KBC Group: Second-quarter result of 1 152 million euros

6.8.2026 - Johan Thijs | Kbc Groupe

Outside trading hours - Regulated information*.

- **Net interest income** increased by 8% quarter-on-quarter and by 20% year-on-year (17% year-on-year on an organic basis, i.e. excluding the recent acquisitions of 365.Bank and Business Lease). The net interest margin for the quarter under review amounted to 2.23%, up 6 basis points on the previous quarter and 15 basis points year-on-year (13 basis points on an organic basis). Customer loan volumes increased organically by 3% quarter-on-quarter and by 7% year-on-year. Customer deposits – excluding volatile, low-margin short-term deposits at KBC Bank's foreign branches – were up organically by 2% quarter-on-quarter and by 4% year-on-year.

- **The insurance service result** (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) amounted to 170 million euros, compared to 172 million euros in the previous quarter and 166 million euros in the year-earlier quarter. The insurance service result for the quarter under review breaks down into 111 million euros for non-life insurance and 58 million euros for life insurance. The non-life insurance combined ratio for the first half of 2026 came to an excellent 85%, compared to 87% for full-year 2025. Sales of non-life insurance products grew by 10% year-on-year, while life insurance sales were down 30% on the very high level recorded in the previous quarter and up 24% on the level in the year-earlier quarter. In the first half of 2026, non-life and life insurance sales were up 9% and 18% year-on-year, respectively.

- **Net fee and commission income** was up 4% quarter-on-quarter and 14% year-on-year (11% on an organic basis). Assets under management increased by 10% quarter-on-quarter and by 17% year-on-year.

- **Trading & fair value income and insurance finance income and expense** was up 26 million euros and down 58 million euros on the figure for the previous and year-earlier quarters, respectively. **Net other income** was in line with its normal run rate. **Dividend income** was up on the previous quarter's level, since the bulk of dividend income is traditionally received in the second quarter of the year.

- Excluding the forex effect, **operating expenses excluding bank and insurance taxes** were down 1% quarter-on-quarter and up 6% year-on-year (5% on an organic basis). Bank and insurance taxes amounted to 64 million euros, significantly less than the 549 million euros recorded in the previous quarter, 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 half of 2026 came to 43%, compared to 46% for full-year 2025. In that calculation, certain non-operating items have been excluded, and bank and insurance taxes spread evenly throughout the year. When excluding all bank and insurance taxes, the cost/income ratio for the first half of 2026 amounted to 40%, compared to 41% for full-year 2025.

- **Loan loss impairment charges** amounted to 66 million euros in the quarter under review and included 53 million euros for the loan book (down on the 89 million euros recorded in the previous quarter), and a 13-million-euro increase in the reserve for geopolitical and macroeconomic uncertainties (significantly less than the 75-million-euro increase in the previous quarter, which was due to the booking of a management overlay in relation to geopolitical turmoil). Excluding the reserve for geopolitical and macroeconomic uncertainties and the impact of the acquisition of 365.bank, the credit cost ratio for the first half of 2026 amounted to 0.11%, compared to 0.13% for full-year 2025. Impairment on assets *other than loans* amounted to 69 million euros in the quarter under review (related primarily to software in Belgium and to modification losses in Hungary – see below), compared to 1 million euros in the previous quarter and 8 million euros in the year-earlier quarter.

- Our **liquidity position** remained strong, with an LCR of 158% and NSFR of 133%. **Our capital base** remained robust, with an unfloored fully loaded common equity ratio of 14.4%*.

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

See full press release in attachment

Johan Thijs, Chief Executive Officer KBC Group

https://newsroom.kbc.com/kbc-group-second-quarter-result-of-1-152-million-euros