increase as higher commercial transformation result, higher lending income, higher ALM result, higher dealing room NII, higher short-term cash management and higher NII on term deposits were partly offset by higher costs on the minimum required reserves held with the central bank
- Y-o-y increase, as much higher commercial transformation result, higher lending income, higher ALM result, higher dealing room NII and higher short-term cash management were only partly offset by higher funding costs and higher costs on the minimum required reserves held with the central bank

## NET INTEREST MARGIN

in %



- Fell by 2\* bps q-o-q and by 10 bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

\* rounding effect

## ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	44bn	22bn	54bn
Growth q-o-q*	+1%	+1%	0%
Growth y-o-y	+10%	+7%	+1%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos

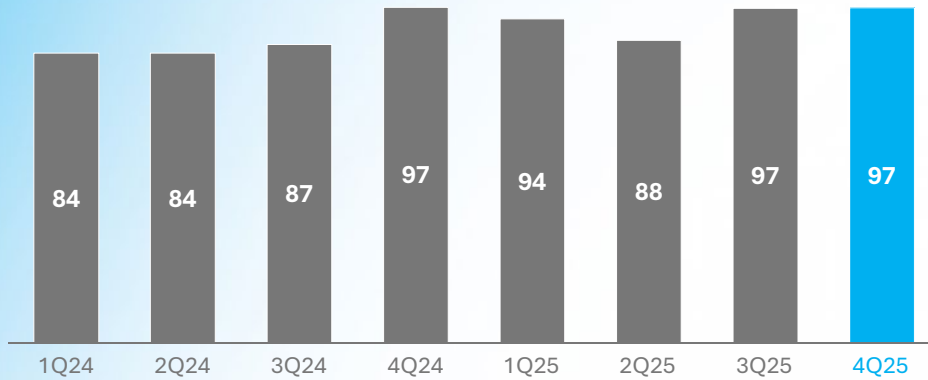
\*\*\* Customer deposits, excluding debt certificates and repos

Growth figures are excluding FX, consolidation adjustments and reclassifications

# Czech Republic BU (3) | Other income lines & cross-selling

## NET FEE & COMMISSION INCOME

in m EUR



- The 1% lower q-o-q and 4% lower y-o-y net F&C income excl. FX effect were mainly the result of higher commissions paid linked to banking products (partly seasonal), higher client incentives, seasonally lower network income (only q-o-q) and lower entry fees, partly offset by higher management fees, higher distribution fees received for mutual funds, higher securities-related fees (only q-o-q) and higher fees from credit files & bank guarantees

## ASSETS UNDER MANAGEMENT

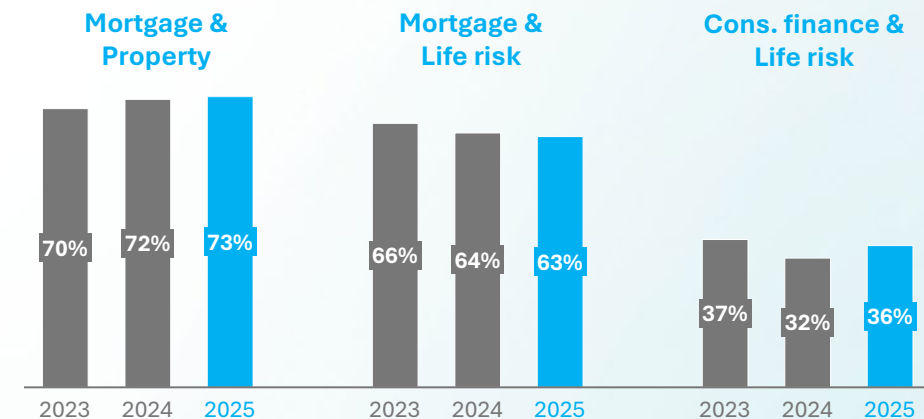
- 22.0bn EUR
- +3% q-o-q due mainly to net inflows (+3%)
- +14% y-o-y due to net inflows (+10%) and positive market performance (+4%)

## INSURANCE

- Insurance sales: 206m EUR
  - Non-life sales (149m EUR) +12% y-o-y excl. FX, due to premium and volume growth in almost all classes
  - Life sales (57m EUR):
    - +4% q-o-q excl FX due entirely to higher sales of hybrid products (due to commercial actions in 4Q25)
    - +7% y-o-y (excl. FX) as higher sales of hybrid products were partly offset by lower sales of unit-linked products and slightly lower sales of guaranteed-interest products
- An excellent combined ratio of 87% in FY25 (86% in FY24)

## MORTGAGE-RELATED CROSS-SELLING RATIOS\*

in %

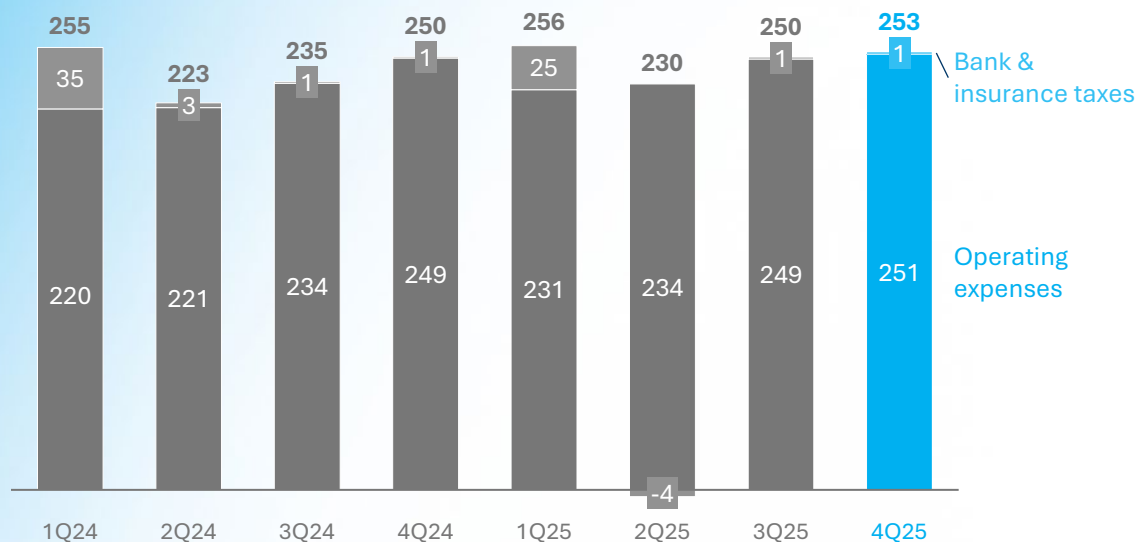


\* Restated numbers due to methodology change: external broker channels are excluded

# Czech Republic BU (4) | Opex & impairments

## OPERATING EXPENSES

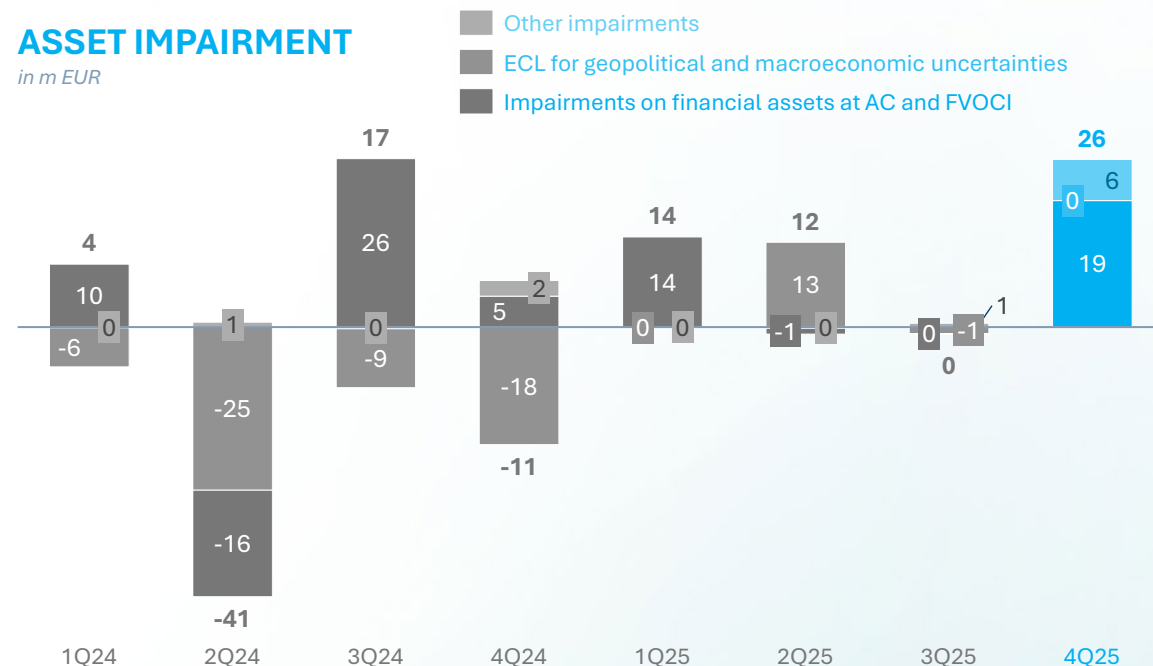
in m EUR



- **Opex (incl. costs directly attributable to insurance and excl. bank & insurance taxes): stable q-o-q and -3% y-o-y, excl. FX effect**
- Q-o-q stable as higher staff costs, higher marketing expenses, higher professional fee expenses and higher facility costs were offset by lower ICT costs
- Y-o-y decrease was chiefly the result of lower ICT costs, lower facility costs and lower depreciations, partly offset by higher professional fee expenses, higher staff costs and higher marketing expenses
- Adjusted for specific items, C/I ratio amounted to roughly 42% in FY25 (45% in FY24)

## ASSET IMPAIRMENT

in m EUR



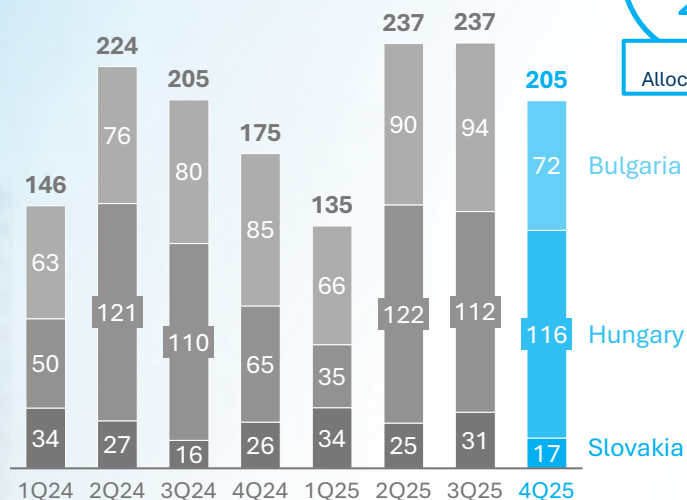
- **Net loan loss impairment charges** of 19m EUR in 4Q25 (compared with 1m EUR release in 3Q25). **Credit cost ratio** amounted to 0.10% in FY25 (-0.09% in FY24)
- 6m EUR impairment charge on 'other' (mainly software)
- **Impaired loans ratio** amounted to 1.3%, 0.7% of which over 90 days past due



# International markets BU (1) | Highlights

## NET RESULT

in m EUR



ROAC  
FY25  
28%

19% of  
Allocated Capital

## ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	34bn	14bn	36bn
Growth q-o-q*	+3%	+4%	+5%
Growth y-o-y	+12%	+14%	+8%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos (and bonds).

\*\*\* Customer deposits, excluding debt certificates and repos  
Growth figures are excluding FX, consolidation adjustments and reclassifications

## ASSETS UNDER MANAGEMENT

- 12.7bn EUR (+5% q-o-q and +16% y-o-y)

## HIGHLIGHTS (Q-O-Q)

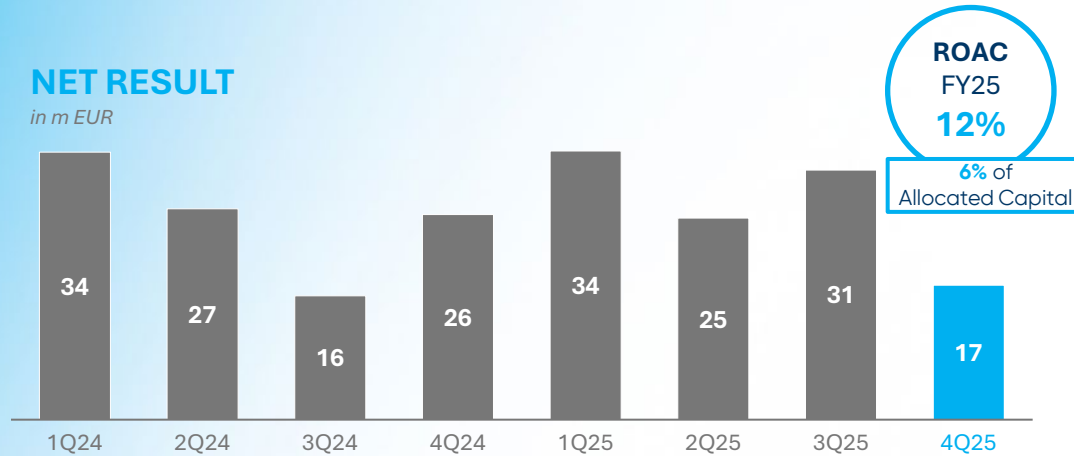
- Higher net interest income. NIM of 2.94% in 4Q25 (+1 bp q-o-q and -22 bps y-o-y)
- Higher net fee and commission income
- Higher FIFV & IFIE result and lower net other income
- Higher non-life and life insurance sales
- A combined ratio of 90% in FY25 (96% in FY24). Excluding the significant windfall tax on insurance in Hungary, the combined ratio amounted to 88% in FY25 (93% in FY24)
- Higher operating expenses
- Higher net impairment charges



## International markets BU (2) | Slovakia

### NET RESULT

in m EUR



### HIGHLIGHTS (Q-O-Q)

- Higher net interest income
- Higher net fee & commission income driven mainly by higher payment-related fees, higher distribution fees received for mutual funds, higher securities-related fees and higher entry fees
- Stable FIFV & IFIE result and stable net other income
- Slightly lower non-life insurance sales and slightly higher life insurance sales
- An improvement of the combined ratio (from 112% in FY24 to 97% in FY25) as higher MTPL claims (due to inflation) were offset by higher tariffs, next to a very positive claims evolution in SME
- Stable operating expenses excluding bank & insurance taxes
- 4m EUR net loan loss impairment charges in 4Q25 (5m EUR net loan loss impairment releases in 3Q25). Credit cost ratio of 0.05% in FY25 (-0.14% in FY24)
- 12m EUR impairment on 'other' (of which 9m EUR modification losses related to the mortgage loan support scheme and 3m EUR on software)

### VOLUME TREND

- Total customer loans rose by 1% q-o-q and by 9% y-o-y (the latter due to good growth in all segments)
- Total customer deposits rose by 5% q-o-q and by 4% y-o-y (both due mainly to the corporate segment)

### ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	13bn	7bn	9bn
Growth q-o-q*	+1%	+1%	+5%
Growth y-o-y	+9%	+7%	+4%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos (and bonds).

