4Q25 Comparative Quarters Note

KBC Investor Relations

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General market developments

- In 4Q25, the **ECB**, **CNB** and **MNB policy rates** remained stable at respectively 2.00%, 3.50% and 6.50%.
- The **average exchange rate EUR/CZK** stood at 24.69 at the end of the fourth quarter (i.e. +0.6% q-o-q and +1.8% y-o-y). The **average exchange rate EUR/HUF** stood at 397.69 at the end of the fourth quarter (i.e. +1.0% q-o-q and -0.5% y-o-y).
- Overall **economic conditions** remained supportive for growth, while core service inflation remained at elevated levels. We note resilience in labour markets in our core markets.

Net interest income: NII amounted to 1,527m EUR in 3Q25. Compared to 3Q25, there are a number of known differentiating factors in 4Q25 based on publicly available data and seasonalities to be mentioned:

- As mentioned before, a further increase of the **commercial transformation result** (replication portfolio) will be one of the key drivers for our NII growth going forward (both for ST & LT financial guidance). **This will be further boosted by the maturing 13-month term deposits mid-October 2025** (related to the Belgian State Note). Mid-November, as mentioned during the 3Q25 conference call, 25% of term deposits that matured in October were reinvested into new term deposits (at a more beneficial margin), while 50% went into current and (mainly) saving accounts and the majority of the remainder into mutual funds.
- The main client savings rate in Belgium (0.40% base rate + 0.20% fidelity rate) remained stable during 4Q25.
- The guided FY25 **organic loan growth** is approximately +7.5%, while we already achieved +6.3% organic loan growth after 9 months 2025.

As known, **FY25 NII** is guided for **at least 5.95bn EUR**.

Net fee and commission income: 3Q25 NFCI was 707m EUR.

- **Assets-under-management** (AuM) increased by 4% q-o-q in 3Q25. This provided a higher starting base for 4Q25. Furthermore, we noticed positive equity market performance during 4Q25, leading to a higher average asset base q-o-q.
- **Payment-related fees** typically benefit from a positive seasonal effect both in 3Q (holiday season) and 4Q (Christmas period).

- **NFCI** will be negatively impacted by the start of SRT coupon payments (as a result of our inaugural **SRT** in 4Q25), to the tune of roughly 20m EUR on an annual basis.
- Note that the fourth quarter is typically negatively impacted by higher **distribution commissions paid** for banking products (year-end bonuses and commissions) and **higher client incentives**.

Insurance business (always best to look to the y-o-y comparison, due to seasonal effects)
- We guided for 2025 and 2024-2027 CAGR a total insurance revenue growth of at least 7% y-o-y and a combined ratio below 91%.
- **Non-life insurance revenue** was 640m EUR in 4Q24. In the previous quarters, non-life insurance revenue saw high single digit growth year-on-year, due to a combination of volume and tariff increases. **Non-life insurance service expenses** amounted to -561m EUR in 4Q24, affected by storm Boris which had a -9m EUR pre-tax impact before reinsurance in 4Q24 (on top of the -71m EUR impact in 3Q24).
- **Life insurance revenue** amounted to 124m EUR in 4Q24. **Life insurance service expenses** were at -74m EUR in 4Q24.
- **Net result from reinsurance contracts held** was -4m EUR in 4Q24, affected by a +9m EUR recovery related to storm Boris in 4Q24 (on top of +39m EUR recovery in 3Q24).

Dividend income: 4Q24 dividend income was 13m EUR.

FIFV (net result from financial instruments at fair value through P&L) and IFIE (insurance finance income and expenses) amounted to -62m EUR in 3Q25 and was mainly characterized by a negative change in 'ALM derivatives and other'.

Net other income:
- 3Q25 NOI was 47m EUR, close to the normal run rate of roughly 50m EUR per quarter.

Operating expenses (Opex)
- **Total bank and insurance taxes** amounted to -49m EUR in 3Q25. As can be seen on slide 12 of the 3Q25 company presentation, the total bank and insurance taxes are estimated at -52m EUR in 4Q25.
- **Total Opex excluding bank and insurance taxes** amounted to -1,143m EUR in 3Q25 and -1,201m EUR in 4Q24. Note that Opex excluding bank and insurance taxes in 2024 was relatively backloaded (as the y-o-y growth in 2024 was mainly concentrated in 3Q24 and 4Q24) and 4Q typically includes seasonally higher costs (4Q24 opex was c. 6% higher than 3Q24). We refer to our **FY25 guidance for Opex (excl. bank and insurance taxes) below +2.5% y-o-y**.

Loan loss impairments
- **The 9M25 credit cost ratio** amounted to **13bps**, excluding the release of the ECL buffer for geopolitical and macroeconomic uncertainties (and 12bps including). The net loan loss impairment charges on the lending book amounted to -55m EUR in 3Q25, partly offset by +9m EUR related to a decrease of the ECL buffer for geopolitical and macroeconomic uncertainties. This buffer stood at 103m EUR at the end of 3Q25.
- For 2025 and 2027, the credit cost ratio was guided **well below the through-the-cycle of 25-30bps**, given our strong track record with a well-diversified loan book.

Other impairments
- The fourth quarter typically includes the outcome of impairment tests on tangible and intangible assets and is therefore seasonally higher. Other impairments amounted to -28m EUR in 4Q24, -175m EUR in 4Q23 and -51m EUR in 4Q22.

Income Tax

- Apart from the first quarter, which is affected by upfront bank and insurance taxes, the **average income tax on KBC Group profits is somewhere between 20 to 22%.**
- Note that 4Q24 results included a tax benefit of 0.3bn EUR related to the liquidation of KBC Bank Ireland.

Risk-weighted Assets (unfloored fully loaded, Basel IV) were 127,822m EUR at the end of 3Q25 (taking into account the total RWA impact from Basel IV, excluding the output floor impact).

- As usual, **organic loan volume growth** will be one of the q-o-q RWA drivers.
- Furthermore, the **operational RWAs** will be updated, which happens once a year and is entirely booked in the fourth quarter.
- In November 2025, KBC issued its **first SRT**, leading to **RWA savings of roughly 2bn EUR** (as indicated in the press release on 13/11/2025).

CET1 ratio (unfloored fully loaded, Basel IV) stood at 14.9% at the end of 3Q25.

- In line with our **dividend policy and capital deployment plan**, the dividend accrual taken into account in the unfloored fully loaded CET1 ratio in 4Q25 will be based on **the final pay-out ratio for FY25** (as decided by the Board of directors). Note that the dividend accrual for the first three quarters of the year is always 50% (i.e. the low end of the 50%-65% range according to the dividend policy), while 4Q always includes the dividend accrual impact for the final pay-out ratio.
- As mentioned on slide 15 of the company presentation the **BGAAP results of Insurance** are upstreamed on a quarterly basis, with one quarter delay. The BGAAP result related to 3Q25 of **113m EUR** will be upstreamed in 4Q25.
- The **liquidation of KBC Bank Ireland** has now been finalised, as indicated on page 15 of the 3Q25 company presentation, this will lead to a further small favourable capital impact from the DTA usage in 4Q25.

Note that the **acquisition of 365.bank in Slovakia** was closed on 15 January 2026, and therefore the capital impact of approximately -50bps (unfloored fully loaded CET1 ratio) will only be booked in 1Q26 (and not in 4Q25 as indicated earlier).

As per usual, we will **update our short-term and long-term financial guidance** with the 4Q/FY results.

Please note that KBC Investor Relations Office will be in black-out period at close of business on 23 January 2026.