

# Press Release



Outside trading hours - Regulated information\*  
Brussels, 12 May 2026 (07.00 a.m. CEST)

## KBC Group: First-quarter result of 557 million euros

KBC Group – overview (consolidated, IFRS)	1Q2026	4Q2025	1Q2025
Net result (in millions of EUR)	557	1 003	546
Basic earnings per share (in EUR)	1.32	2.44	1.32
Breakdown of the net result by business unit (in millions of EUR)			
<i>Belgium</i>	317	674	281
<i>Czech Republic</i>	223	231	207
<i>International Markets</i>	99	205	135
<i>Group Centre</i>	-82	-107	-77
Parent shareholders' equity per share (in EUR, end of period)	64.7	64.0	58.8

*'We recorded a net profit of 557 million euros in the first quarter of 2026. Compared to the previous quarter, our total income benefited from strong net interest income, higher insurance revenues, slightly higher net fee and commission income despite the geopolitical turmoil and increased net other income, while trading & fair value income and dividend income were down. Our loan portfolio continued to expand, growing organically by 2% quarter-on-quarter and by as much as 7% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were stable quarter-on-quarter and up 3% year-on-year. As usual, the first quarter of the year included the bulk of the bank and insurance taxes for the entire year. Operating expenses excluding bank and insurance taxes were down slightly on the previous quarter, due in part to seasonal effects, while insurance service expenses after reinsurance were slightly up. Loan loss impairment charges for our lending book were slightly up on the level recorded in the previous quarter, and due to the geopolitical turmoil we increased the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties by 75 million euros, resulting in a total reserve of 175 million euros.'*

*The past few months have also seen us make considerable progress in implementing our strategy. We finalised the acquisitions of 365.bank in Slovakia and Business Lease in the Czech Republic and Slovakia. These acquisitions contributed 13 million euros to profit in the first quarter of 2026. They had an impact of -0.5 percentage points on our capital position, bringing our unfloored fully loaded common equity ratio under Basel IV to a strong 14.4% at the end of March 2026. Our liquidity position remained very solid too, as illustrated by an LCR of 159% and an NSFR of 135%. As approved by the General Meeting of Shareholders on 7 May 2026, we will pay a final dividend of 4.1 euros per share on 20 May 2026, bringing the total dividend for full-year 2025 to 5.1 euros per share and the pay-out ratio to 60% of 2025 net profit.'*

*We aim to lead the way in digital innovation and in this regard are delighted that Kate, our AI-powered personal digital assistant, has now reached 6.1 million customers, up 11% on the year-earlier figure, with over 70% of customer queries in our core markets being solved autonomously. In Belgium and the Czech Republic, the 'MyMobility' ecosphere has already onboarded close to 340 000 customers to date. Customers retrieve useful information, guidance and support for their mobility questions. Simulations and advice are partially Kate-driven. During this digital interaction, customers share their plans and needs, which serves as useful leads for KBC to reach out and set up a dialogue, either through Kate or one of our employees or insurance agents. The same goes for the MyHome ecosphere of KBC Mobile, which already onboarded close to 40 000 customers to date in Belgium. Furthermore, responding to the growing demand for secure crypto investment solutions, we made it possible for private investors to purchase and sell crypto assets on Bolero, KBC's online investment platform, in a secure and regulated environment – a first in Belgium. And even more recently, KBC Asset Management entered Europe's rapidly growing Exchange Traded Fund (ETF) market with the launch of a unique CZK-hedged ETF for our Czech investors. This milestone supports KBC's broader strategy to provide innovative investment solutions that are convenient, valuable and reliable for a wide range of customers.'*

*Our goal remains to be the reference bank-insurer across all our core markets. We work towards achieving this ambition through a customer-centric approach and a firm commitment to digital innovation, but most importantly based on the confidence our customers, employees, shareholders and other stakeholders place in us. That trust is deeply valued and something I am sincerely grateful for.'*



Johan Thijs, Chief Executive Officer

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# Financial highlights in 1Q2026

