KBC Group

Company presentation
Autumn 2009

KBC

Ticker codes: KBC BB (Bloomberg)
KBC BR (Reuters)

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Go to www.kbc.com for the latest update.

Important information for investors

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This presentation contains non IFRS information and forward-looking statements with respect to the strategy, earnings and capital trends of KBC, involving numerous assumptions and uncertainties. The risk exists that these statements may not be fulfilled and that future developments differ materially. Moreover, KBC does not undertake any obligation to update the presentation in line with new developments.

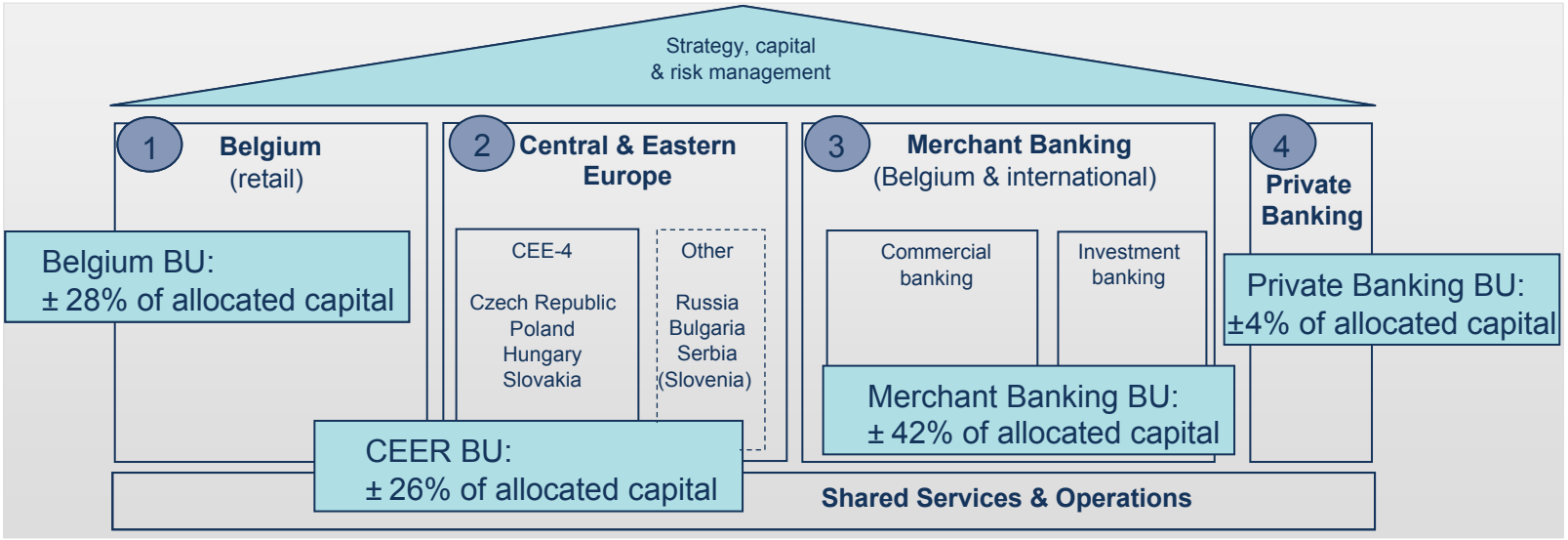
By reading this presentation, each investor is deemed to represent that it possesses sufficient expertise to understand the risks involved.