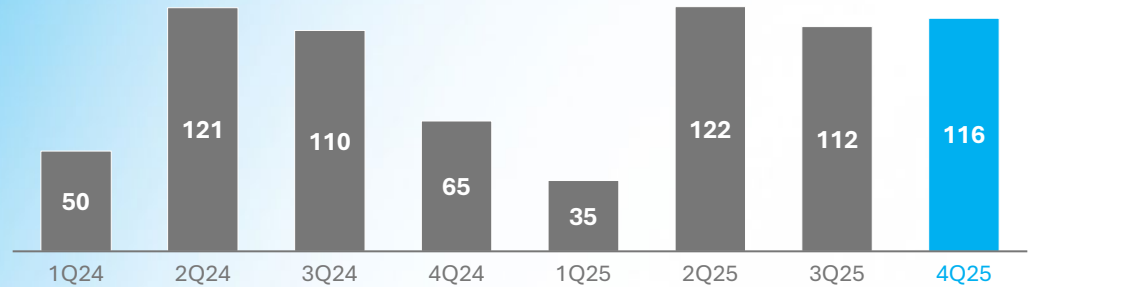
\*\*\* Customer deposits, excluding debt certificates and repos

Growth figures are excluding FX, consolidation adjustments and reclassifications

## International markets BU (3) | Hungary

### NET RESULT

in m EUR



### HIGHLIGHTS (Q-O-Q)

- Higher net interest income excluding FX effect due mainly to higher commercial transformation result
- Lower net fee and commission income excluding FX effect driven mainly by higher commissions and other incentives paid linked to banking products, partly offset by higher fees from payment services and higher distribution fees received for mutual funds
- Higher FIFV & IFIE result and lower net other income
- Slightly lower non-life insurance sales excluding FX effect and higher life insurance sales
- A combined ratio of 94% in FY25 (100% in FY24) due mainly to windfall tax on insurance. Excluding this windfall tax, the combined ratio amounted to 90% in FY25 (91% in FY24)
- Operating expenses excluding FX effect and bank & insurance taxes rose by 2% q-o-q due mainly to higher ICT costs and higher depreciations
- 3m net loan loss impairment charges in 4Q25 (versus 0m in 3Q25). Credit cost ratio of 0.06% in FY25 (-0.27% in FY24)
- 7m EUR impairment on 'other' (software)

### VOLUME TREND

- Total customer loans rose by 6% q-o-q and by 11% y-o-y, both driven by growth in all segments
- Total customer deposits evolved by +5% q-o-q and +6% y-o-y due to growth in all segments

### ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	8bn	2bn	11bn
Growth q-o-q*	+6%	+9%	+5%
Growth y-o-y	+11%	+20%	+6%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos (and bonds)

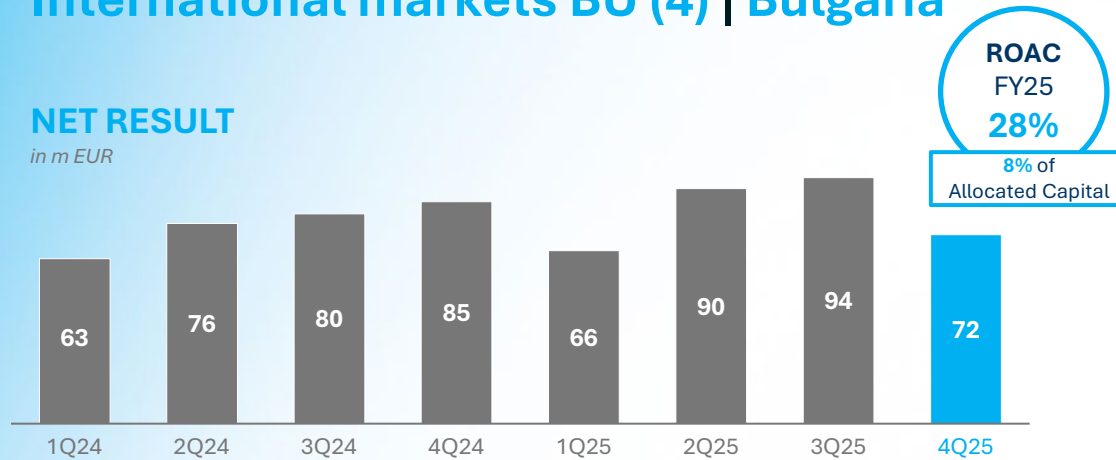
\*\*\* Customer deposits, excluding debt certificates and repos

Growth figures are excluding FX, consolidation adjustments and reclassifications

# International markets BU (4) | Bulgaria

## NET RESULT

in m EUR



## HIGHLIGHTS (Q-O-Q)

- Higher net interest income due mainly to higher commercial transformation result and higher lending income, partly offset by lower ALM result, higher costs on the minimum required reserves held with the central bank and lower NII on term deposits
- Higher net fee and commission income driven mainly by higher payment-related fees and higher distribution fees received linked to insurance
- Higher non-life and life insurance sales
- An excellent combined ratio of 84% in FY25 (86% in FY24)
- Higher operating expenses excluding bank & insurance taxes due mainly to higher ICT costs, higher facility costs and higher marketing expenses
- 25m EUR net loan loss impairment charges (versus 5m EUR in 3Q25), almost entirely related to companies in grain trading business. Credit cost ratio of 0.40% in FY25 (0.14% in FY24)
- 5m EUR impairment on 'other' (mainly software)

## VOLUME TREND

- Total customer loans rose by 4% q-o-q and by 16% y-o-y due to growth in all segments
- Total customer deposits rose by 5% q-o-q (due to growth in the retail segment) and by 12% y-o-y (due to growth in the retail & SME segments)

## ORGANIC VOLUME TREND

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	13bn	4bn	16bn
Growth q-o-q*	+4%	+6%	+5%
Growth y-o-y	+16%	+26%	+12%

\* Non-annualised

\*\* Loans to customers, excluding reverse repos (and bonds)

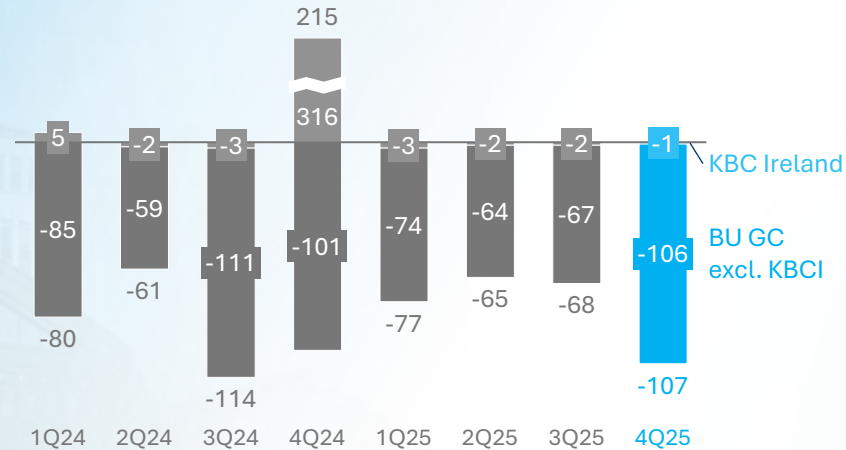
\*\*\* Customer deposits, excluding debt certificates and repos

Growth figures are excluding FX, consolidation adjustments and reclassifications

# Group Centre BU | Highlights

## NET RESULT

in m EUR



- The net result for the Group Centre comprises the results from activities and/or decisions specifically made for group purposes and, as of 1Q22, KBC Bank Ireland

## HIGHLIGHTS (Q-O-Q), EXCLUDING IRELAND

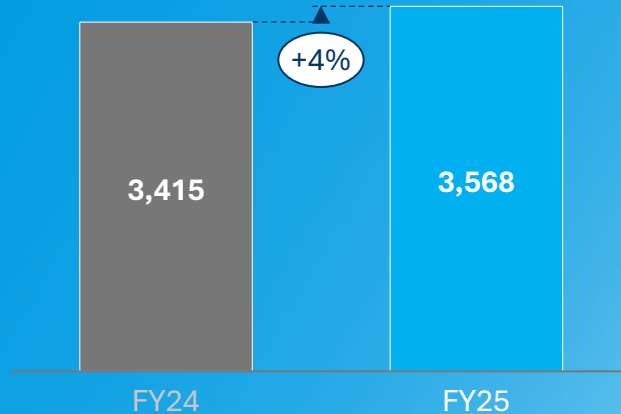
- Excluding KBC Bank Ireland, the q-o-q lower result of Group Centre was attributable mainly to:
  - Higher operating expenses excluding bank & insurance taxes (higher ICT costs, stewardship costs,...)
  - Lower FIFV & IFIE result
  - Lower net other income partly offset by
  - Impairment reversals



## FY25 | Highlights

### NET RESULT

in m EUR



FY  
25

Net result rose by 4% y-o-y from 3,415m EUR in 2024 to 3,568m EUR in 2025, mainly as a result of the following:

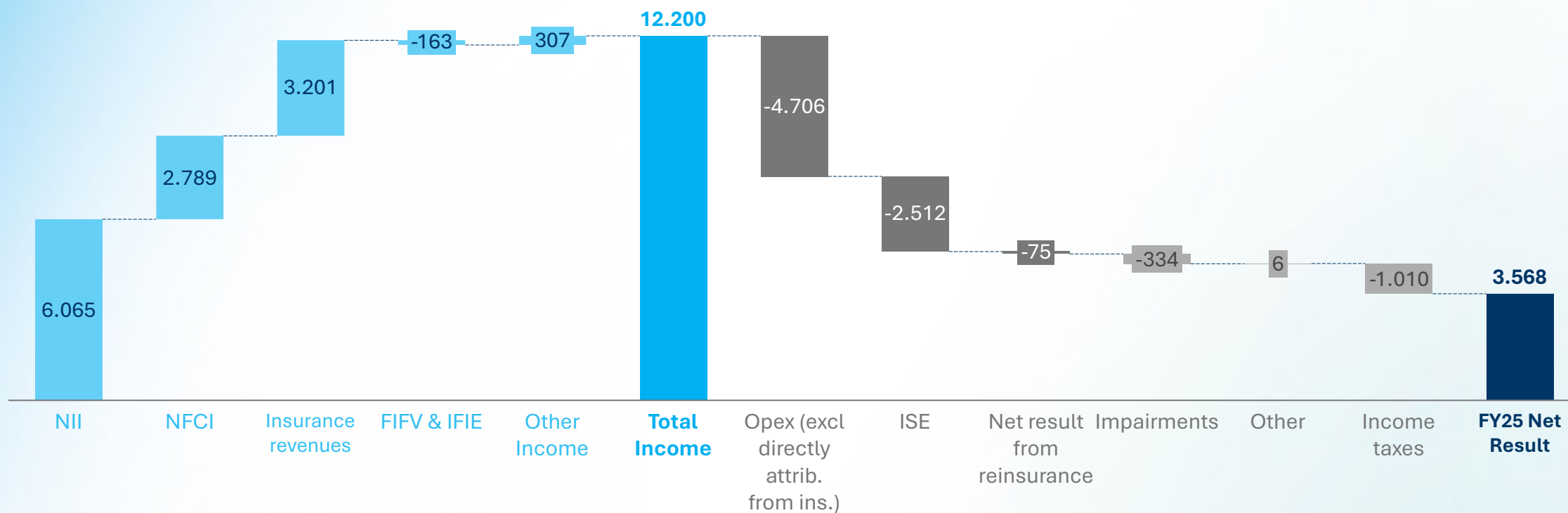
- **Revenues** rose by 9% y-o-y due mainly to higher net interest income, higher net fee and commission income, higher insurance revenues (both life and non-life), higher net other income and higher dividend income
- **Operating expenses excluding bank & insurance taxes** rose by 2.8% y-o-y including FX effect and by 2.5% y-o-y excluding FX effect to 4.6bn EUR, in line with guidance. Total bank & insurance taxes increased from 623m EUR in FY24 to 666m EUR in FY25
- **Net impairment charges** amounted to 334m EUR (compared with 248m EUR in FY24). This was attributable chiefly to :
  - 290m EUR net loan loss impairment charges on lending book (of which 52m EUR lowering the backstop shortfall for NPLs in Belgium) versus 333m EUR in FY24
  - A 17m EUR reversal of the ECL buffer for geopolitical & macroeconomic uncertainties (versus a 134m EUR reversal in FY24)
  - Impairment of 61m EUR on 'goodwill and other', mainly on software and modification losses (the latter in Slovakia and Hungary) versus 49m EUR in FY24
- Note that in 2024, a one-off tax benefit of 318m EUR was booked as a result of the liquidation of KBC Bank Ireland, besides a 79m EUR one-off gain in 'share in results of associated companies & joint ventures'. **Excluding these 2 positive one-off effects (from the FY24 net result), net result rose by 18% y-o-y in 2025**



# FY25 | Overview of building blocks of the net result

## NET RESULT | FY25 BUILDING BLOCKS

in m EUR



Y-o-Y

+9%

+8%

+9%

+9%

+3%

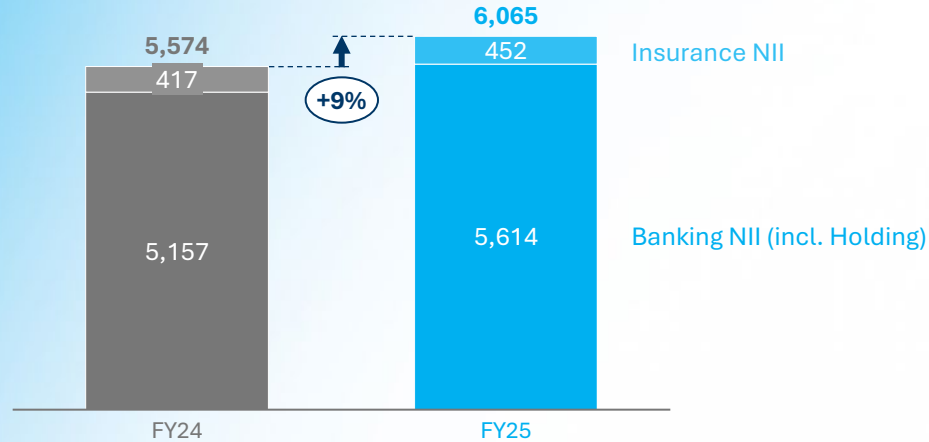
+1%

+4%

# FY25 | Higher net interest income (better than guided) and NIM

## NET INTEREST INCOME

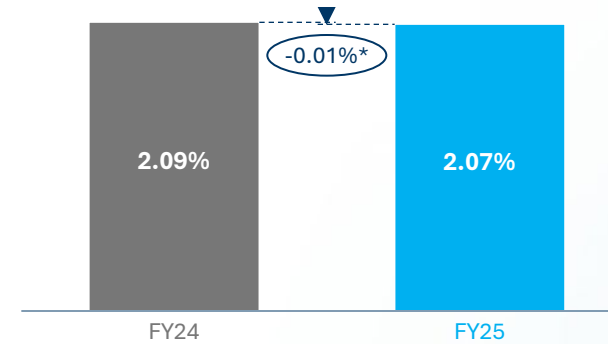
in m EUR



- **FY25 NII rose 9% y-o-y to 6,065m EUR (above the guided at least 5.95bn EUR)**, due mainly to :
  - Higher commercial transformation result
  - Higher lending income
  - Higher dealing room NII
  - Lower subordination costs
  - Lower costs on the minimum required reserves held with the central banks (-164m EUR in FY25 versus -190m EUR in FY24)
  - Higher NII on inflation-linked bonds (27m EUR in FY25 versus 23m EUR in FY24)
- partly offset by:
  - Lower NII on term deposits
  - Lower ALM result
  - Lower short-term cash management
  - Higher wholesale funding costs
- Loan volumes increased organically by 7% y-o-y, while customer deposits excluding debt certificates and repos rose by 2% y-o-y

## NET INTEREST MARGIN

in %



- **Decreased by 1\* bp y-o-y** as the increase in the interest-bearing assets (denominator) was larger than the NII growth (numerator)

\* rounding effect

## ORGANIC VOLUME TREND

	Total loans*	o/w retail mortgages	Customer deposits**
Volume (EUR)	209bn	84bn	238bn
Growth y-o-y	+7%	+7%	+2%

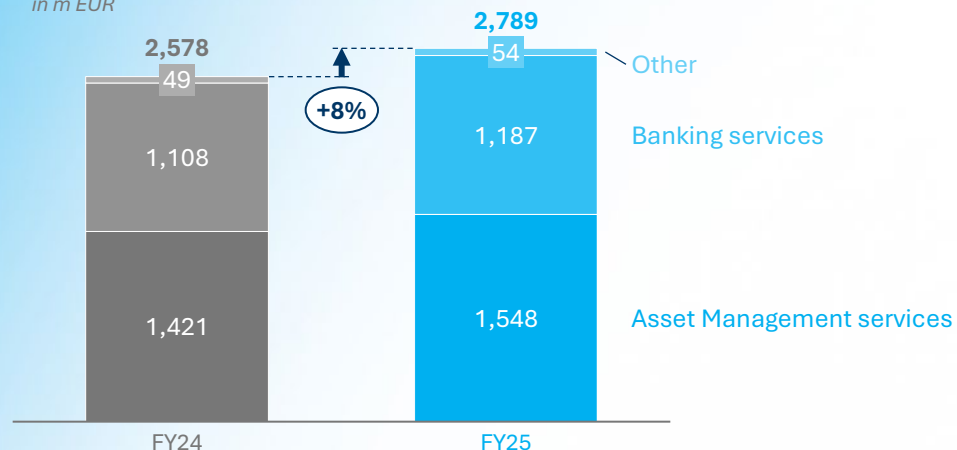
\* Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments and reclassifications

\*\* Customer deposits, excluding debt certificates and repos. **Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits rose by 3% y-o-y**

# FY25 | Higher net fee and commission income and higher AUM & Record-high net inflows in direct client money

## NET FEE & COMMISSION INCOME

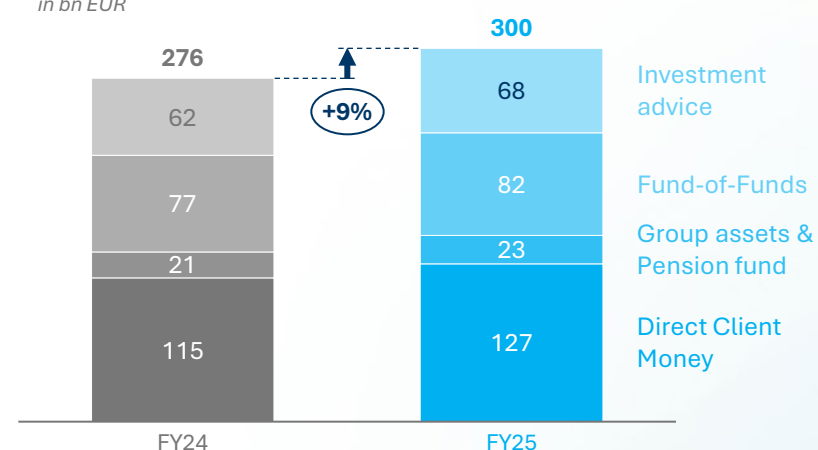
in m EUR



- **Net fee and commission income (2,789m EUR) increased by 8% y-o-y**
  - Net F&C from Asset Management Services increased by 9% y-o-y driven mainly by higher management & entry fees
  - Net F&C income from banking services increased by 7% y-o-y driven mainly by higher fees from payment services, higher network income and higher securities-related fees