- **Net interest income** increased by 4% quarter-on-quarter and by 18% year-on-year (2% and 15%, respectively, excluding the recent acquisitions of 365.Bank and Business Lease). The net interest margin for the quarter under review amounted to 2.17%, up 6 basis points on the previous quarter and 12 basis points year-on-year (up 3 basis points and 9 basis points, respectively, excluding the recent acquisitions). Customer loan volumes increased organically by 2% quarter-on-quarter and by 7% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were stable quarter-on-quarter and up by 3% year-on-year.
- **The insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 172 million euros, compared to 166 million euros recorded in the previous quarter and 142 million euros in the year-earlier quarter. The insurance service result for the quarter under review breaks down into 118 million euros for non-life insurance and 54 million euros for life insurance. The non-life insurance combined ratio for the first quarter of 2026 came to an excellent 84%, compared to 87% for full-year 2025. Sales of non-life insurance products grew by 7% year-on-year, while life insurance sales were up 9% on the level recorded in the previous quarter and 15% on the level in the year-earlier quarter.
- **Net fee and commission income** was up 1% quarter-on-quarter, despite the geopolitical turmoil, and up 6% year-on-year. Excluding the recent acquisitions, it was down 2% and up 3%, respectively. Assets under management were down 1% quarter-on-quarter and up 8% year-on-year.
- **Trading & fair value income and insurance finance income and expense** was down 97 million euros and 73 million euros on the figure for the previous and year-earlier quarters, respectively. **Net other income** was above its normal run rate, due to a one-off element, among other things.
- **Operating expenses excluding bank and insurance taxes** were down 1% quarter-on-quarter (partly seasonal effect) and up 10% year-on-year (down 3% and up 7%, respectively, excluding the recent acquisitions). Bank and insurance taxes amounted to 549 million euros, since the first quarter of the year traditionally includes the bulk of the bank and insurance taxes for the entire year. The cost/income ratio for the first quarter of 2026 came to 44%, compared to 46% for full-year 2025. In that calculation, certain non-operating items have been excluded and bank and insurance taxes were spread evenly throughout the year. When excluding all bank and insurance taxes, the cost/income ratio for the quarter under review amounted to 41%, the same as for full-year 2025.
- **Loan loss impairment charges** amounted to 164 million euros (154 million euros excluding the recent acquisitions) in the quarter under review. The figure for the quarter under review included 89 million euros for the loan book, slightly up quarter-on-quarter, as well as a 75-million-euro increase of the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties. Note that this had a positive impact on the common equity ratio of 4 basis points (by lowering the IRB shortfall within common equity capital). Excluding the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank, the credit cost ratio for the quarter under review amounted to 0.15%, compared to 0.13% for full-year 2025. Impairment on assets *other than loans* amounted to a mere 1 million euros in the quarter under review, compared to 48 million euros in the previous quarter and nil in the year-earlier quarter.
- Our **liquidity position** remained strong, with an LCR of 159% and NSFR of 135%. Our **capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.4%\*. The latter includes a -0.5-percentage-point impact of the recent acquisitions.

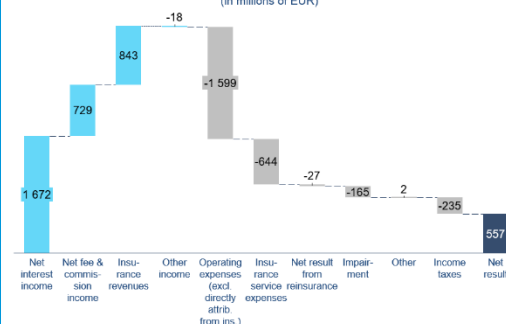
## The cornerstones of our strategy



- We place our customers at the centre of everything we do
- We look to offer our customers a unique bank-insurance experience
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth
- We assume our role in society and local economies
- We build upon the PEARL+ values, while focussing on the joint development of solutions, initiatives and ideas within the group

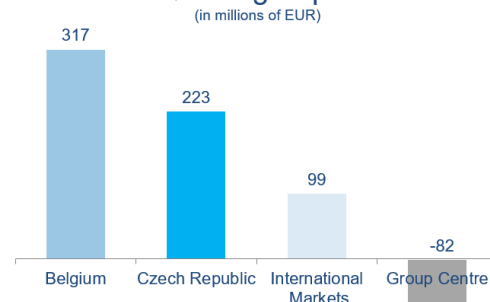
## Breakdown of 1Q2026 result

(in millions of EUR)



## Contribution of the business units to 1Q2026 group result

(in millions of EUR)



\* The 'unfloored fully loaded common equity ratio' takes into account the total impact of Basel IV on risk-weighted assets, excluding the output floor impact.