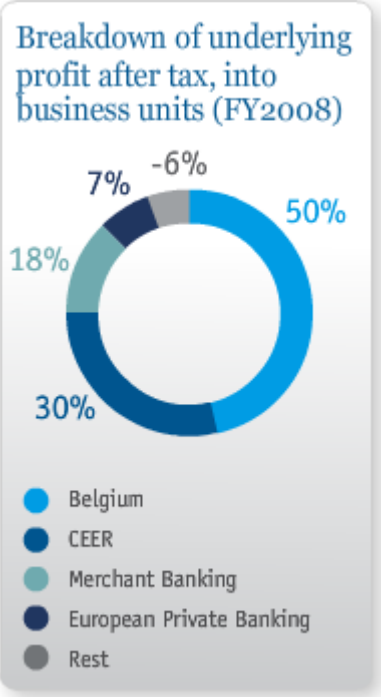
Content

Section 1

Company profile and strategy

Business profile





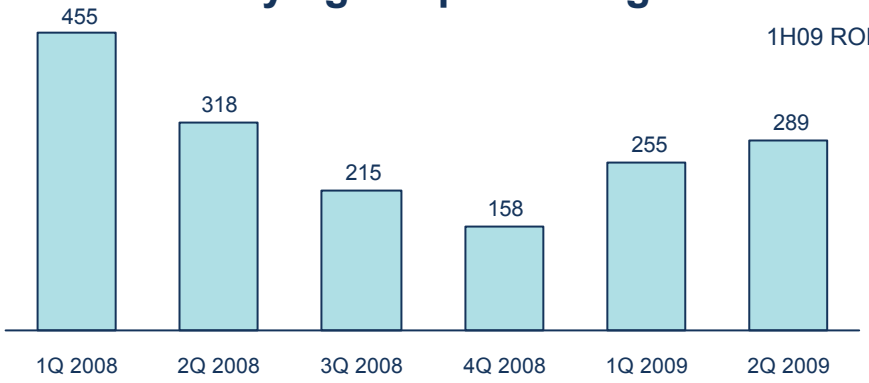
- KBC is a top player in Belgium and CEE-4 (retail bancassurance, private banking, commercial and local investment banking); 75-80% of revenue is generated in markets with leading market share
- Moreover, KBC pursues niche strategies in selected merchant banking activities and private banking outside its home markets (mainly European focus)

Allocation of capital as of 31-Dec-08

Underlying profit per business unit

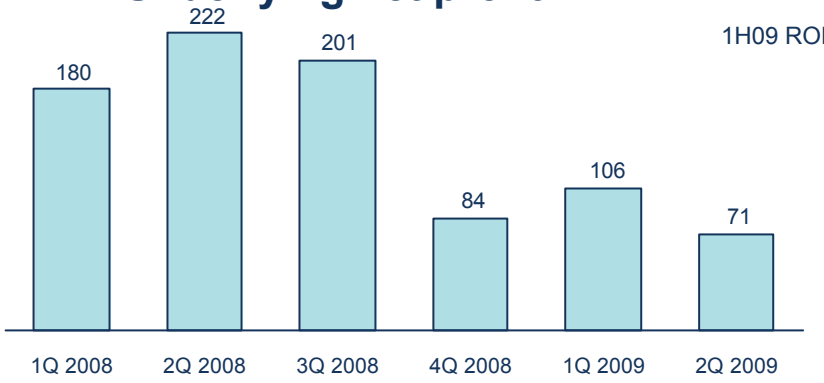
Underlying net profit Belgium

1H09 ROE: 31%



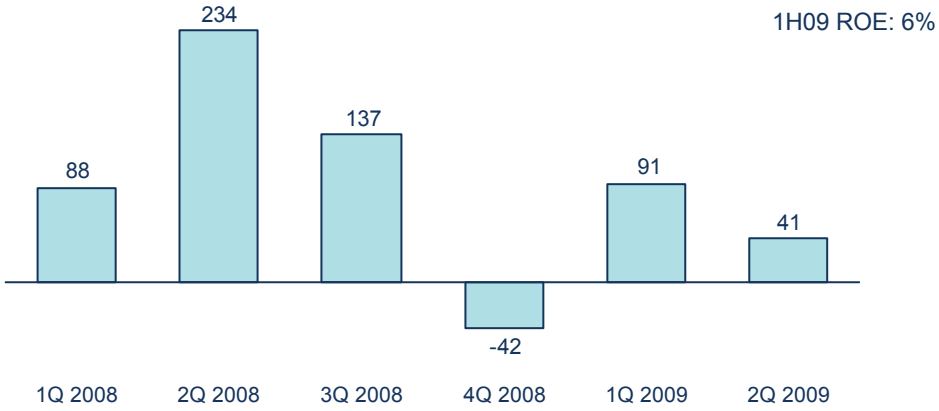
Underlying net profit CEER

1H09 ROE: 7%



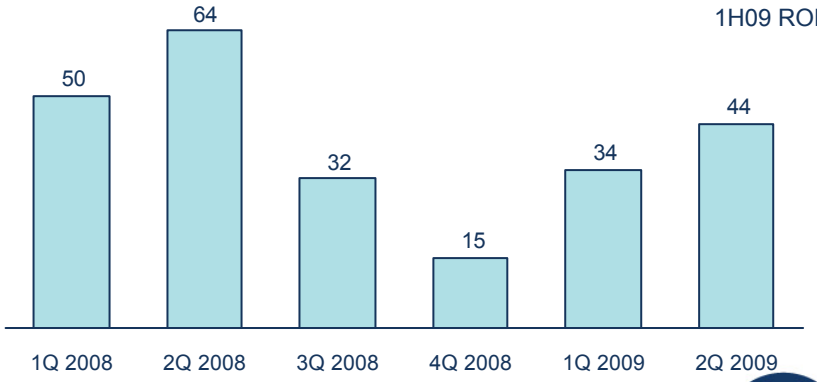
Underlying net profit Merchant Banking

1H09 ROE: 6%



Underlying net profit Private Banking

1H09 ROE: 34%



Presence in CEE

Main markets

Czech Republic
Total assets: 30 bn
Bank ranking: Top-3
Insurance ranking: Top-5
Entry: 1999

Hungary
Total assets: 12 bn
Bank ranking: Top-3
Insurance ranking: Top-10
Entry: 2000