## ASSETS UNDER MANAGEMENT

in bn EUR

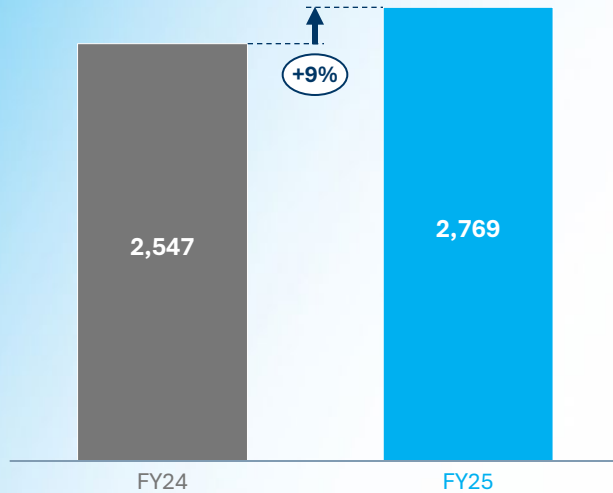


- **AUM increased by 9% y-o-y** due to net inflows (+5%) and a positive market performance (+4%)
- The mutual fund business has seen strong net inflows in FY25, both in higher-margin direct client money (**record-high 6.0bn EUR in FY25** versus 5.0bn EUR in FY24) as well as in lower-margin assets

# FY25 | Non-life sales significantly up y-o-y

## NON-LIFE SALES

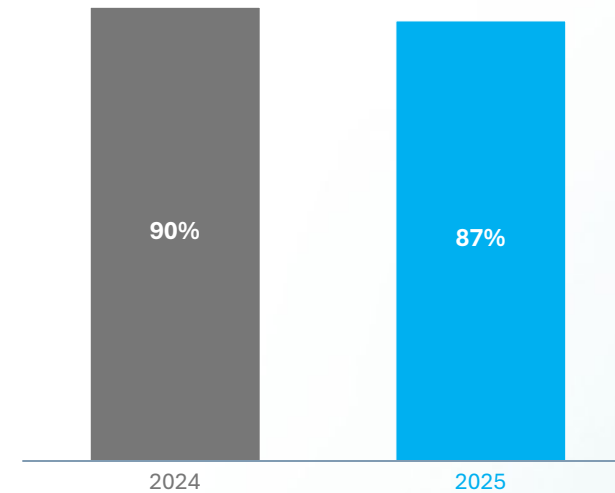
in m EUR



- **Up by 9% y-o-y**, with growth in all countries and all classes, due to a combination of volume and tariff increases

## COMBINED RATIO (NON-LIFE)

in %

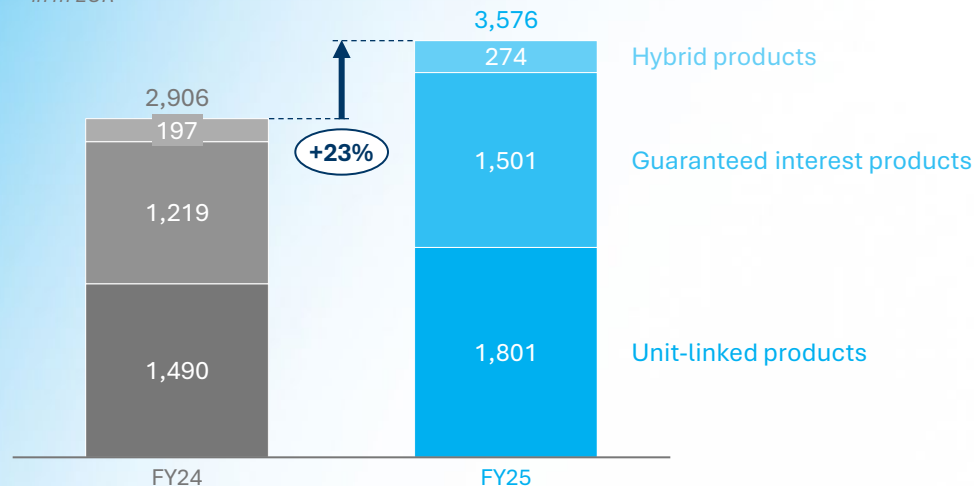


- **Non-life combined ratio for FY25 amounted to an excellent 87%** (90% in FY24)  
This is the result of:
  - 9% y-o-y earned premium growth in FY25
  - 3% y-o-y higher insurance service expenses before reinsurance, mainly in anticipation of further claims inflation
  - Lower net result from reinsurance contracts held (down by 59m EUR y-o-y) due to material external recuperations related to storm Boris in FY24)

# FY25 | Life insurance sales significantly up y-o-y

## LIFE SALES

in m EUR

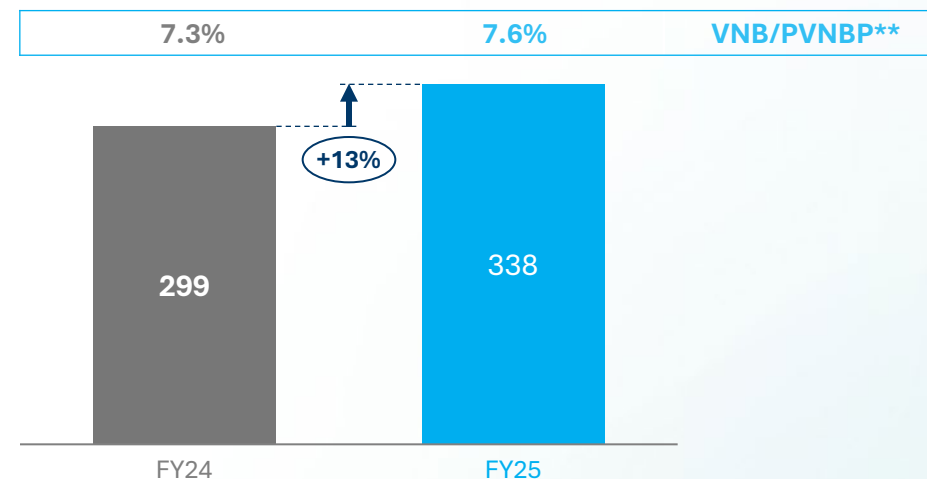


### Life sales up by 23% y-o-y

- The 21% y-o-y increase in sales of unit-linked products was mainly the result of the successful launch of new structured funds in Belgium and commercial actions linked to the large term deposit maturities
- Sales of guaranteed interest products increased by 23% y-o-y, due partly to inflows from maturing term deposits in Belgium, supported by commercial actions
- Sales of hybrid products even rose by 39% y-o-y
- Sales of unit-linked products accounted for 50% of total life insurance sales

## LIFE VALUE OF NEW BUSINESS (VNB\*)

in m EUR



### Value of New Business up by 13% y-o-y

- Higher y-o-y mainly due to higher sales across all entities, with the most significant contribution originating from Belgium. In Belgium, the volume growth was primarily attributable to increased sales of single-premium savings products and risk products
- The VNB/PVNB ratio increased slightly to 7.6%, mainly driven by Hungary and Bulgaria. In Hungary, VNB grew faster than PVNB primarily due to lower cost increases compared to volume growth. In Bulgaria, the increase was primarily driven by higher commissions earned by UBB as a result of increased sales volumes, particularly for risk products

\* VNB = present value of all future profit attributable to the shareholders from new life insurance policies written during the year  
The VNB of KBC Group includes the expected future income generated by parties other than KBC Insurance, but within KBC Group (e.g. KBC Bank & KBC Asset Management) arising from the sales of life insurance business. In 2025, this income amounted to 173m EUR (compared with 149m EUR in 2024)

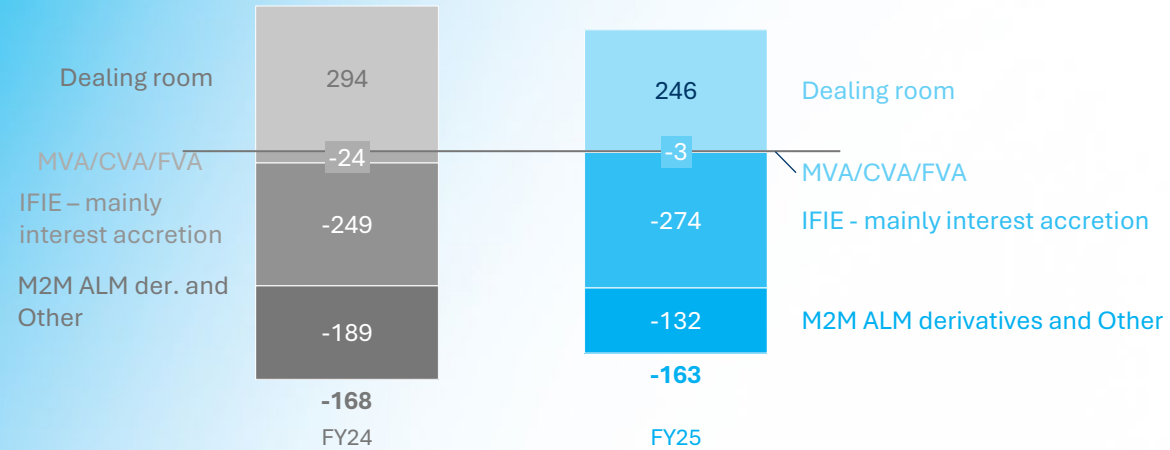
\*\* VNB/PVNB = VNB relative to the Present Value of New Business Premiums, reflecting the margin earned on these premiums.



# FY25 | Slightly higher FIFV result and higher net other income

## FIFV & IFIE

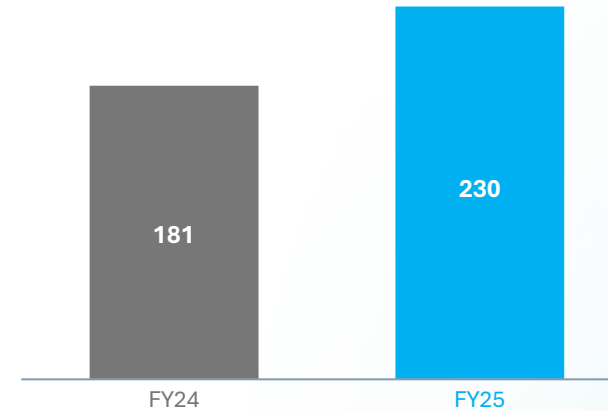
in m EUR



- **5m EUR better y-o-y**, attributable mainly to:
  - Positive change in ALM derivatives and other
  - Less negative credit, funding and market value adjustments
 partly offset by:
  - Lower FIFV dealing room result
  - More negative IFIE (mainly interest accretion) due to strong growth in insurance

## NET OTHER INCOME

in m EUR

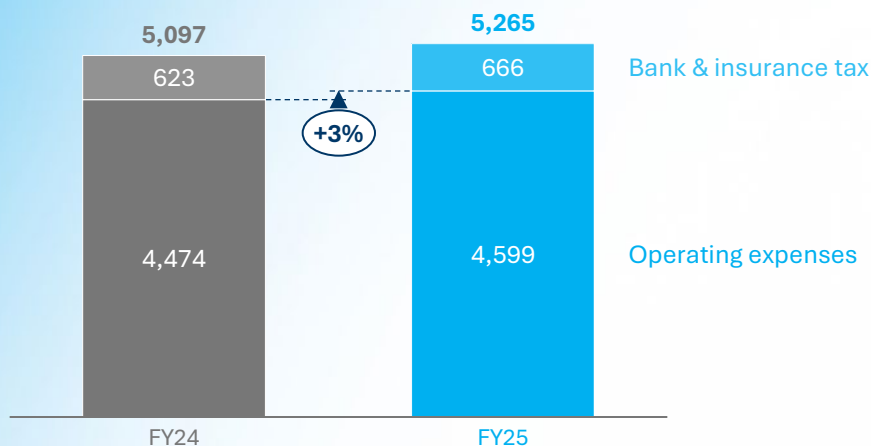


- **Net Other Income increased from 181m EUR in FY24 to 230m EUR in FY25** (which is only slightly higher than the normal run rate of roughly 200m EUR per year), due mainly to:
  - Higher-than-average gains on the sale of real estate

# FY25 | Costs in line with guidance

## OPERATING EXPENSES (INCLUDING COSTS DIRECTLY ATTRIBUTABLE TO INSURANCE)

in m EUR



- FY25 opex excluding bank & insurance taxes rose by 2.8% y-o-y including FX effect and by 2.5% y-o-y excluding FX effect, **in line with our FY25 guidance**
  - The y-o-y increase was due mainly to the higher staff expenses (mainly the impact of wage inflation), higher ICT costs, higher marketing expenses, higher professional fee expenses and higher depreciations, partly offset by lower facility expenses
- Excluding Ireland and one-off costs in Bulgaria (due to integration of Raiffeisenbank Bulgaria and the EUR adoption costs) both in FY24 and FY25, operating expenses excluding bank & insurance taxes went up by 3.6% y-o-y (and +3.2% y-o-y excluding FX effect)
- FY25 cost/income ratio**
  - 46% when excluding certain non-operating items\* (47% in FY24)
  - 41% excluding all bank & insurance taxes (43% in FY24)

\* See glossary for the exact definition

## BANK AND INSURANCE TAXES

in m EUR

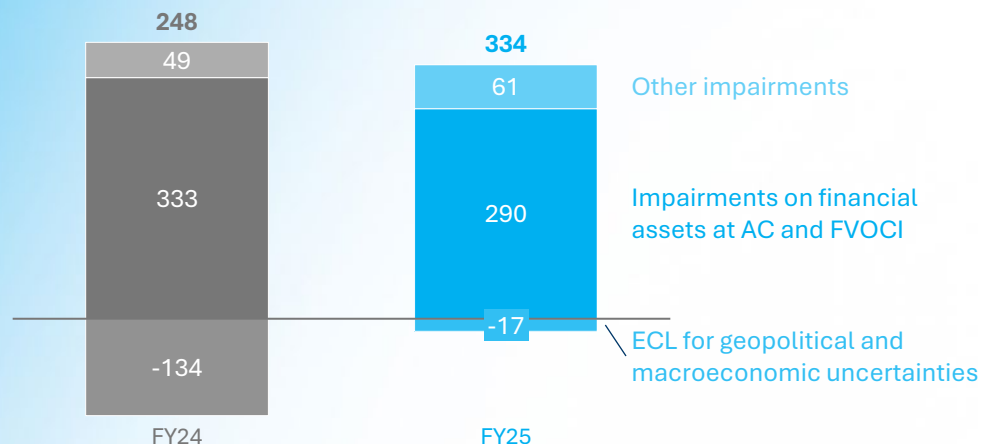
	FY25	FY24
BE BU	356	285
CZ BU	24	40
Hungary	259	245
Slovakia	10	34
Bulgaria	14	21
Group Centre	4	-1
<b>Total</b>	<b>666</b>	<b>623</b>

- Total **bank & insurance taxes** increased by 7% y-o-y to 666m EUR in 2025 (623m EUR in 2024)

# FY25 | Net loan loss impairment charges & excellent credit cost ratio

## ASSET IMPAIRMENT

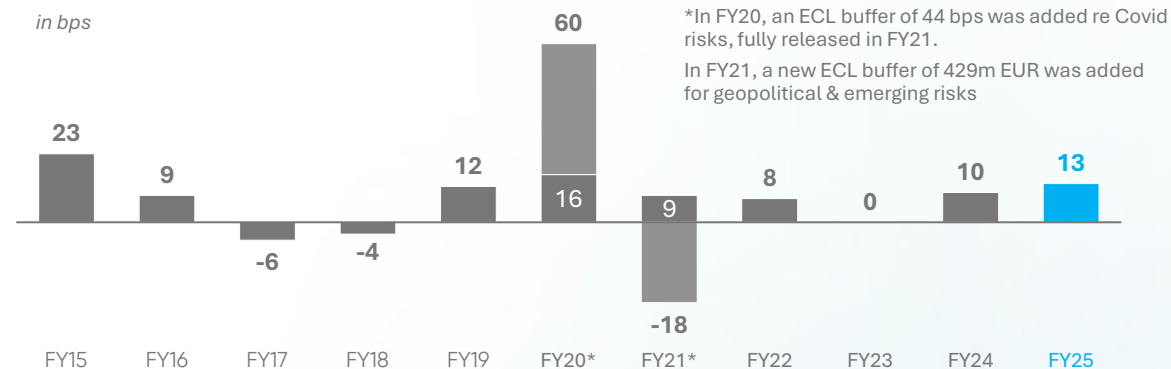
in m EUR; negative sign is a release



- Net impairment charges amounted to 334m EUR (compared with 248m EUR in FY24); this was attributable chiefly to
  - 290m EUR net loan loss impairment charges on lending book (of which 52m EUR lowering the backstop shortfall for NPLs in Belgium) versus 333m EUR in FY24
  - A 17m EUR reversal of ECL buffer for geopolitical & macroeconomic uncertainties (versus a 134m EUR reversal in FY24)
  - Impairment of 61m EUR on 'goodwill' and 'other', mainly on software and modification losses (the latter in Slovakia and Hungary) versus 49m in FY24

## CREDIT COST RATIO

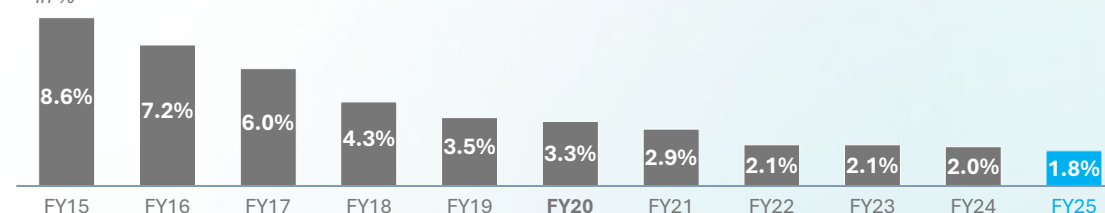
in bps



- The credit cost ratio in FY25 amounted to:
  - 13 bps (16 bps in FY24) without ECL for geopolitical & macroeconomic uncertainties
  - 13 bps (10 bps in FY24) with ECL for geopolitical & macroeconomic uncertainties