# Overview of results and balance sheet

<b>Consolidated income statement, IFRS, KBC Group (simplified; in millions of EUR)</b>					
	<b>1Q2026</b>	<b>4Q2025</b>	<b>3Q2025</b>	<b>2Q2025</b>	<b>1Q2025</b>
Net interest income	1 672	1 608	1 527	1 509	1 421
Insurance revenues before reinsurance	843	830	810	788	773
<i>Non-life</i>	706	705	688	667	648
<i>Life</i>	137	125	122	121	125
Dividend income	11	23	12	33	9
Net result from financial instruments at fair value through P&L <sup>1</sup> and Insurance finance income and expense	-118	-22	-62	-34	-45
Net fee and commission income	729	725	707	667	690
Net other income	89	39	47	77	67
<b>Total income</b>	<b>3 225</b>	<b>3 203</b>	<b>3 041</b>	<b>3 041</b>	<b>2 915</b>
Operating expenses (excl. directly attributable from insurance)	-1 599	-1 133	-1 055	-1 020	-1 498
<i>Total operating expenses excluding bank and insurance taxes</i>	<i>-1 214</i>	<i>-1 224</i>	<i>-1 143</i>	<i>-1 125</i>	<i>-1 106</i>
<i>Total bank and insurance taxes</i>	<i>-549</i>	<i>-51</i>	<i>-49</i>	<i>-27</i>	<i>-539</i>
<i>Minus: operating expenses allocated to insurance service expenses</i>	<i>164</i>	<i>142</i>	<i>138</i>	<i>132</i>	<i>148</i>
Insurance service expenses before reinsurance	-644	-638	-643	-608	-622
<i>Of which Insurance commission paid</i>	<i>-110</i>	<i>-114</i>	<i>-109</i>	<i>-105</i>	<i>-102</i>
<i>Non-Life</i>	<i>-561</i>	<i>-573</i>	<i>-578</i>	<i>-541</i>	<i>-543</i>
<i>Life</i>	<i>-83</i>	<i>-65</i>	<i>-66</i>	<i>-67</i>	<i>-79</i>
Net result from reinsurance contracts held	-27	-26	-25	-15	-9
Impairment	-165	-120	-51	-124	-38
<i>Of which: on financial assets at amortised cost and at fair value through other comprehensive income<sup>1</sup></i>	<i>-164</i>	<i>-73</i>	<i>-45</i>	<i>-116</i>	<i>-38</i>
Share in results of associated companies & joint ventures	2	3	2	1	0
<b>Result before tax</b>	<b>791</b>	<b>1 289</b>	<b>1 269</b>	<b>1 275</b>	<b>747</b>
Income tax expense	-235	-285	-267	-257	-202
<b>Result after tax</b>	<b>557</b>	<b>1 003</b>	<b>1 003</b>	<b>1 018</b>	<b>546</b>
attributable to minority interests	0	0	1	0	0
<b>attributable to equity holders of the parent</b>	<b>557</b>	<b>1 003</b>	<b>1 002</b>	<b>1 018</b>	<b>546</b>
Basic earnings per share (EUR)	1.32	2.44	2.44	2.50	1.32
Diluted earnings per share (EUR)	1.32	2.44	2.44	2.50	1.32
<b>Key consolidated balance sheet figures, IFRS, KBC Group (in millions of EUR)</b>					
	<b>31-03-2026</b>	<b>31-12-2025</b>	<b>30-09-2025</b>	<b>30-06-2025</b>	<b>31-03-2025</b>
Total assets	396 820	397 372	383 338	390 669	380 313
Loans & advances to customers	214 487	208 612	206 113	202 031	197 326
Securities (equity and debt instruments)	93 757	88 980	85 310	85 490	84 419
Deposits from customers	246 450	237 868	232 462	236 626	231 022
Insurance contract liabilities	17 559	17 423	17 152	17 022	16 912
Liabilities under investment contracts, insurance	16 877	16 998	16 433	15 757	15 631
<b>Total equity</b>	<b>28 285</b>	<b>27 985</b>	<b>27 019</b>	<b>26 229</b>	<b>25 191</b>
<b>Selected ratios for KBC Group (consolidated)</b>					
	<b>1Q2026</b>	<b>FY2025</b>			
Return on equity (excluding non-operating items and evenly spreading bank and insurance taxes throughout the year) <sup>2</sup>	14%	15%			
Cost/income ratio, group					
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	44%	46%			
- excl. all bank and insurance taxes	41%	41%			
Combined ratio, non-life insurance	84%	87%			
Common equity ratio (CET1), fully loaded (Basel IV, Danish Compromise, unfloored <sup>3</sup> )	14.4%	14.9%			
Credit cost ratio					
- excluding the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.15%	0.13%			
- including the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.20%	0.13%			
Impaired loans ratio	1.8%	1.8%			
for loans more than 90 days past due	1.0%	0.9%			
Net stable funding ratio (NSFR)	135%	138%			
Liquidity coverage ratio (LCR)	159%	159%			

1 Net result from financial instruments at fair value through P&L is also referred to as 'Trading & fair value income' and Impairment on financial assets at amortised cost and at fair value through other comprehensive income is also referred to as 'Loan loss impairment'.

2 Based on tangible equity, this is 16% for the first quarter of 2026 and 16% for full-year 2025.

3 Unfloored fully loaded common equity ratio: taking into account the total impact of Basel IV on risk-weighted assets, excluding the output floor impact.

# Analysis of the quarter (1Q2026)

Total income: 3 225 million euros

+1% quarter-on-quarter and +11% year-on-year

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**Net interest income** amounted to 1 672 million euros, up 4% quarter-on-quarter and 18% year-on-year (up 2% quarter-on-quarter and 15% year-on-year excluding the impact of the recently acquired 365.bank and Business Lease).

The 4% quarter-on-quarter growth was thanks to a higher commercial transformation result, a slightly higher level of income from lending activities (positive effect of increasing organic loan volume and recent acquisitions, partly offset by negative effect of margin pressure and a one-off element in Hungary), higher interest income from asset/liability management activities, lower costs related to the minimum required reserves held with the central bank in Bulgaria, higher interest income on customer term deposits and higher dealing room interest income. These elements were only for a small part offset by the lower level of interest from inflation-related bonds, higher wholesale funding costs and a lower number of days in the quarter. The 18% year-on-year increase was attributable primarily to a much higher commercial transformation result, a higher level of income from lending activities, higher interest income from asset/liability management activities, lower costs related to the minimum required reserves held with the central banks, lower funding costs and higher dealing room interest income.

The net interest margin for the quarter under review amounted to 2.17%, up 6 basis points quarter-on-quarter and 12 basis points year-on-year (up 3 basis points and 9 basis points, respectively, excluding the impact of the recent acquisitions). At 214 billion euros, customer loan volume was up 3% quarter-on-quarter and 9% year-on-year. Excluding the recent acquisitions, loan volume was up organically by 2% quarter-on-quarter and by 7% year-on-year, with increases in every core country. Customer deposits amounted to 246 billion euros and, at first sight, were up 4% quarter-on-quarter and 7% year-on-year. On an organic basis and excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches (driven by short-term cash management opportunities), customer deposits were stable quarter-on-quarter and up 3% year-on-year.

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

**The insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held; the two latter items are not part of total income) amounted to 172 million euros and breaks down into 118 million euros for non-life insurance and 54 million euros for life insurance.

The **non-life** insurance service result was up 11% quarter-on-quarter, thanks essentially to lower insurance service expenses. It was up 23% year-on-year due to higher insurance revenues, partly offset by higher insurance service expenses combined with a lower reinsurance result. The **life** insurance service result was down 10% quarter-on-quarter due to higher insurance service expenses, partly offset by higher insurance revenues. It was up 18% year-on-year due to a combination of higher insurance revenues and only slightly higher insurance service expenses.

The combined ratio of the non-life insurance activities amounted to an excellent 84% in the quarter under review, compared to 87% for full-year 2025. At 850 million euros, non-life insurance sales (gross written premiums) were up 7% year-on-year, with growth in all countries and all main classes. Sales of life insurance products amounted to 1 161 million euros, up 9% on the level recorded in the previous quarter, thanks to much higher sales of unit-linked life insurance products (in Belgium), which more than offset the drop in sales of guaranteed-interest and hybrid products. Life insurance sales were up 15% on the level recorded in the year-earlier quarter, thanks to increased sales of both unit-linked and guaranteed-interest life insurance products. Overall, the share of guaranteed-interest products and unit-linked products in our life insurance sales in the quarter under review amounted to 36% and 58%, respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder.

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

**Net fee and commission income** amounted to 729 million euros, up 1% quarter-on-quarter despite the geopolitical turmoil and up 6% year-on-year (down 2% quarter-on-quarter and up 3% year-on-year excluding the impact of the recent acquisitions). Note that the impact of the recent acquisitions was largely offset by the fact that the previous quarter had benefited from a positive year-end effect linked to the performance of the Czech pension fund.

The 1% quarter-on-quarter increase was mainly due to higher fees from asset management activities (entry fees), higher fees from banking activities (higher credit-related fees, lower distribution commissions paid for banking products, lower customer incentives and higher fees from retail trading platforms (Bolero and Patria), partly offset by lower securities and network-related fees and higher SRT-related coupon expenses) and lower distribution fees for insurance products. The 6% year-on-year increase was mainly thanks to higher fees from asset management activities (management fees), while fees from banking activities were slightly down (higher distribution fees paid for banking products, SRT-related coupon expenses and lower network income, partly offset by higher payment and securities-related fees).

At the end of March 2026, our total assets under management amounted to 295 billion euros, down 1% quarter-on-quarter, as the positive effect of net entries (+1 percentage point) was offset by the negative market performance in the quarter (-2 percentage points). Assets under management grew by 8% year-on-year, with net inflows accounting for 4 percentage points and the positive market performance during the past twelve months for another 4 percentage points.