## IMPAIRED LOANS RATIO

in %



- The impaired loans ratio amounted to 1.8% (0.9% of which over 90 days past due)

# Company profile | KBC Group in a nutshell (1)

## Diversified and strong business performance

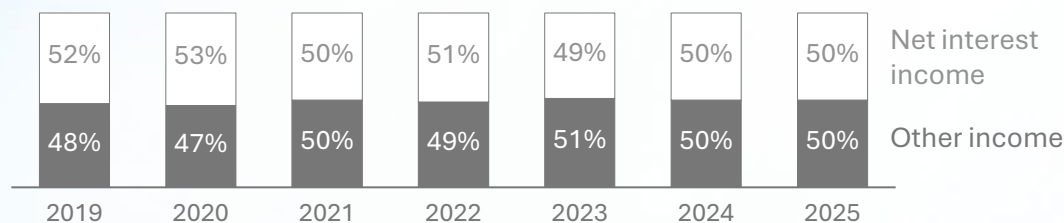
- geographically ...
  - Mature markets (BE, CZ) combined with growth markets (SK, HU, BG)
  - Robust market position in all key markets & strong trends in loan and deposit growth



- ... and from a business point of view
  - An integrated bank-insurer
  - Strongly developed & tailored AM business
  - Strong value creator with good operational results through the cycle
  - Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients
  - Integrated model creates efficiency gains and results in a complementary & optimised product offering
  - Broadening 'one-stop shop' offering to our clients

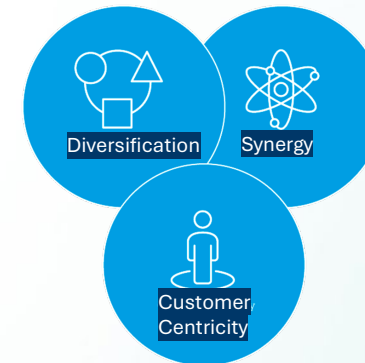
### KBC GROUP TOPLINE DIVERSIFICATION

in %



## We want to be among Europe's best performing financial institutions

- We are a leading European financial group with a focus on providing bank-insurance products and services to retail, SME and mid-cap clients, in our core countries: Belgium, Czech Republic, Slovakia, Hungary and Bulgaria
- As a result of the withdrawal from Ireland, arising M&A opportunities beyond our core markets may be assessed (for approval of the Board of Directors) taking into account very strict strategic, financial, operational & risk criteria

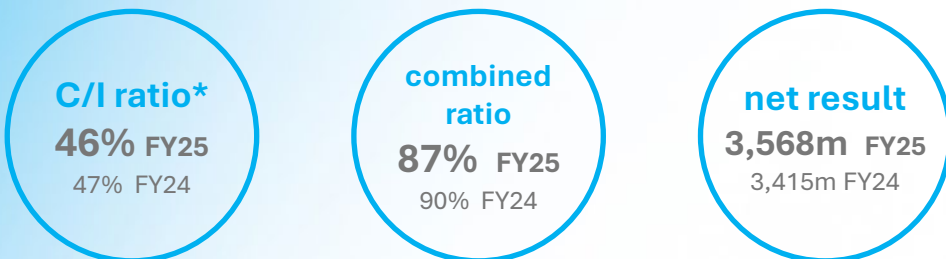


## Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, we have made sustainability integral to our overall business strategy and integrated it into our day-to-day business operations and the products and services we provide
- Our sustainability strategy consists of three cornerstones: encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse social impact we might have

# Company profile | KBC Group in a nutshell (2)

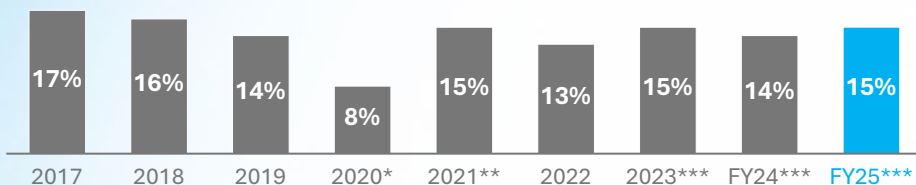
## High profitability (IFRS 17 figures)



\* Adjusted for specific items

### RETURN ON EQUITY

in %



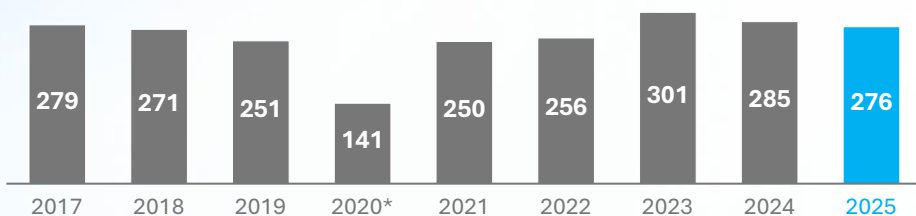
\* 11% when adjusted for the collective Covid-19 impairments

\*\* When excluding the one-off items due to the pending sales transactions in Ireland

\*\*\* Excluding one-offs

### CET1 GENERATION BEFORE ANY CAPITAL DEPLOYMENT

in bps

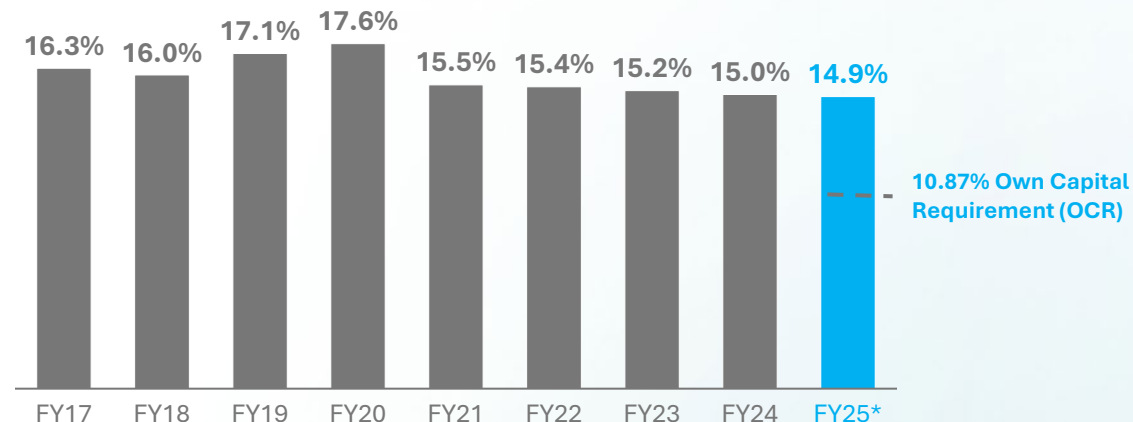


\* 202bps when adjusted for the collective Covid-19 impairments

## Solid capital position

### CET 1 RATIO (FULLY LOADED, DANISH COMPROMISE)

in %



\* As of 2025, unfloored fully loaded CET1 ratio under Basel 4

## Robust liquidity





## Company profile | KBC Group in a nutshell (3)

### Dividend policy & capital distribution

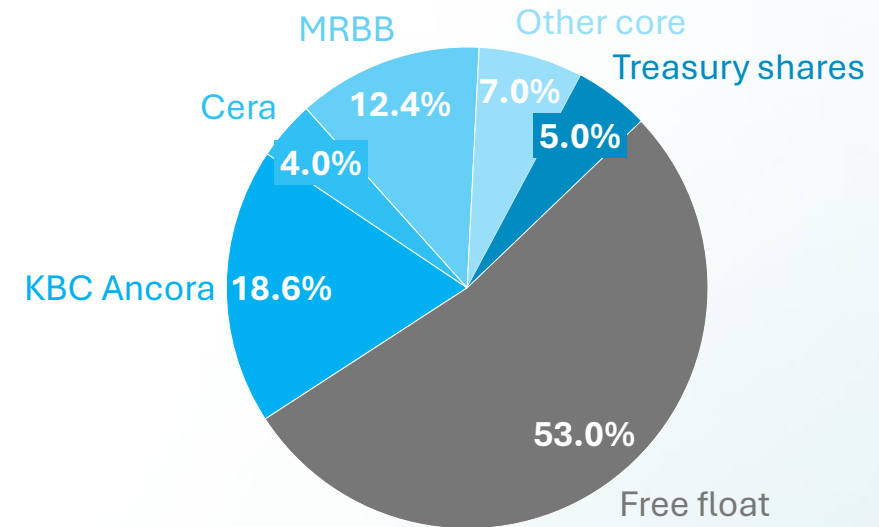
The Board of Directors decided:

- the **dividend policy as from 2025**:
  - A **payout ratio** (including AT1 coupon) between **50%-65% of consolidated profit** of the accounting year.
  - An **interim dividend of 1 EUR per share** in November of each accounting year as an advance on the total dividend
- the **capital deployment policy as from 2025**:
  - KBC aims to be **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**
  - KBC sees a **13% unfloored fully loaded CET1 ratio (\*) as the minimum**
  - KBC will **fill up the AT1 and Tier 2 buckets** within P2R and will **start using SRTs** (as part of RWA optimisation program)

(\*) fully loaded Basel 4 CET1 ratio excluding output floor impact

### Shareholder structure

(as at end 2025)



- Roughly **42% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals**. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of Belgian industrialist families
- The **free float** is held mainly by a large variety of international institutional investors

# Acquisition of 365.bank in Slovakia closed on 15 January 2026

(Below, you can find the slide provided at signing/initial agreement)



KBC has agreed to acquire (in cash) 98.45% of 365.bank in Slovakia, based on a total value for 365.bank of 761m EUR

## Indisputable strategic rationale

- Enhancing the footprint in Slovakia by strengthening the operating size in the market and reaching a **16% market share** (total assets), closing the gap with the top 3 competitors
- In line with KBC's strategy to achieve reference positions in its core markets, the increase in critical market mass and the complementary business mix of 365.bank and ČSOB SK will allow KBC to further benefit from **cross-selling potential**
- 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 exclusive partnership with Slovak Post)

## Strong financial rationale

- **EPS accretive** from year 1 onwards
- Purchase price represents a **1.4x Book Value**<sup>1</sup> and **9.4x P/E**<sup>2</sup> multiple
- Leveraging on the combined entity, the cross-selling potential and KBC's expertise:
  - **Synergies** (incl. integration and restructuring costs) will quickly increase to **at least 75m EUR as of 2028** onwards (pre-tax)
  - **Return on investment** is estimated at **16%**, while the **RoE** of the pro-forma combined Slovakian entity is uplifted to roughly **15%** (both by 2028, i.e. after a two-year integration period), substantially above the cost of equity
- Estimated **capital impact** on KBC Group's unfloored fully loaded CET1 ratio will be limited to **approximately -50bps** upon closing
- This transaction is fully **in line with the updated capital deployment plan** as from 2025, with focus predominantly on further organic growth and M&A

Notes: <sup>1</sup> based on the equity position of 365.bank at year-end 2024; <sup>2</sup> based on the average 2022-2024 net profit of 365.bank

# KBC strengthens its position in Central Europe with the acquisition of Business Lease in the Czech Republic and Slovakia, closed on 10 February 2026

(Below, you can find the slide provided at signing/initial agreement)



KBC has agreed to acquire **Business Lease Czech Republic** and **Business Lease Slovakia**, for a total consideration of **72m EUR**

## Indisputable strategic rationale

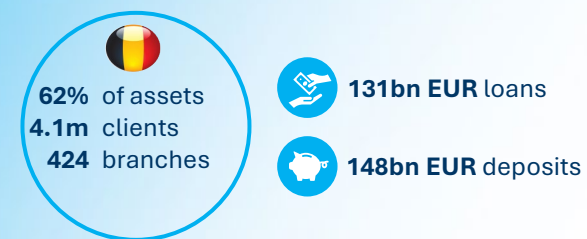
- With this transaction, KBC Group will significantly **expand its leasing activities in Central Europe** and strengthen its market position in both countries, becoming a top 5 player in Czech Republic and a top 3 player in Slovakia
- The combined entity will be able to further increase **operational efficiency, optimise customer experience** and unlock substantial benefits, including **cross-selling opportunities**
- In line with KBC's strategy to achieve reference positions in its core markets, this transaction will lead to further **income diversification** at KBC Group

## Strong financial rationale

- **EPS accretive** from year 1 onwards
- Purchase price represents a **1.4x Book Value** (year-end 2024)
- Leveraging on the combined entity, the cross-selling potential and KBC's expertise, **synergies** (incl. integration and restructuring costs) will quickly increase to **high single digit million euros per year**, after a two-year integration period (pre-tax). **Return on investment** is estimated at **14%**
- Estimated **capital impact** on KBC Group's unfloored fully loaded CET1 ratio will be limited to **an immaterial -4bps** upon closing
- This transaction is fully **in line with the updated capital deployment plan** as from 2025, with focus predominantly on further organic growth and M&A

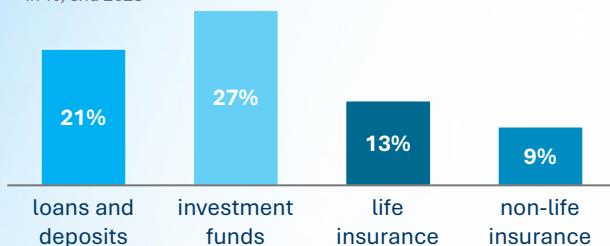
# Company profile | Well-defined core markets

## Belgium BU



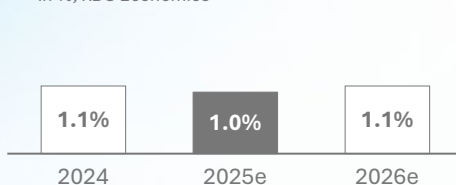
### MARKET SHARE

in %, end 2025

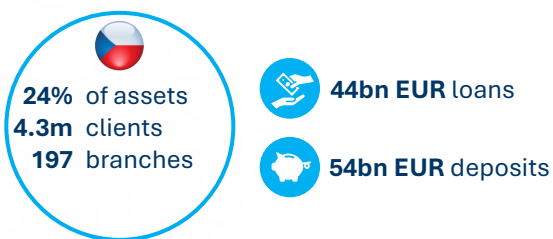


### GDP GROWTH

in %, KBC Economics

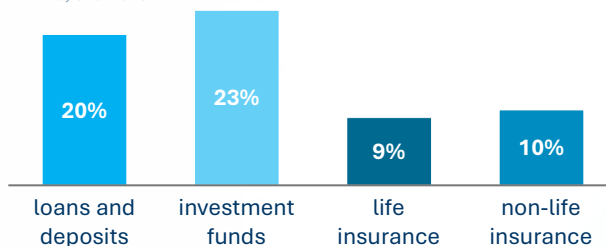


## Czech Republic BU



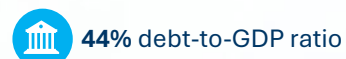
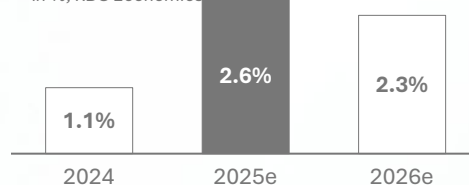
### MARKET SHARE

in %, end 2025

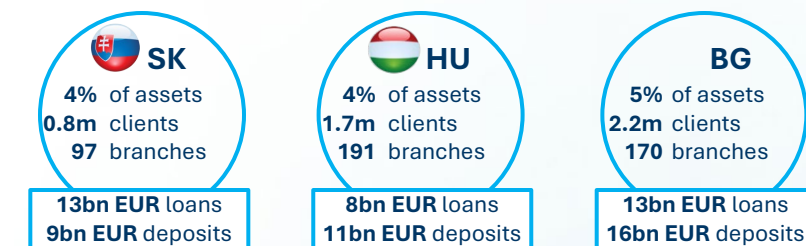


### GDP GROWTH

in %, KBC Economics

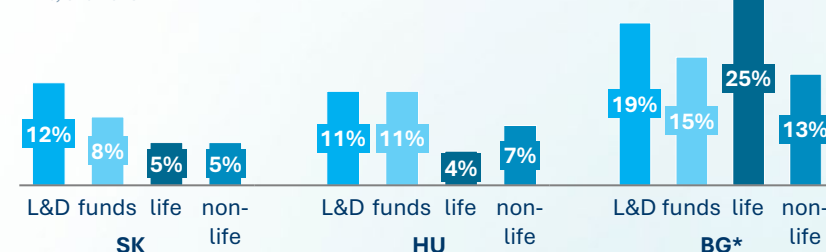


## International Markets BU



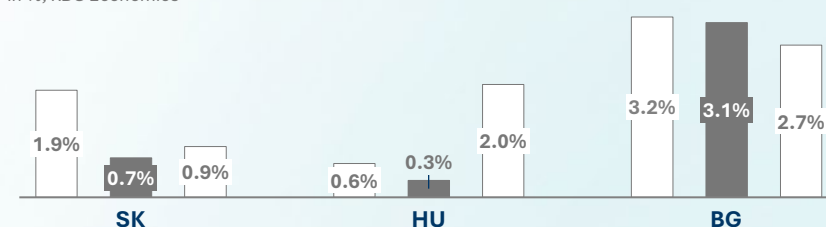
### MARKET SHARE

in %, end 2025



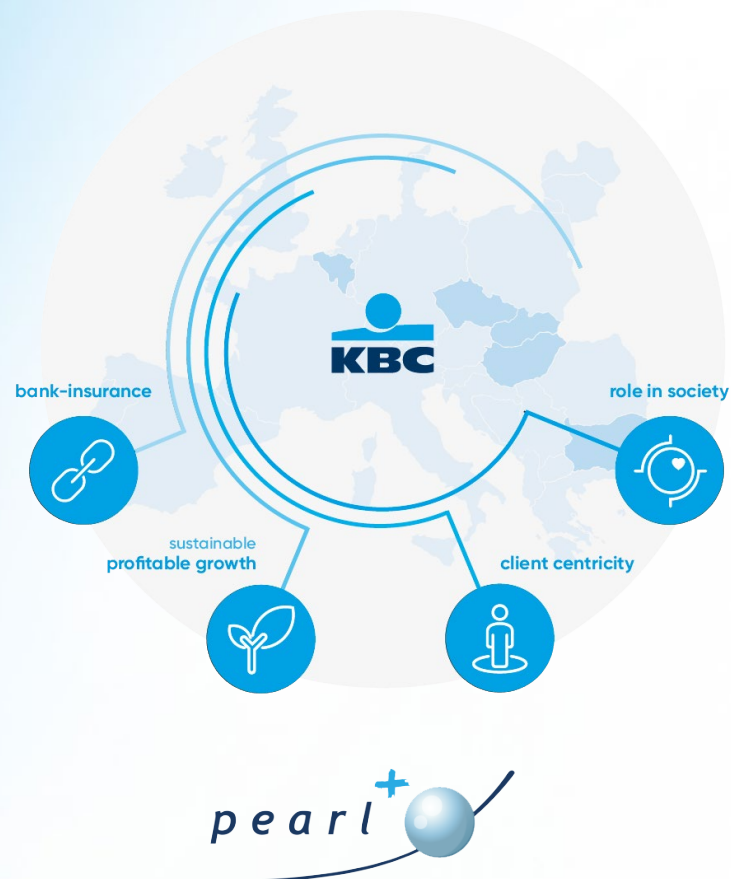
### GDP GROWTH

in %, KBC Economics



**74%** debt/GDP

**24%** debt/GDP

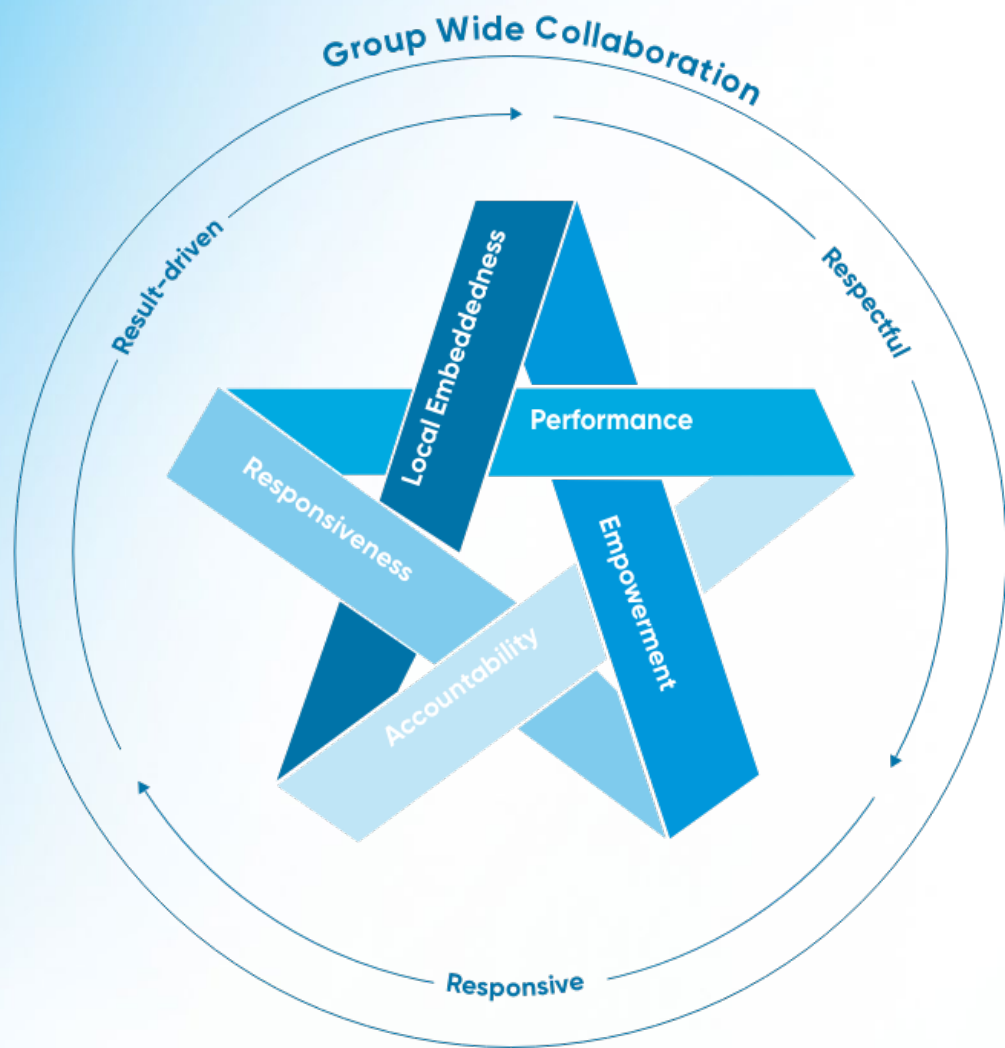


## Our strategy rests on the following principles:

- We place our clients at the centre of everything we do.
- We look to offer our clients 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 implement our strategy within a strict risk, capital and liquidity management framework

As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group

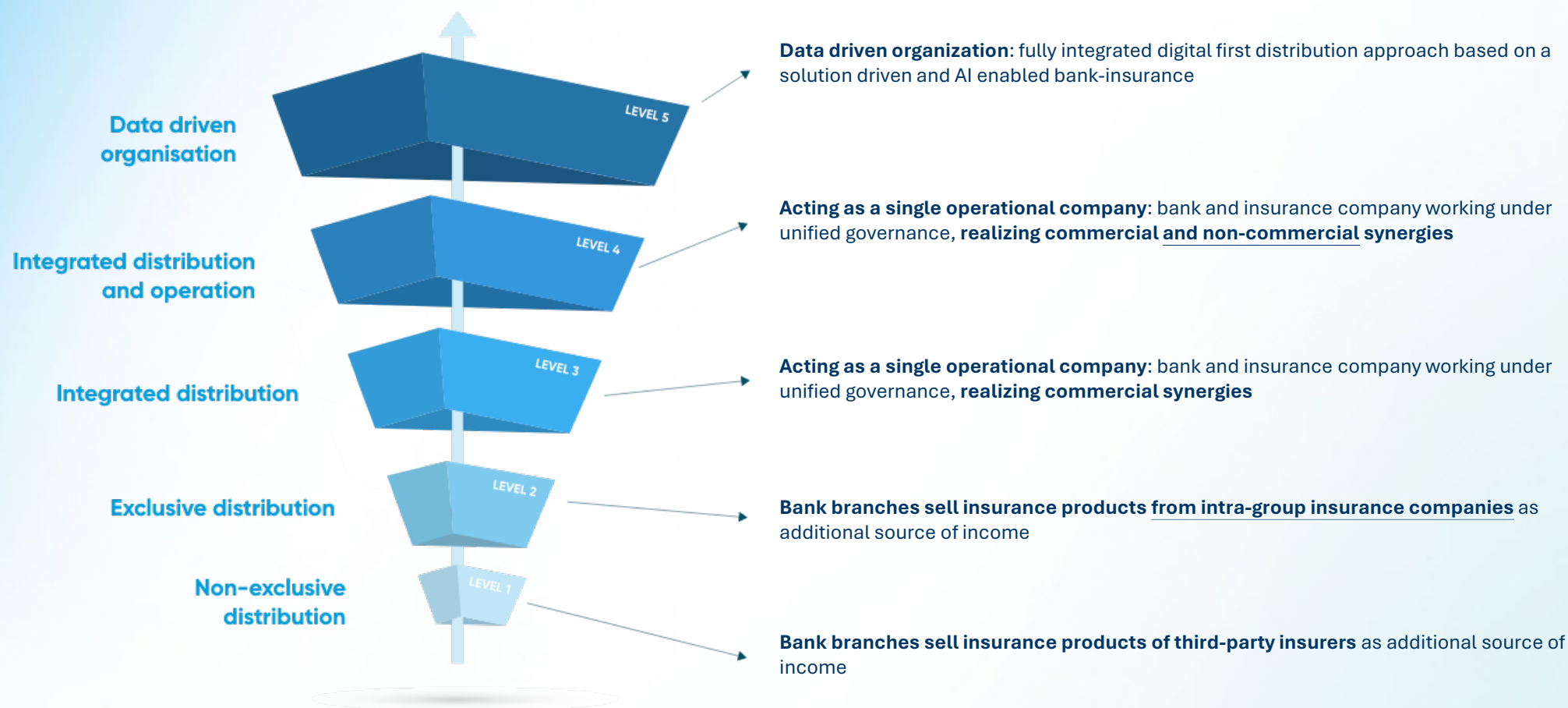




**‘Why would you build exactly the same thing in your country, when you have the solution next door?’**

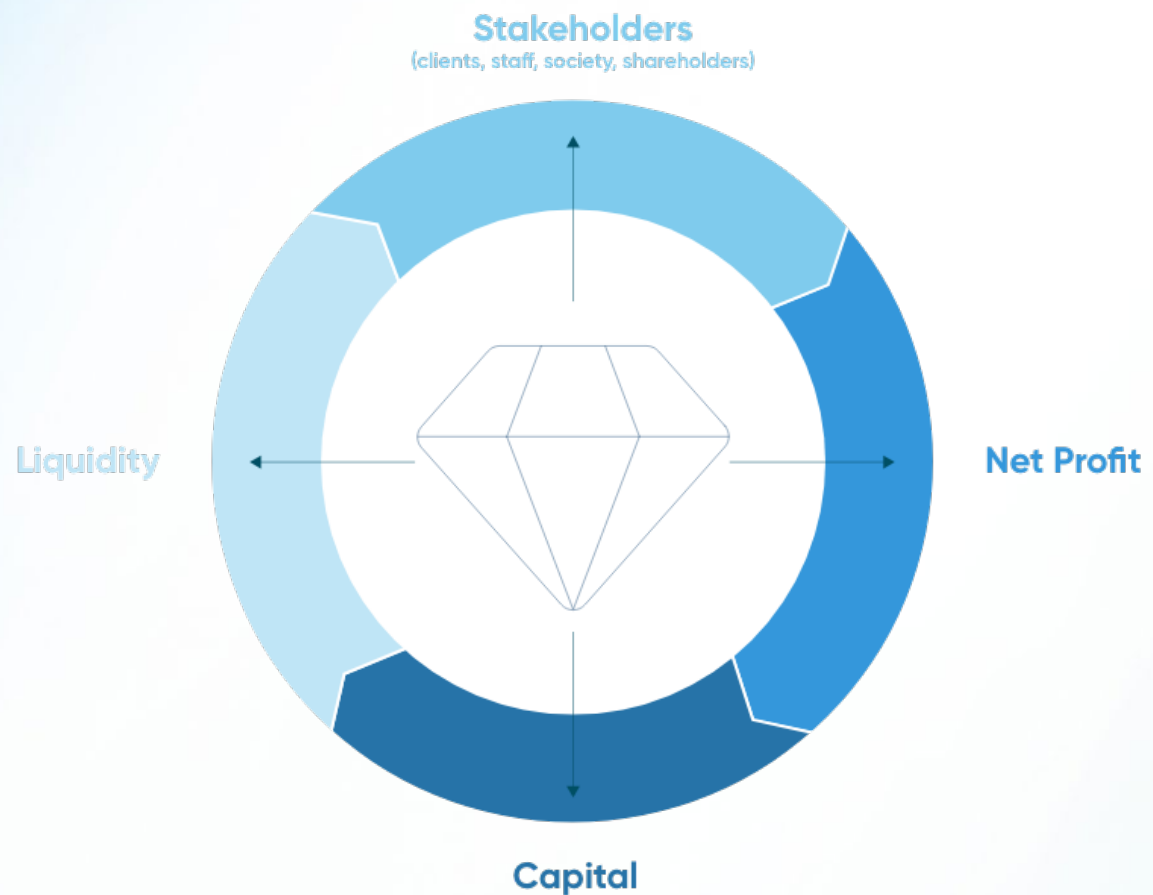
Johan Thijs

We move beyond traditional bank-insurance towards **bank-insurance**, providing not only traditional bank-insurance solutions but also less traditional non-financial solutions that impact the financial wellness of retail customers or the future of their business



## Strategy | The KBC performance diamond

The performance diamond defines, within the limits of the risk management framework, the targets for KBC Group and for all the business units for 4 performance dimensions:



# Kate | KBC's hyper personalised and trusted digital assistant



## Digital first & E2E

We will offer the client a frictionless End2End digital process and in doing so make bank/insurance simple and hassle free

## Serving: secure & frictionless

Kate will help the client saving time and/or money, focusing more on the convenience factor. Kate will also serve the client regarding security and fraud

## Volume

We want all our clients to meet Kate as much as possible. Kate will allow us to reach out to a sufficient volume of clients, in terms of transactions and in terms of number of targetable audience



## Personalised & data driven

The interaction between the customer and Kate will be triggered by data analysis (approval granted by customer). Kate will be trained on the basis of the customer's profile, preferences and activities

## Relevant & valuable offer

Kate will only propose offers where sufficient added value is shown or when she can serve the client in an important moment in the client's live

## At the right time

Lead journeys driven by time or location are preferably taken care of by Kate, as notifications linked to a specific location or specifying moment in time are perceived as highly personal

**'No hassle,  
no friction,  
zero delay'**

Johan Thijs



## Kate4Retail & mSME

Kate is a **personal virtual assistant** that engages with our retail, self-employed and mSME customers to save them time and money. Kate engages both in a reactive way (**You2Kate**) and a proactive way (**Kate2You**).

**Kate is available in all KBC's core countries!**

KATE  
autonomy

82% BE  
69% CZ

6.0 million  
users  
in contact  
with Kate

## Kate4Business

Kate also engages with our **SME and corporate clients** and provides them relevant support and actionable insights.

Already **available in BE, CZ and BG**. Further roll-out planned in SK and HU.

## Kate Group Platform

We do not build Kate for every country individually. Kate is built once at a group level and then deployed to all core countries (**Kate in a box**).

Technically, we have set up a shared infrastructure on the cloud that allows us to **share use cases, code and IT components maximally**.

Furthermore, KBC strives to have a **common user interface and persona**, so Kate looks and feels the same everywhere.

Finally, everything that can be developed at group level is governed by a specific steering committee that **develops and maintains the group Kate infrastructure**.

'KATE IN  
A BOX'  
delivered to  
all core  
countries

## Kate4Commercial Employees

Kate also has an impact on our employees: Kate provides commercial steering towards our workforce, she augments them to better serve our clients and supports them in their administrative tasks.

In doing so, employees can focus on providing even more added value to our client.

Kate gives tools to management to better coach employees and plan ahead.

398k  
converted  
Kate leads  
(1y)



# Kate | A data-driven organisation with Kate at the core

**Kate is more than an interface towards customers. It also refers to the AI-enhanced software at our center: the Kate brain.**

The Kate brain will be the driving force behind data-driven decision making, product design and development, marketing, commercial and sales steering and much more.