**Trading & fair value income and insurance finance income and expense** amounted to -118 million euros, down 97 million euros quarter-on-quarter and 73 million euros year-on-year, in both cases mainly due to a lower result from derivatives used for asset/liability management purposes and lower dealing room income (due to the market turbulence in March 2026).

The **other remaining income items** included dividend income of 11 million euros and net other income of 89 million euros (above its 50-million-euro normal run rate). Net other income in the quarter under review included the contribution of the recent acquisition of Business Lease as well as a positive one-off element in Hungary, among other things.

## Operating expenses excluding bank and insurance taxes: 1 214 million euros

-1% quarter-on-quarter and +10% year-on-year

**Operating expenses excluding bank and insurance taxes** amounted to 1 214 million euros in the quarter under review, down 1% on their level in the previous quarter but up 10% year-on-year (down 3% quarter-on-quarter and up 7% year-on-year excluding the impact of the recent acquisitions). The 1% quarter-on-quarter decrease was primarily accounted for by lower ICT costs, seasonally lower expenses for marketing and professional fees and decreased facility costs, partly offset by increased staff costs (including the exceptional bonus for staff related to the excellent 2025 profit), higher depreciation expenses and the effect of the recent acquisitions. The 10% year-on-year increase was mainly driven by higher staff costs (including the exceptional bonus), ICT expenses, marketing costs, professional fees and depreciation charges, over and above the effect of the recent acquisitions.

Excluding forex effects and the one-off profit bonus for employees, the like-for-like operating expenses excluding bank and insurance taxes rose by 3.7% year-on-year, slightly higher than the guided organic 3.4% year-on-year rise due to timing differences. As such, our organic +3.4% year-on-year guidance is still valid. For further guidance regarding expected operating expenses in 2026 and the years to come, please refer to the 'Our guidance' section.

**Bank and insurance taxes** in the quarter under review amounted to 549 million euros, compared to 51 million euros in the previous quarter, as the bulk of the bank and insurance taxes for the full year is traditionally recorded in the first quarter of the year. Year-on-year, bank and insurance taxes were up by 10 million euros, due mainly to a significantly higher national bank and insurance tax in Hungary (mainly extra windfall tax), partly offset by a lower amount in Belgium (largely thanks to a lower deposit guarantee contribution which was partly offset by higher national bank and insurance taxes).

When certain non-operating items are excluded and bank and insurance taxes are spread evenly throughout the year, the cost/income ratio for the quarter under review amounted to 44%, compared to 46% for full-year 2025. When excluding all bank and insurance taxes, the cost/income ratio amounted to 41%, the same as for full-year 2025.

## Loan loss impairment: 164-million-euro net charge

versus a 73-million-euro net charge in the previous quarter and a 38-million-euro net charge in the year-earlier quarter

In the quarter under review, we recorded a 164-million-euro net loan loss impairment charge, compared to a net charge of 73 million euros in the previous quarter and 38 million euros in the year-earlier quarter. Excluding the recent acquisitions, net loan loss impairment charges amounted to 154 million euros in the quarter under review.

The 164-million-euro net charge in the quarter under review included:

- An 89-million-euro impairment charge related to the loan book (16 million euros of which related to lowering the backstop shortfall for non-performing loans), slightly up on the 76 million euros recorded in the previous quarter
- A 75-million-euro increase of the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties related to the geopolitical turmoil (see also the risk statement below and note 3.9 in the financial statements of the quarterly report), compared to a 3-million-euro reversal in the previous quarter. Consequently, the remaining reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties amounted to 175 million euros at the end of March 2026. Note that the increase in the quarter under review had a positive impact on the common equity ratio of 4 basis points (by lowering the IRB shortfall within common equity capital).

The resulting **credit cost ratio** came to 0.15% for the quarter under review when excluding the changes in the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties as well as the recent acquisition of 365.bank, compared to 0.13% for full-year 2025. Including the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank, the credit cost ratio amounted to 0.20% for the first quarter of 2026. At the end of March 2026, 1.8% of our total loan book was classified as impaired ('Stage 3'), the same level as at year-end 2025. Impaired loans that are more than 90 days past due amounted to 1.0% of the loan book, compared to 0.9% at year-end 2025.

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

**Impairment charges on assets other than loans** amounted to 1 million euros in the quarter under review, compared to 48 million euros in the previous quarter and nil in the year-earlier quarter.