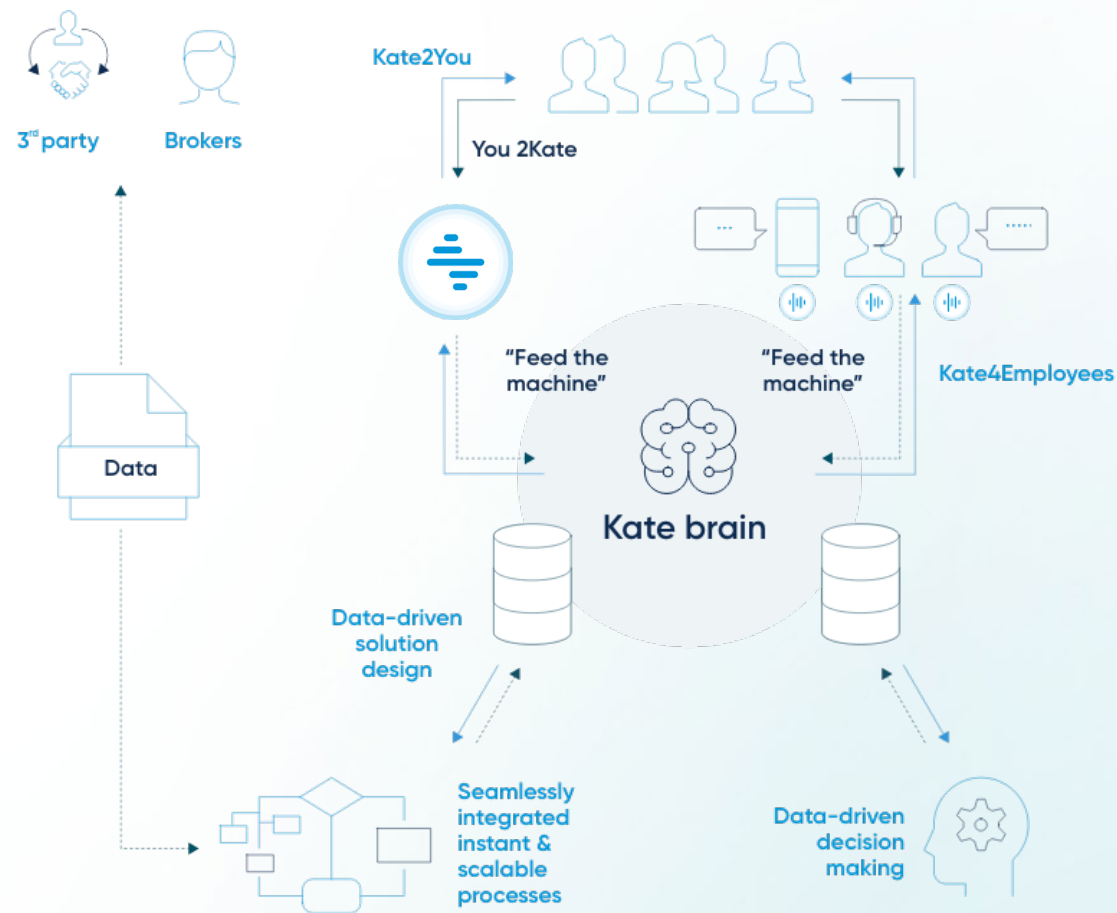
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by **providing relevant insights**.

The Kate brain is fed by our own banking and insurance data-sources but also by data sources from third party services, resulting in **seamlessly integrated, instant (STP) and scalable processes**.

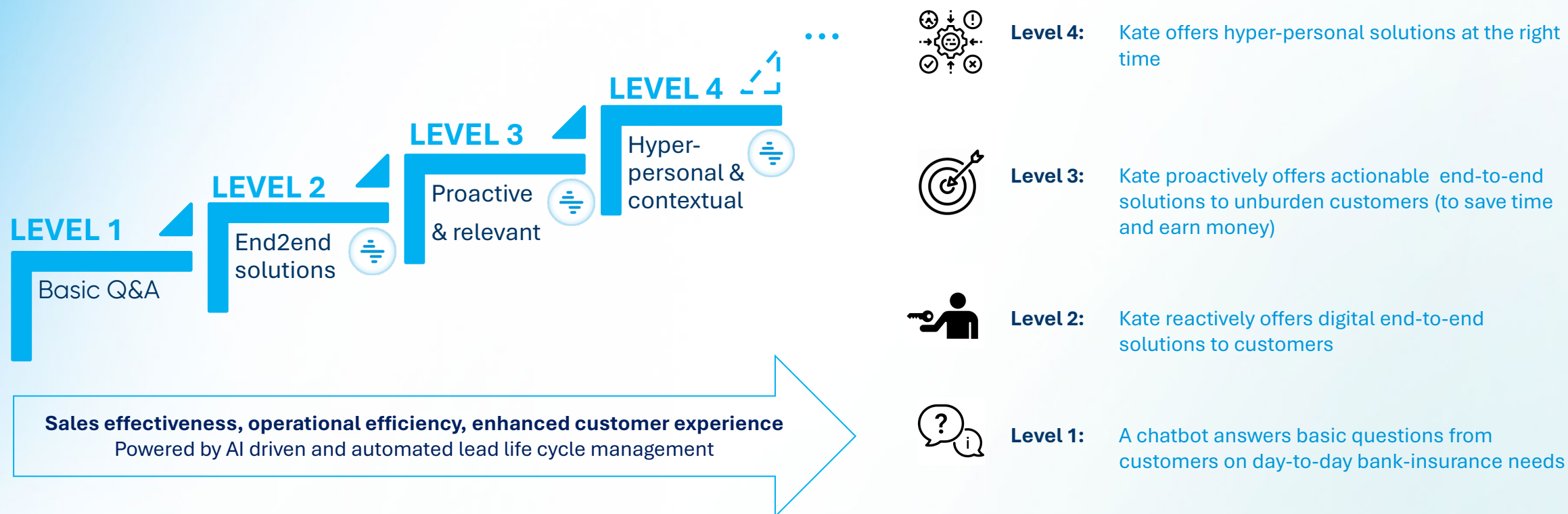
Very important in this are the feedback loops from all interactions to make sure **Kate is learning and getting smarter**, resulting in better decision making.

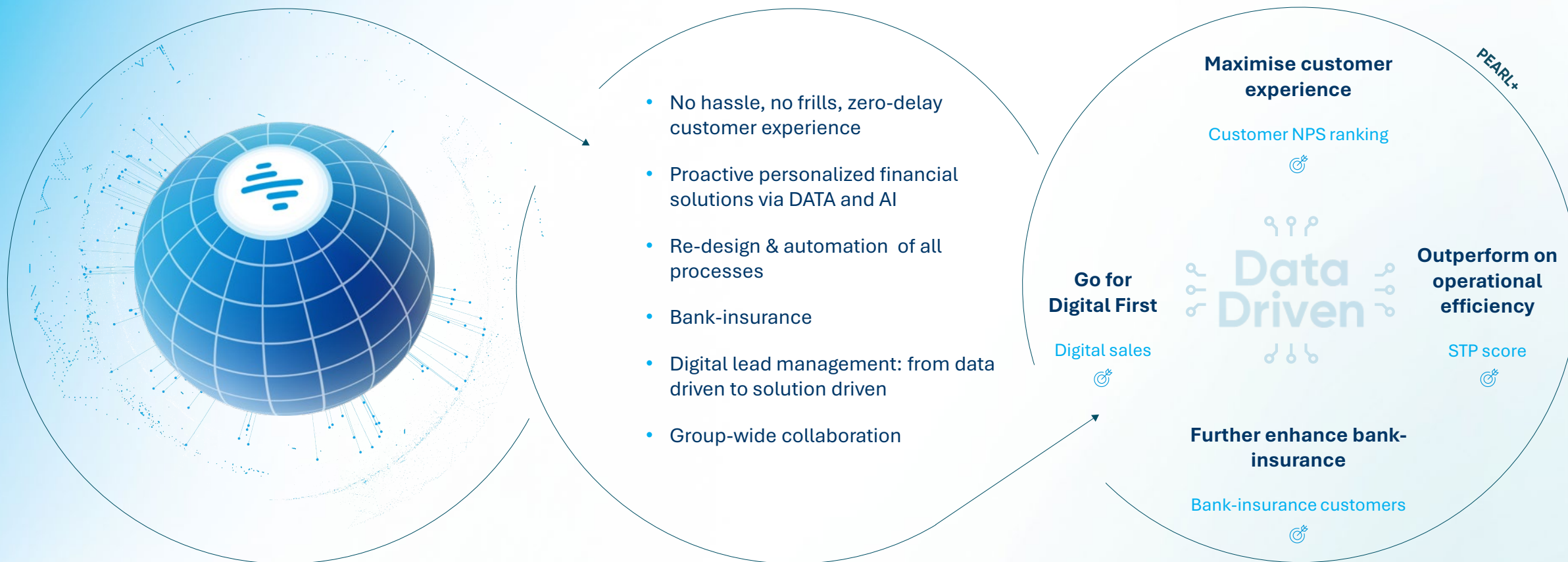
The main purpose remains the same: happy customers. As a **data-driven company** we remain guided by our **client-centric vision**.

Another upside of being AI-powered and solution-driven, is that we not only save time (cost reductions), not only for the customer, and we improve our sales efforts through **better sales productivity**.



# Kate | From basic chatbot to hyper-personal digital assistant





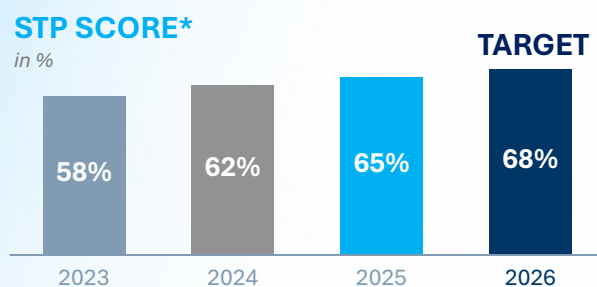
# Strategy | KBC's non-financial targets (2023-2026)

## Customer ranking



- **KBC is 3<sup>rd</sup> in customer NPS (Net Promoter Score) ranking**  
based on weighted avg of ranking in five core countries
- **Target is to remain the reference**  
(i.e. Top-2 score on group level)

## Straight-through processing

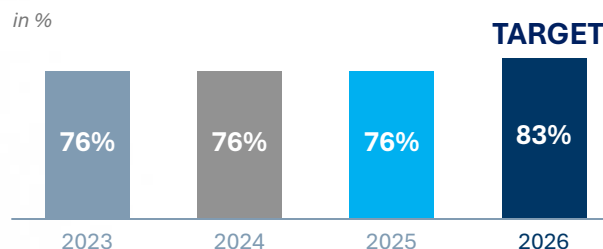


The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

\* Based on analysis of all retail processes.

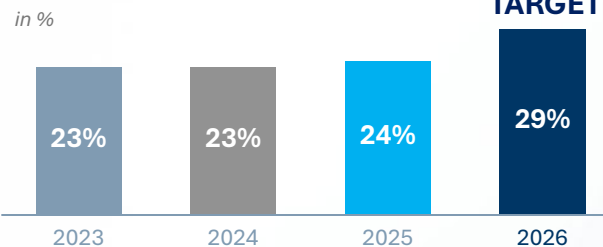
## Bank-insurance (BI) clients

### BI CLIENTS



BI customers have at least 1 bank + 1 insurance product of our group.

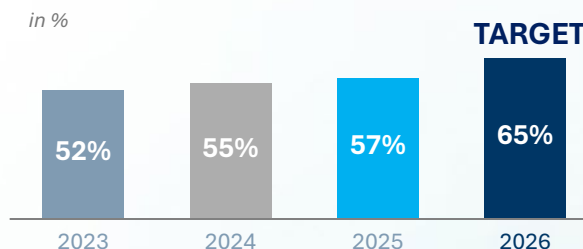
### BI STABLE CLIENTS



Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

## Digital sales

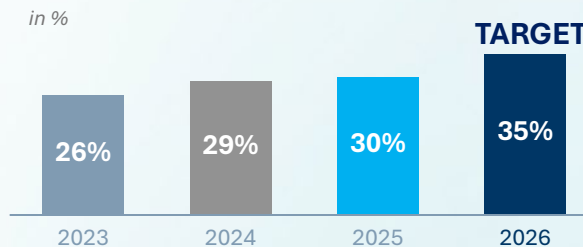
### DIGITAL SALES BANKING PRODUCTS\*



Target: Digital sales 65% of **banking sales**

\* Based on weighted average of selected core products.

### DIGITAL SALES INSURANCE PRODUCTS



Target: Digital sales 35% of **insurance sales**

# KBC's ESG ratings and indices are ahead of the curve





## Commitment to the environment



### Two new thematic White Papers

This year, we developed two new internal thematic White Papers: one on plastics and one on deforestation.



### 12 climate targets for our lending portfolio

KBC's Climate Progress Dashboard shows that, overall, we are on track to meet our climate targets, with nine out of twelve targets being in line with our climate alignment benchmarks.



### 25 billion euros to loans with environmental objectives

In 2024, KBC financed 3.2 billion euros in the renewable energy and biofuel sector, 21 billion euros in mortgages for energy-efficient housing and 1.3 billion euros for low carbon vehicles.



### 750-million-euro Green Bond issue

KBC Group successfully issued a new eight-year Green Bond under the recently updated Green Bond Framework, through which we support energy efficient buildings, renewable energy transactions and clean transportation.

## Sustainable business



### CSRD Reporting

We published our first Sustainability Statement in our [2024 Annual Report](#). These new disclosures align with CSRD requirements and detail how we integrate sustainability into our business.



### 50.8 billion euros in Responsible Investing funds

Responsible Investing funds account for 44% of total direct client money. These include Responsible funds, ECO-thematic funds and Impact Investing funds.



### Thousands of conversations with our customers

We engage on a variety of sustainability topics with a wide range of clients with respect to their sustainability transition.



### 80% of start-ups integrate sustainability

We support start-ups and scale-ups through the Start it @KBC communities. In Belgium, 80% of them integrate sustainability into their mission and operations.

## Social responsibility



### 7.4 billion euros in social sectors

In 2024, we financed 6.17 billion euros in the healthcare and senior living sectors and 1.23 billion euros in the education sector.



### Over 400 dreams realised

Launched in late 2024, the Team Blue Challenge supports our mission to safeguard the dreams of our community by inviting all colleagues to volunteer for non-profits.



### Two social targets for housing in Belgium

This year, we are reporting for the first time on our progress towards two social targets on housing: the number of young adults reached with housing-related information, and the relative share of young adults in a situation of overindebtedness.



### Up to 500 days spent by KBC staff for BRS

KBC colleagues, along with other volunteers, dedicated 500 days to voluntary coaching and training for BRS. In total, BRS vzw supported 15 projects in the Global South.

# Own environmental impact: our progress in brief

## Own environmental footprint (FY 2024)

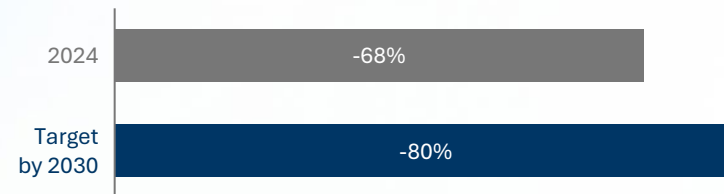
- Since 2015, we have been calculating the **GHG emissions arising from our own operations** at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard
- We set **group-wide GHG reduction targets** in 2016, and we have tightened them over the years
- **In 2020 the most recent targets were set**, with a long-term ambition of achieving an 80% reduction in our direct emissions by 2030 (as compared to 2015). For the fourth consecutive year, we reached **net climate neutrality** by offsetting our residual direct emissions
- Additionally, we committed to increasing **our own green electricity consumption to 100% by 2030**. The goal was already reached in 2021
- Since 2024, our environmental footprint calculations have been **verified through the assurance of our Sustainability Statement** in the [Annual Report](#).

More details in our [2024 Sustainability Report](#)



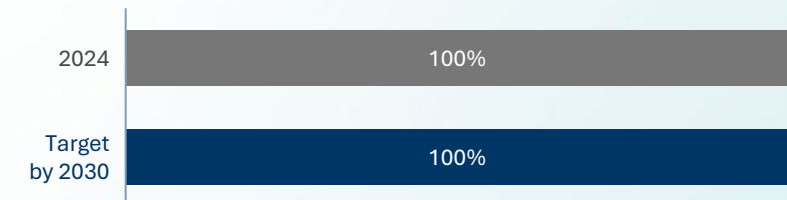
## REDUCTION IN OUR OWN GHG EMISSIONS

reduction compared to 2015



## RENEWABLE ELECTRICITY

in % of purchased electricity



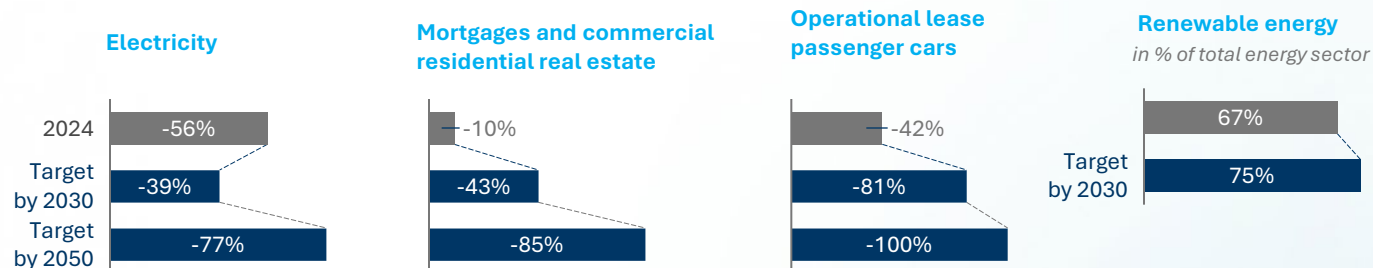
# Indirect environmental impact: our progress in brief

## INDIRECT environmental footprint (FY 2024)

- We refer to our Collective Commitment to Climate Action (CCCA) and the subsequent publication of **our Climate Report at the end of September 2022**
- Containing stringent **decarbonisation targets** for the white papers sectors which represent the majority of our lending portfolio emissions. Targets cover 55% of the lending portfolio related GHG emissions
- Clear targets for KBC Asset Management's Responsible Investing (RI) funds
- The baseline of the various targets and the actuals have been **externally limited assured**

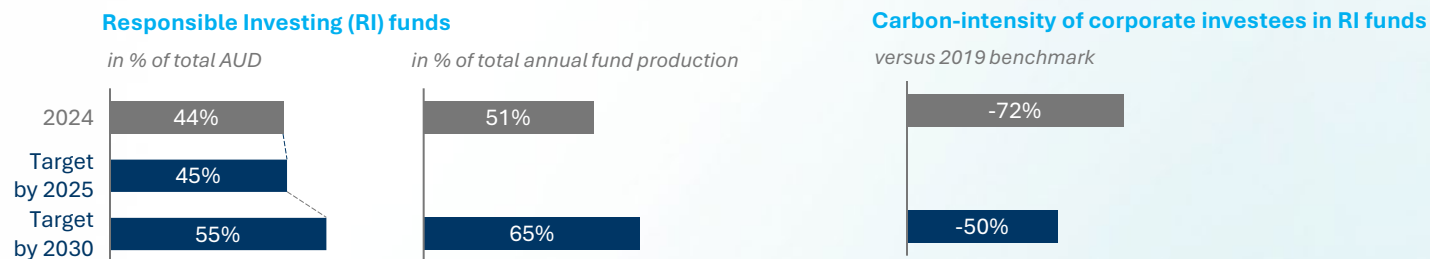
## Loan portfolio (selection of sectors)

Carbon-intensity reduction compared to 2021 baseline, otherwise indicated



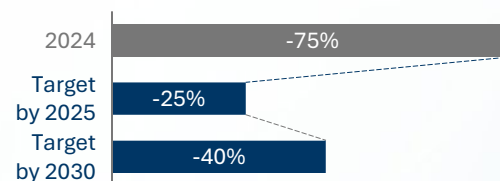
## Asset management funds

Reduction compared to 2021 baseline, otherwise indicated



## KBC Insurance: own investments in shares and corporate bonds

Carbon intensity reduction compared to 2019 baseline



# Loan loss experience at KBC

## CREDIT COST RATIO\*

in %; Credit cost ratio: amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

	FY25	FY24	FY23	FY22	FY21	FY20	FY19	AVERAGE '99 –'25
Belgium BU	0.13%	0.19%	0.06%	0.03%	-0.26%	0.57%	0.22%	n/a
Czech Republic BU	0.10%	-0.09%	-0.18%	0.13%	-0.42%	0.67%	0.04%	n/a
International Markets BU*	0.18%	-0.08%	-0.06%	0.31%	0.36%	0.78%	-0.07%	n/a
<b>Total</b>	<b>0.13%</b>	<b>0.10%</b>	<b>0.00%</b>	<b>0.08%</b>	<b>-0.18%</b>	<b>0.60%</b>	<b>0.12%</b>	<b>0.35%</b>

\* As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made

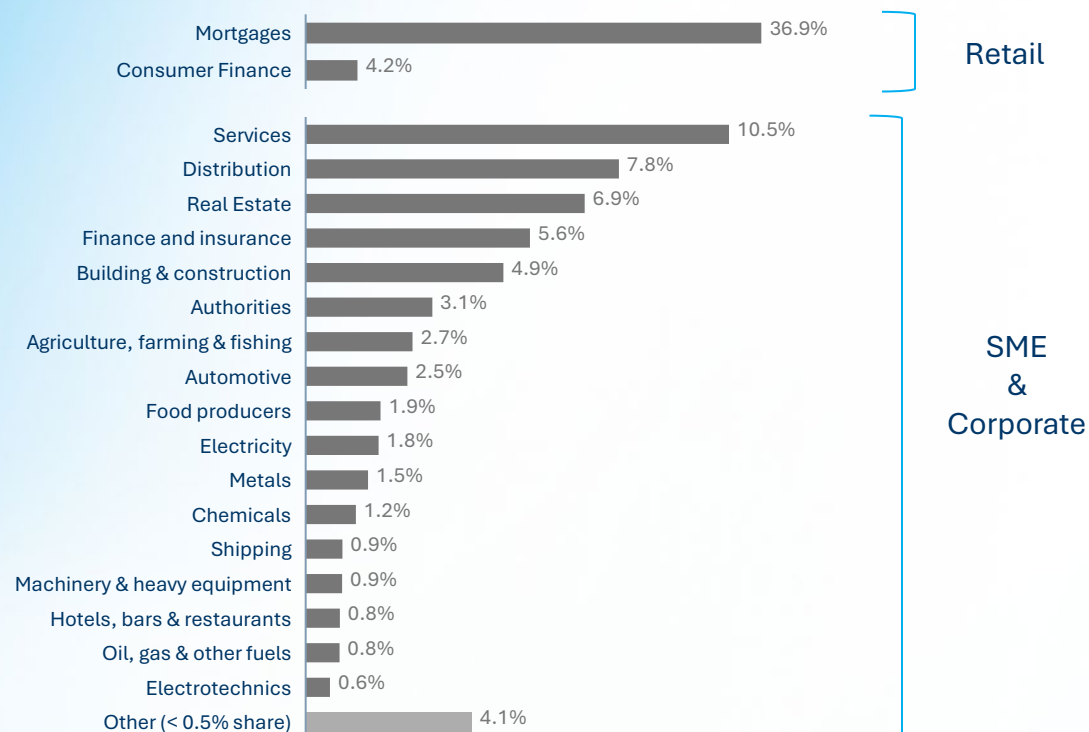
# Diversified loan portfolio

## Total loan portfolio outstanding



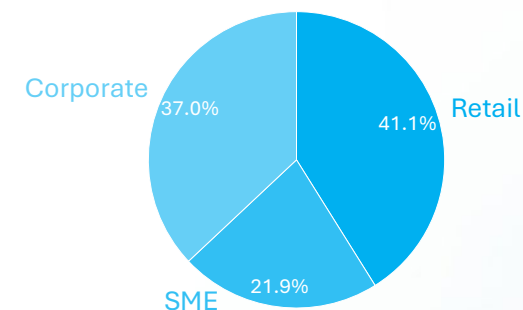
## Total loan portfolio outstanding | by sector

as % of total Group loan portfolio outstanding\*



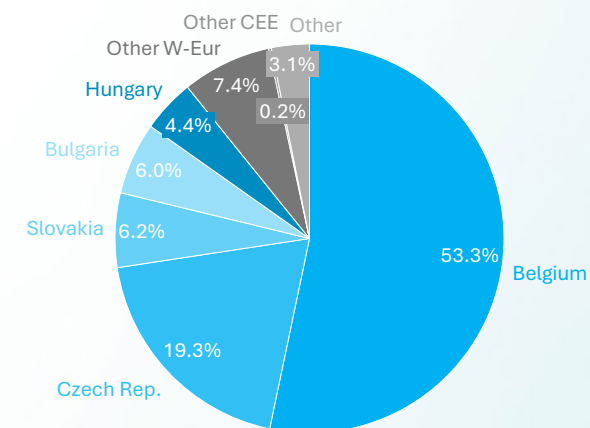
## Total loan portfolio outstanding | by segment

as % of total Group loan portfolio outstanding\*



## Total loan portfolio outstanding | by geography

as % of total Group loan portfolio outstanding\*



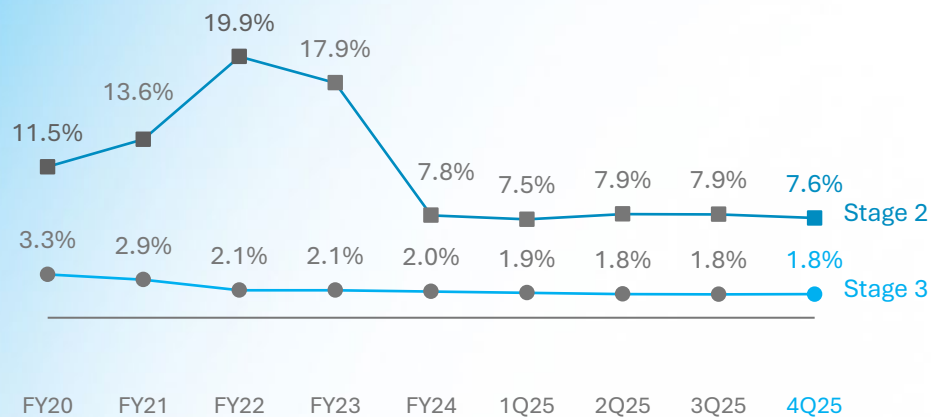
- Aligned with the credit risk view of our loan portfolio outstanding as reported in the quarterly financial statements.



# Loan portfolio breakdown by IFRS 9 ECL stage

## Total loan portfolio outstanding | by IFRS9 ECL Stage\*

as % of total Group loan portfolio outstanding

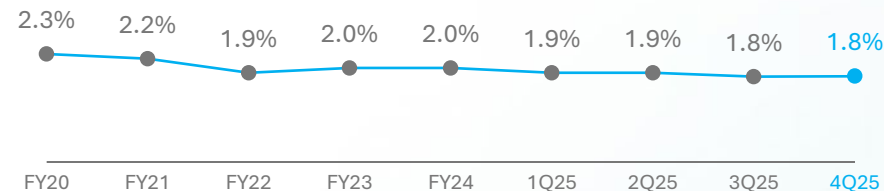


- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The **increase of Stage 2 portfolio in 2022** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and macroeconomic uncertainties (in line with strict application of the general ECB guidance on staging). In 2023, the declining trend of Stage 2 exposures was driven mainly by the partial release of the collective transfer back to Stage 1
- The **decrease of the Stage 2 ratio in 2024** is mainly caused by a revised staging methodology as from January 2024 (change from indicator based on 12 months probability of default to lifetime), a continuous update of staging for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine) and for the remainder by a shift for KBC Commercial Finance exposure where the relative change in credit risk has been revisited based on the very low historical credit losses in this portfolio and the very short maturities

\* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

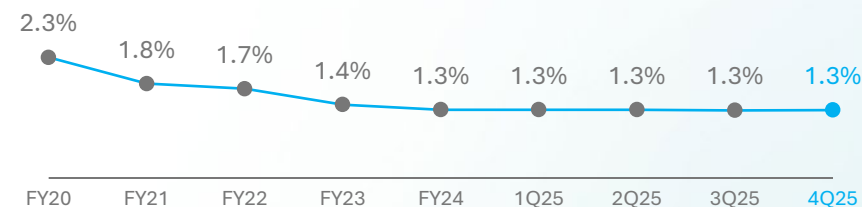
## Stage 3 ratio | Belgium BU

in %



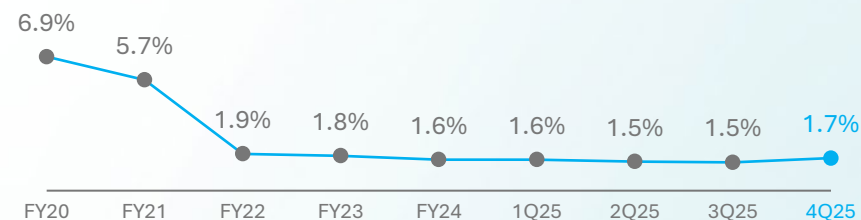
## Stage 3 ratio | Czech Republic BU

in %



## Stage 3 ratio | International Markets BU

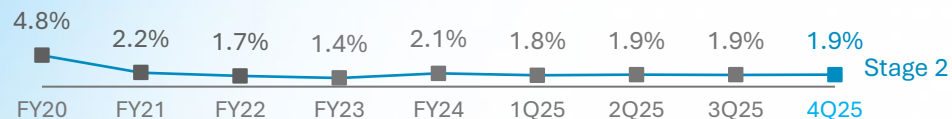
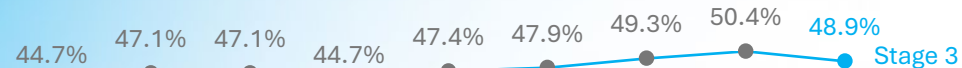
in %



# Cover ratios

## Cover ratio | by IFRS9 ECL Stage\*

in %

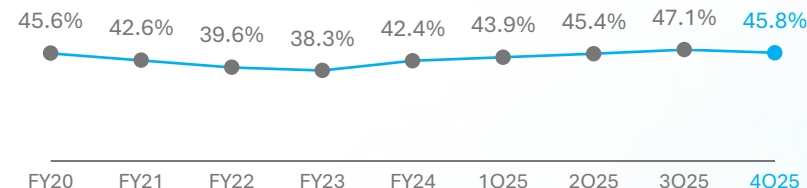


- The increasing trend of the **Stage 3 cover ratio** is driven mainly by additional provisions in Belgium, mostly related to lowering the backstop shortfall for (old) non-performing loans
- The decline of the **Stage 2 cover ratio** as of 2021, resulted mainly from collective shifts to Stage 2 (linked to Covid and the geopolitical & macroeconomic uncertainties) with on average better PD rating than the files already part of Stage 2.  
As of 2024, driven by the revised staging methodology and the continuous update of the stage transfer for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine) the Stage 2 cover ratio has gone up. This is explained by the fact that the files remaining in Stage 2 have on average higher PD ratings and therefore higher impairments

\* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

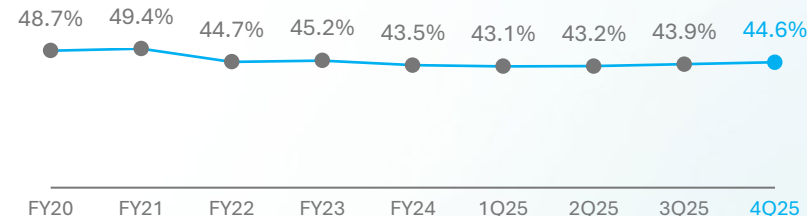
## Stage 3 cover ratio | Belgium BU

in %



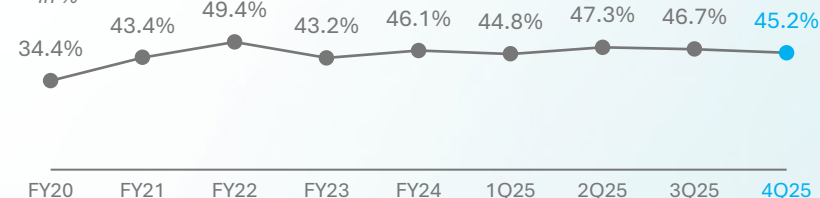
## Stage 3 cover ratio | Czech Republic BU

in %



## Stage 3 cover ratio | International Markets BU

in %

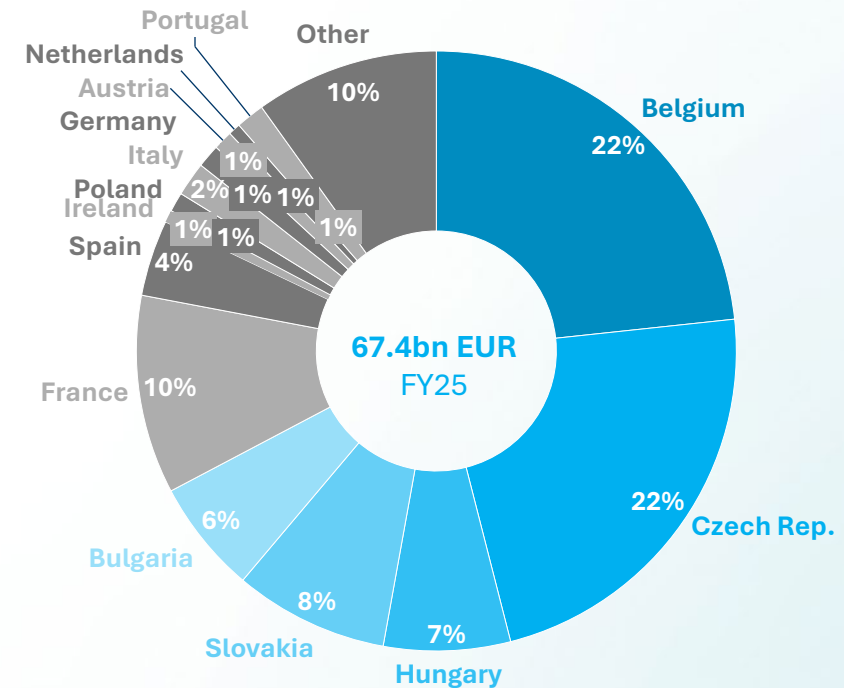
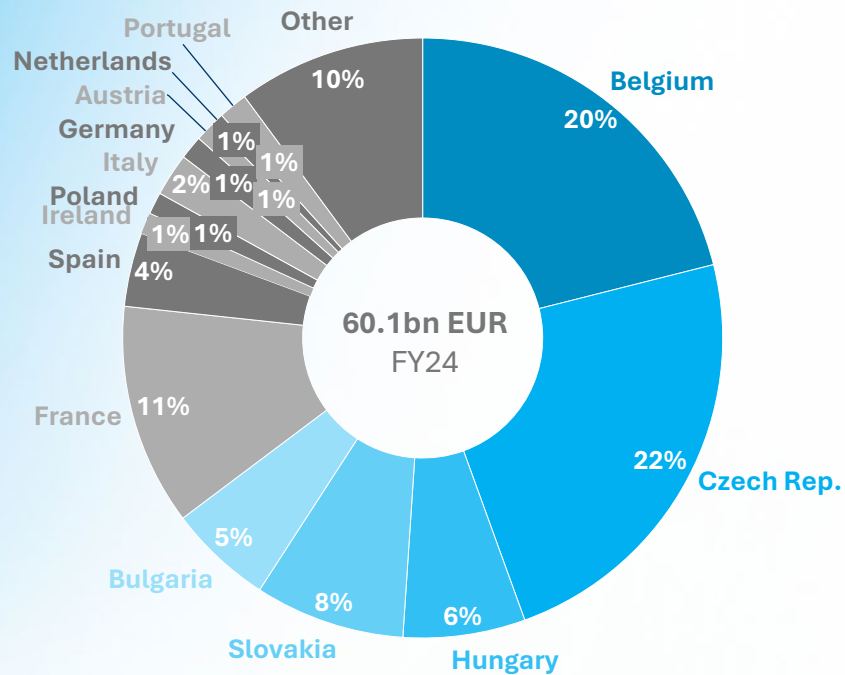