## Net result by business unit

Belgium 317 million euros; Czech Rep. 223 million euros; International Markets 99 million euros;  
Group Centre -82 million euros

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**Belgium:** the net result (317 million euros) was, at first sight, down 53% quarter-on-quarter. When excluding the bank and insurance taxes (the bulk of the amount for the full year being recorded in the first quarter and hence distorting the quarter-on-quarter comparison), the net result was down only 11% quarter-on-quarter, due to the combined effect of:

- Slightly lower total income (mainly due to lower trading & fair value income and dividend income, partly offset by higher net interest income, insurance revenues, net fee and commission income and net other income)
- A lower level of costs
- Higher insurance service expenses after reinsurance
- Higher impairment charges (mainly due to the increase of the reserve for geopolitical and macroeconomic uncertainties)

**Czech Republic:** the net result (223 million euros) was, at first sight, down 4% quarter-on-quarter. When excluding the bank and insurance taxes (the full-year amount being largely booked upfront in the first quarter), the net result was up 4% quarter-on-quarter, due to the combined effect of:

- More or less stable total income (due mainly to increased net interest income, net fee and commission income and net other income, offset by lower trading & fair value income)
- A slightly higher level of costs
- Lower insurance service expenses after reinsurance
- Higher impairment charges (due to the increase of the reserve for geopolitical and macroeconomic uncertainties)

**International Markets:** the 99-million-euro net result breaks down as follows: 45 million euros in Slovakia (with the recent acquisitions in this country accounting for 12 million euros), -30 million euros in Hungary (the net result was negatively impacted by 215 million euros bank and insurance taxes in the first quarter of 2026, compared to 128 million euros in the first quarter of 2025) and 84 million euros in Bulgaria. For the business unit as a whole, the net result was, at first glance, down 51% quarter-on-quarter. However, when excluding the bank and insurance taxes (the majority of the full-year amount being booked upfront in the first quarter, and, moreover, including the significant increase in Hungary), the net result of the business unit was up 25% quarter-on-quarter, due to the combined effect of:

- Higher total income (due mainly to higher net interest income and net other income, partly offset by lower trading & fair value income)
- Higher costs
- Slightly higher insurance service expenses after reinsurance
- Lower impairment charges (the previous quarter had included significant impairments on assets other than loans)

**Group Centre:** the net result (-82 million euros) was 25 million euros less negative quarter-on-quarter, due to:

- More or less stable total income
- Lower costs
- Slightly lower insurance service expenses after reinsurance
- A slightly higher release of impairments

A full results table is provided in the 'Additional information' section of the quarterly report. A short analysis of the results per business unit is provided in the analyst presentation (available at [www.kbc.com](http://www.kbc.com)).

Selected ratios by business unit	Belgium		Czech Republic		International Markets	
	1Q2026	FY2025	1Q2026	FY2025	1Q2026	FY2025
Cost/income ratio						
- excl. non-operating items and evenly spreading bank and insurance taxes throughout the year	40%	43%	42%	42%	46%	45%
- excl. all bank and insurance taxes	38%	39%	42%	41%	37%	37%
Combined ratio, non-life insurance	85%	86%	77%	87%	94%*	90%*
Credit cost ratio						
- excluding the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.14%	0.15%	0.10%	0.07%	0.23%	0.16%
- including the reserve (ECL and management overlay) for geopolitical and macroeconomic uncertainties and the recent acquisition of 365.bank	0.19%	0.13%	0.14%	0.10%	0.32%	0.18%
Impaired loans ratio	1.8%	1.8%	1.3%	1.3%	2.0%	1.7%

\* Excluding windfall insurance taxes in Hungary, the combined ratio amounted to 86% for the first quarter of 2026 and 88% for full-year 2025.

## Solvency and liquidity

Common equity ratio of 14.4%, LCR of 159%, NSFR of 135%

At the end of March 2026, **total equity** came to 28.3 billion euros and comprised 25.7 billion euros in parent shareholders' equity, 2.5 billion euros in additional tier-1 instruments and 0.1 billion euros in minority interests. Total equity was up 0.3 billion euros on its level at the end of 2025. This was due to the combined effect of:

- The inclusion of the profit for the first quarter of 2026 (+0.6 billion euros)
- Lower revaluation reserves (-0.3 billion euros)
- A number of smaller items

We have provided details of these changes under 'Consolidated statement of changes in equity' in the 'Consolidated financial statements' section of the quarterly report.

In the first quarter of 2026, **risk-weighted assets** rose by 5.1 billion euros (half of which related to the recent acquisitions) to 134.5 billion euros.

At the end of March 2026, our unfloored fully loaded **common equity ratio** (CET1) amounted to 14.4%. The latter includes a -0.5 percentage points impact of the recent acquisitions. Disregarding that impact, our CET1 remained stable quarter-on-quarter. The solvency ratio for KBC Insurance under the Solvency II framework was 231% at the end of March 2026, compared to 227% at the end of 2025. We have provided more details on solvency under 'Solvency' in the 'Additional information' section of the quarterly report.