## Substantial and well-diversified government bond portfolio

- **Carrying value of 67.4bn EUR in government bonds** (excl. trading book) at end of FY25, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments

### GOVERNMENT BOND PORTFOLIO | CARRYING VALUE\* FY24/FY25

in %



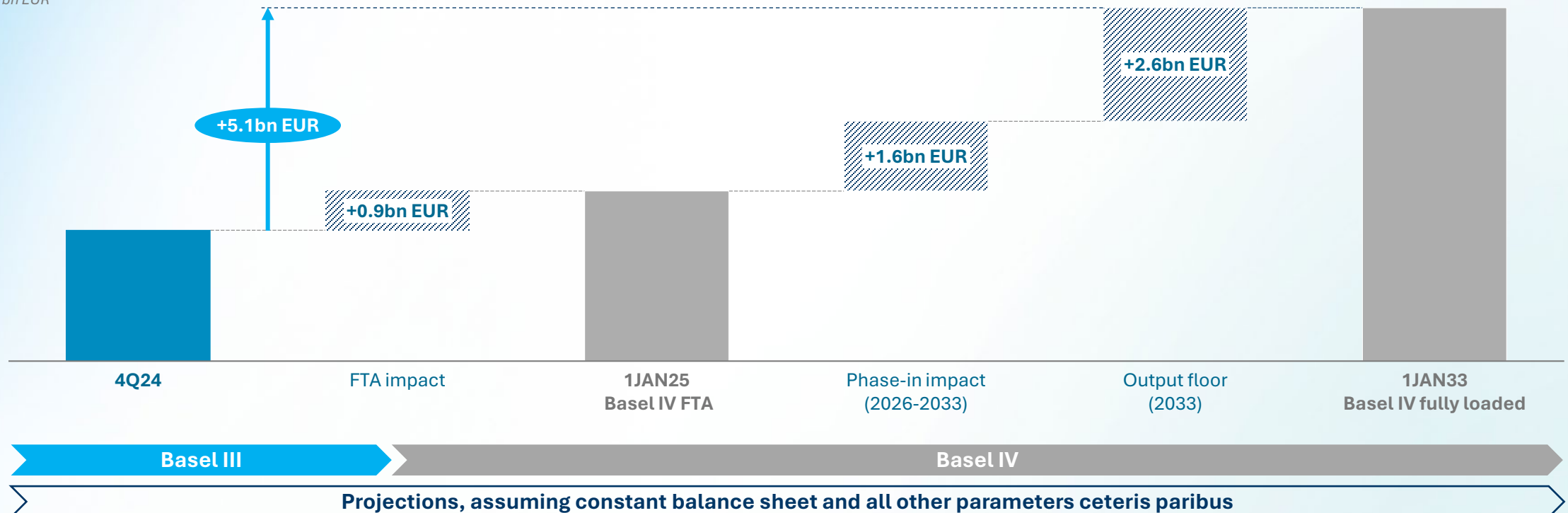
\* Carrying value is the amount at which an asset (or liability) is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

# Indicative view on transitional RWA evolution under Basel IV (as provided with 1Q25 results)

- Moving towards the Basel IV era and applying a static balance sheet and all other parameters ceteris paribus, without mitigating actions, KBC
  - reports at **1JAN25**, a **first-time application impact of +0.9bn EUR** (0.1bn EUR lower than +1.0bn EUR RWA communicated together with 3Q24 results)
  - projects by **1JAN33**, a **further impact of +4.2bn EUR** (3.3bn EUR lower than +7.5bn EUR RWA communicated together with 3Q24 results)
 resulting in a **fully loaded impact of +5.1bn EUR** (3.4bn EUR lower than +8.5bn EUR RWA communicated together with 3Q24 results)
- For the fully loaded CET1 ratio as of 1Q25, KBC focuses on the so called **unfloored fully loaded CET1 ratio** which accounts for the total **RWA impact from Basel IV, excluding the output floor impact**

## INDICATIVE TRANSITIONAL RWA ESTIMATE

in bn EUR

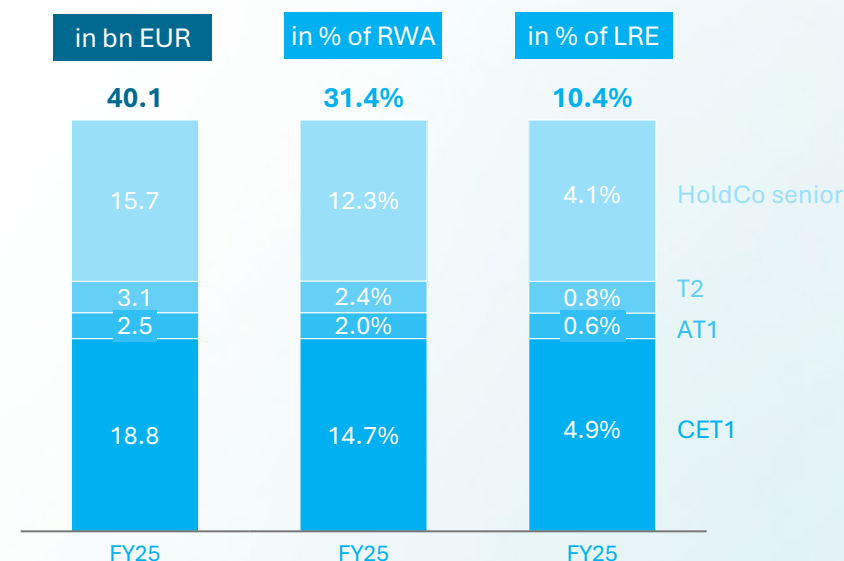


## MREL targets

- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- In June 2025, the SRB communicated binding MREL targets** (under BRRD2) applicable as from 2Q25, expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - 27.64% of RWA** (including transitional CBR\* of 5.25%)
  - 7.42% of LRE**
- Combined Buffer Requirement** = Conservation Buffer (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (1.15%) + Systemic Risk Buffer (0.10%)

## MREL actuals

- The **MREL ratio in % of RWA** increased from 30.9% in 3Q25 to 31.4% in 4Q25, driven mainly by higher available MREL (chiefly due to higher CET1 capital and the issuance of 2 HoldCo Senior instruments for a total amount of 1bn EUR), partly offset by increased RWA
- The **MREL ratio in % of LRE** stabilised q-o-q at 10.4% in 4Q25



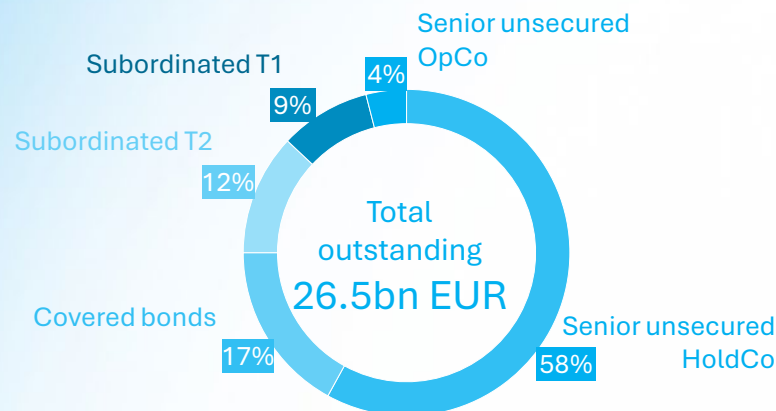


# Upcoming mid-term funding maturities

## Total outstanding | 4Q25

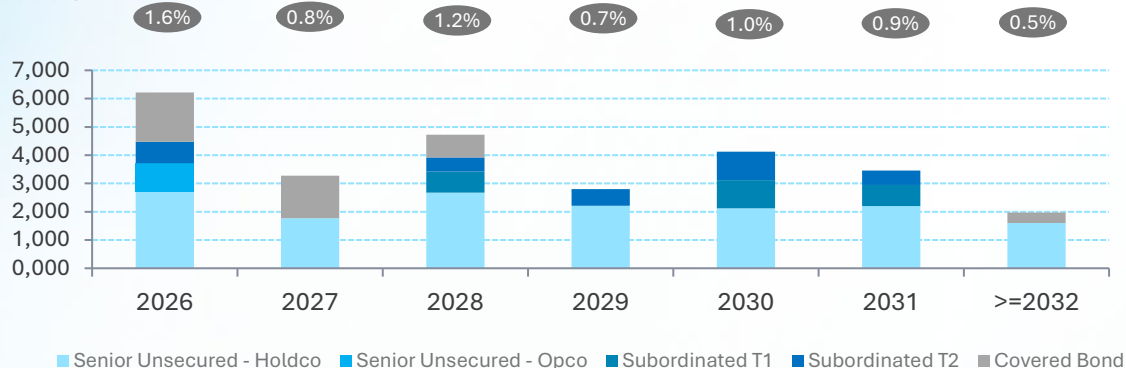
in %

KBC Bank has 6 solid sources of long-term funding: (i) Retail term deposits, (ii) Retail EMTN, (iii) Public benchmark transactions, (iv) Covered bonds, (v) Structured notes and covered bonds using the private placement format, and (vi) Senior unsecured, T1 and T2 capital instruments issued at KBC Group level and down-streamed to KBC Bank



## Funding maturity buckets

in m EUR

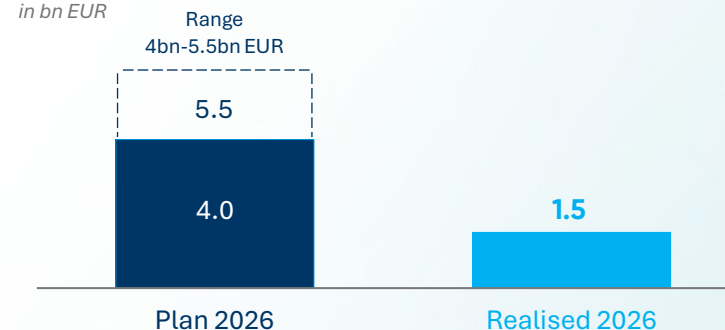


## Recent deals

- In **October 2025**, KBC Group issued a Senior HoldCo for an amount of 500m EUR with a 4-year maturity callable after 3 years
- In **November 2025**, KBC Group issued a Senior HoldCo for an amount of 500m EUR with a 8-year maturity callable after 7 years
- In **January 2026**, KBC Group issued a Senior HoldCo for an amount of 1bn EUR with a 7-year maturity callable after 6 years

## Funding program for 2026 | Expected MREL funding (incl. capital instruments)

in bn EUR



We aim to issue 1 green/social bond per year

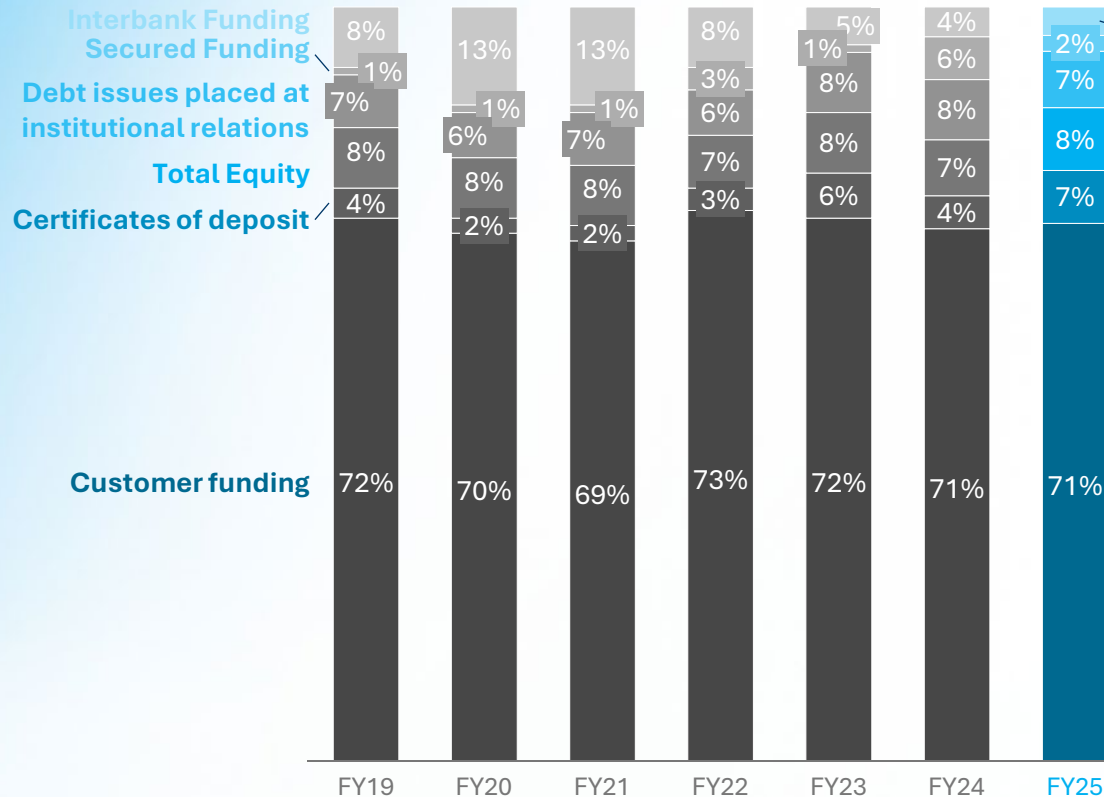
Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

## Strong customer funding base

- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- Stable % in customer funding** compared to balance sheet total (but net growth in customer funding in absolute terms)

### FUNDING BASE

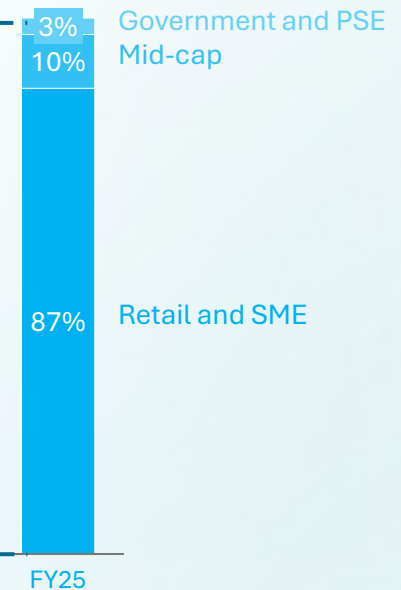
in %



### CUSTOMER FUNDING

in %

Roughly 56% of total customer deposits are covered by the Deposit Guarantee Fund



<b>B3 / B4</b>	Basel III / Basel IV
<b>Combined ratio (non-life insurance)</b>	Short-term non-life insurance contracts: [claims and claim related costs net of reinsurance + costs other than claims and commissions] / [earned expected premiums received, net of reinsurance]
<b>Common equity ratio</b>	[common equity tier-1 capital] / [total weighted risks]
<b>Cost/income ratio without banking and insurance tax (group)</b>	[operating expenses of the group without banking and insurance tax + Insurance commissions paid] / [total income of the group]
<b>Cost/income ratio adjusted for specific items or C/I ratio when excluding certain non-operating items</b>	The numerator and denominator are adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments include (i) MtM ALM derivatives (fully excluded), (ii) bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) and (iii) one-off items
<b>Credit cost ratio (CCR)</b>	[annualised net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula.
<b>EBA</b>	European Banking Authority
<b>ESMA</b>	European Securities and Markets Authority
<b>ESFR</b>	European Single Resolution Fund
<b>FICOD</b>	Financial Conglomerates Directive
<b>Impaired loans cover ratio</b>	[total specific impairments on the impaired loan portfolio (stage 3) ] / [part of the loan portfolio that is impaired (PD 10-11-12) ]
<b>Impaired loans ratio</b>	[part of the loan portfolio that is impaired (PD 10-11-12)] / [total outstanding loan portfolio]
<b>Leverage ratio</b>	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
<b>Liquidity coverage ratio (LCR)</b>	[stock of high-quality liquid assets] / [total net cash outflow over the next 30 calendar days]
<b>MREL</b>	Minimum requirement for own funds and eligible liabilities
<b>Net interest margin (NIM) of the group</b>	[banking group net interest income excluding dealing room, ALM FX swaps and repos] / [banking group average interest-bearing assets excluding dealing room, ALM FX swaps and repos]
<b>Net stable funding ratio (NSFR)</b>	[available amount of stable funding] / [required amount of stable funding]
<b>PD</b>	Probability of default
<b>Return on allocated capital (ROAC) for a particular business unit</b>	[result after tax, including minority interests, of a business unit, adjusted for income on allocated capital instead of real capital] / [average capital allocated to the business unit]. The capital allocated to a business unit is based on risk-weighted assets for banking and risk-weighted asset equivalents for insurance
<b>Return on equity</b>	[result after tax, attributable to equity holders of the parent] / [average parent shareholders' equity]
<b>TLAC</b>	Total loss-absorbing capacity

# Contacts / questions



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## More information

- **Company website** [KBC](#)
- **Quarterly Report** [Quarterly Reports](#)
- **Table of results (Excel)**
- **Quarterly presentation** [Presentations](#)
- **Debt presentation**

## Upcoming events

13 February	Equity roadshow, London
17 February	Equity roadshow, NY
18 February	Equity roadshow, Boston
19 February	Equity roadshow, Toronto
24 February	Equity roadshow, Edinburgh & Dublin
26 February	Equity roadshow, Paris
...	...
12 May	Publication of 1Q26 results
13 May	Equity roadshow, London



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