The Annual General Meeting of Shareholders of 7 May 2026 approved a total gross dividend of 5.1 euros per share for financial year 2025. That figure includes an interim dividend of 1 euro per share that was already paid in November 2025 and the remaining 4.1 euros per share to be paid on 20 May 2026. When including the dividend and additional tier-1 coupon, the pay-out ratio amounted to 60% of 2025 net profit.

Our **liquidity position** also remained excellent, as reflected in an LCR ratio of 159% and an NSFR ratio of 135%, compared to 159% and 138%, respectively, at the end of 2025, well above the regulatory minima of 100%.

# ESG developments, risk statement and economic views

## ESG developments

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KBC continues to demonstrate its long-standing commitment to transparent and high-quality sustainability reporting, recognising that clear and consistent disclosure is essential for well-informed decision-making and for achieving its sustainability objectives. In line with the Corporate Sustainability Reporting Directive (CSRD), KBC again published a dedicated Sustainability Statement for 2025 as an integral part of its Annual Report. These mandatory disclosures continue to be complemented by a separate, voluntary Sustainability Report, providing a deeper look at our sustainability approach, strategy and achievements.

KBC is proud that its sustainability efforts and transparent communication continue to be recognised by leading international sustainability organisations and rating agencies, such as S&P Global, Sustainalytics and CDP.

Most recently, for instance, KBC achieved the prestigious CDP 'Leadership A' score for transparent climate reporting for the fourth consecutive year, placing the group among a select group of only seven Belgian companies to receive an A score for 2025. In addition, KBC was included for the seventh consecutive year in 2026 in the S&P Global Sustainability Yearbook, which brings together the world's top-performing companies in sustainability. KBC's excellent 'low risk' rating from the leading ESG research and rating agency Sustainalytics has also, for several consecutive years, recognised our effective identification, management and mitigation of sustainability risks through robust policies and processes.

## Risk statement

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

At present, a number of factors are considered to constitute the main challenges for the financial sector. These stem primarily from geopolitical risks which have increased significantly over the past few years, including the war in Ukraine, conflicts in the Middle East (see next paragraph), trade wars as a consequence of US tariff policies and, more generally, increasing tensions between the US and Europe. These risks result or may result in shocks for the global economic system (e.g., GDP and inflation) and the financial markets (including interest rates). European economies, including KBC's home markets, are affected too, creating an uncertain business environment, including for financial institutions. Regulatory and compliance risks, for example in relation to capital requirements, anti-money laundering regulations, GDPR and ESG/sustainability, also remain a dominant theme for the sector, as does enhanced consumer protection. Digitalisation (with technology, including AI, as a catalyst) presents both opportunities and threats to the business model of traditional financial institutions, while climate and environmental-related risks are becoming increasingly prevalent. Cyber risk has become one of the main threats during the past few years, not just for the financial sector, but for the economy as a whole. This is partly driven by geopolitical tensions (state-sponsored cyberattacks), but is also increasingly supported by new technologies, such as the recent developments surrounding Anthropic's Mythos which enables AI-driven vulnerability discovery. Despite the limited information available about the Mythos threat, KBC has already taken necessary actions to increase vigilance and capacity to process a certain upcoming increase of zero day vulnerabilities. Finally, we have seen governments across Europe taking additional measures to support their budgets (via increased tax contributions from the financial sector), their citizens and corporate sector (by, for instance, implementing interest rate caps on loans or by pushing for higher rates on savings accounts).

Recent months have been dominated by an armed conflict between the United States, Israel and Iran that began in late February 2026. The conflict has resulted in regional and increasingly global instability, disrupting trade routes and supply chains, especially in energy and other fossil-fuel-related markets, and causing significant volatility on

financial markets. Financial conditions have tightened, at times putting pressure on funding markets. As a consequence, global and European economic growth projections have been revised downwards, while inflation expectations have moved higher. This has also increased uncertainty around the future path of interest rates, which have already risen over recent months. KBC's direct exposure to the Middle East region is very limited. Nevertheless, KBC is closely monitoring the macroeconomic impact of the conflict and potential spillover effects for the group and its customers, both financially and operationally, with particular attention to energy-related and energy-sensitive sectors and counterparties. Geopolitically driven cyber threats are an additional point of attention, including heightened threats directed at large US based technology companies, which play an important role as suppliers of critical digital infrastructure to the financial sector, including KBC.

We provide risk management data in our annual reports, quarterly reports and dedicated risk reports, all of which are available at [www.kbc.com](http://www.kbc.com).

## Our view on economic growth

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The first quarter of 2026 was characterised by substantial geopolitical risks and extreme uncertainty (Greenland, Venezuela, renewed uncertainty about trade tariffs and, most recently, the war in Iran). The resulting energy price shock from this war in particular impacted the energy-importing European economy.

In the first quarter, US economic activity grew by 0.5% (non-annualised) compared to 0.1% in the fourth quarter of 2025 (which was impacted by, among other elements, the partial shutdown of government services). In general, however, the labour market and business investments remain resilient.

First-quarter growth in the euro area economy (0.1%) weakened compared to the fourth quarter of last year (0.2%). Growth in our core countries Belgium, the Czech Republic, Hungary, Slovakia and Bulgaria amounted to 0.2%, 0.2%, 0.8%, 0.0% (est.) and 0.6% (est.), respectively. Overall, growth in the euro area and our core markets is expected to remain relatively subdued in 2026 as a result of the current geopolitical environment and economic uncertainty.

## Our view on interest rates and foreign exchange rates

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In the euro area, headline and core inflation in April amounted to 3% and 2.2%, respectively. The upward inflation contribution of the energy component was particularly notable. Amidst substantial uncertainty about the magnitude and the duration of the energy price shock, the ECB kept its 2% deposit rate unchanged at its April policy meeting. At this stage, there is huge uncertainty as to what extent the ECB will react to the energy price shock, if at all.

The Fed, too, kept its policy rate unchanged at 3.625% in the first quarter at its April meeting. The Fed is expected to keep its policy rate at this slightly restrictive level for the remainder of 2026.

Since the start of the first quarter, German and US 10-year yields have, on balance, both risen by about 15 basis points, keeping the spread between them broadly unchanged. After the first quarter started off with a moderate easing of the bond yields, yields came under upward pressure since the start of the war in Iran.

Since May 2025, the Czech National Bank (CNB) has kept its policy rate unchanged at 3.50%. The CNB is likely to maintain this slightly restrictive interest rate policy for some time to get the underlying upside inflation risk under control. As a result of interest rate support and the overall convergence process of the Czech economy, we expect the Czech koruna to appreciate further against the euro in the coming quarters.

In February 2026, the Hungarian central bank cut its policy rate to 6.25%. We expect the next rate cut towards the end of 2026. Monetary policy will remain restrictive for quite a while to bring inflation under control. The Hungarian forint sharply appreciated after the parliamentary election in April, benefitting from improved market sentiment.

# Our guidance

## Guidance for full-year 2026 (as provided with the 4Q2025 results)

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

\* This does not include the 23-million-euro one-off profit bonus for staff yet, as it still needed to be approved at the AGM of 7 May 2026.

## Medium to long-term guidance (as provided with the 4Q2025 results, including forex impacts and closed M&A deals, i.e. 365.bank and Business Lease)

Guidance for full-year 2028	All-in
Total income	CAGR (2025-2028) at least +7.7%
Net interest income	CAGR (2025-2028) at least +8.6%
Insurance revenues (before reinsurance)	CAGR (2025-2028) at least +7.5%
Operating expenses (excl. bank and insurance taxes)	CAGR (2025-2028) below +4.3%
Cost/income ratio (excl. bank and insurance taxes, but including insurance commissions paid)	below 38%
Combined ratio for non-life insurance	below 91%
Credit cost ratio	well below 25-30 basis points

## Dividend and capital deployment policy (as provided with the 1Q2025 results)

- **Dividend policy:**
  - Payout ratio (including AT1 coupon) between 50% and 65% of consolidated profit of the accounting year
  - Interim dividend of 1 euro per share in November of each accounting year as an advance on the total dividend
- **Capital deployment policy:**
  - We aim to remain amongst the better capitalised financial institutions in Europe
  - Each year (when announcing the full-year results), the Board of Directors will take a decision, at its discretion, on the capital deployment. The focus will predominantly be on further organic growth and M&A
  - We see a 13% unfloored fully loaded common equity ratio as the minimum
  - We will fill up the AT1 and Tier 2 buckets within P2R and use SRTs (Significant Risk Transfers) as a part of a risk-weighted assets optimisation programme

## Upcoming events and references

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Agenda	Dividend: ex-coupon date: 18 May 2026, record date: 19 May 2026, payment date: 20 May 2026 2Q2026 earnings release: 6 August 2026 3Q2026 earnings release: 12 November 2026 Other events: <a href="http://www.kbc.com">www.kbc.com</a> / Investor Relations / Financial calendar
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More information on the quarter under review	Quarterly report: <a href="http://www.kbc.com">www.kbc.com</a> / Investor Relations / Reports Company presentation: <a href="http://www.kbc.com">www.kbc.com</a> / Investor Relations / Presentations
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\* This news item contains information that is subject to the transparency regulations for listed companies.