Poland
Total assets: 7 bn
Bank ranking: Top-10
Insurance ranking: Top-3
Entry: 2001

Slovakia
Total assets: 6 bn
Bank ranking: Top-5
Insurance ranking: Top-10
Entry: 1999

New markets

Russia
Total assets: 4 bn
Bank ranking: Top-25
Entry: 2007

Bulgaria
Total assets: 1 bn
Bank ranking: Top-10
Insurance ranking: Top-3
Entry: 2007

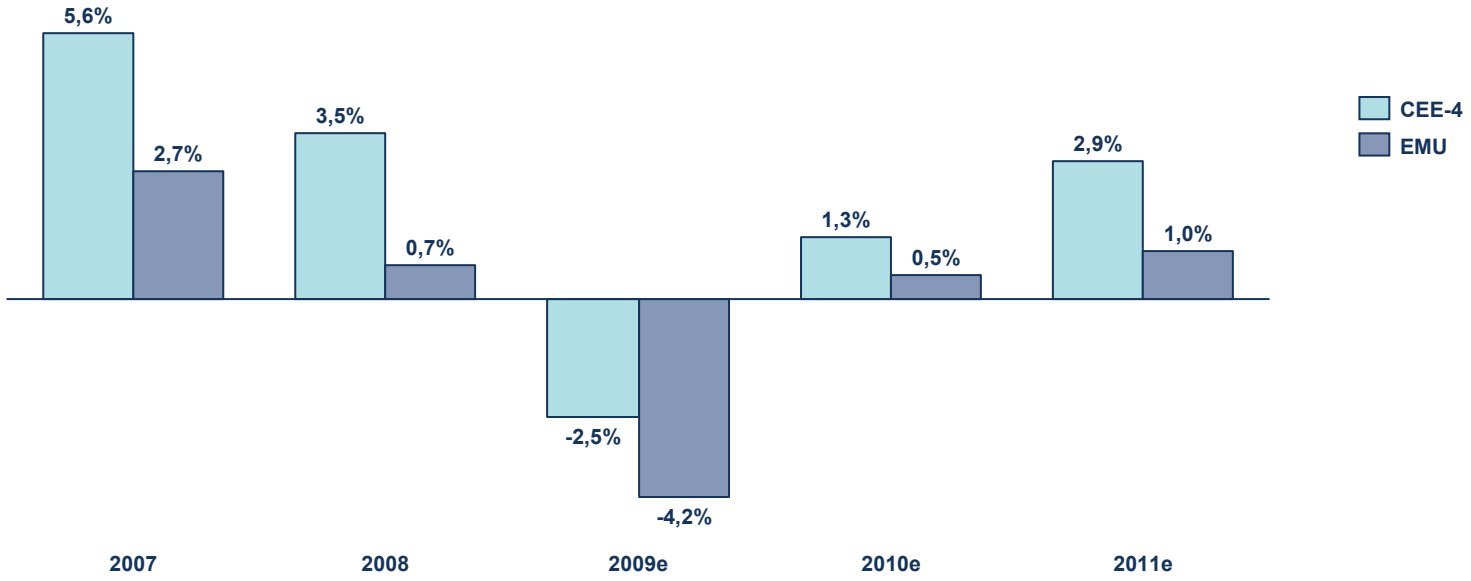
Serbia
Total assets: 0.2 bn
Bank ranking: Top-25
Entry: 2007

Assets in bn euros as at 31 Dec 2008
'Entry' year means year of majority-holding acquisition

Presence in CEE

Comparison real GDP growth of KBC's CEE core markets and EMU

Figures based on macroeconomic data from KBC. The data for CEE-4 are a weighted average for the Czech Republic, Slovakia, Poland and Hungary based on KBC's risk weighted assets in the respective countries



Economic growth in KBC's CEE market has outperformed during the downturn and is expected to continue to outperform

Loan loss experience at KBC

	1Q 09 credit cost ratio	2008 credit cost ratio	1H 2009 credit cost ratio	Average '99 –'08	Peak '99 –'08
Belgium	0.13%	0.09%	0.14%	0.16%	0.31%
CEE	1.69%	0.73%	1.75%	0.92%	2.75%
Merchant	0.59%	0.48%	0.71%	0.39%	0.90%
Incl. ABS*			1.31%		
Total	0.70%	0.46%	0.76%	0.33%	0.71%
Incl. ABS*			1.01%		

CCR: credit cost ratio, amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

(*) At year end 2008 KBC has reclassified US Mortgage Backed Securities to 'Loans and Receivables' under IAS39

Preparing for the future

- Measures announced year end 2008
  - Refocus business portfolio on core activities in core markets
  - Downsizing corporate banking presence outside home markets
  - Cut in investment banking activities; derivatives business put on run-off; remaining activities of KBC Financial Products entity currently under review

- Strategic review ongoing, outcome dependent on EU approval

Summary of government transactions (1)

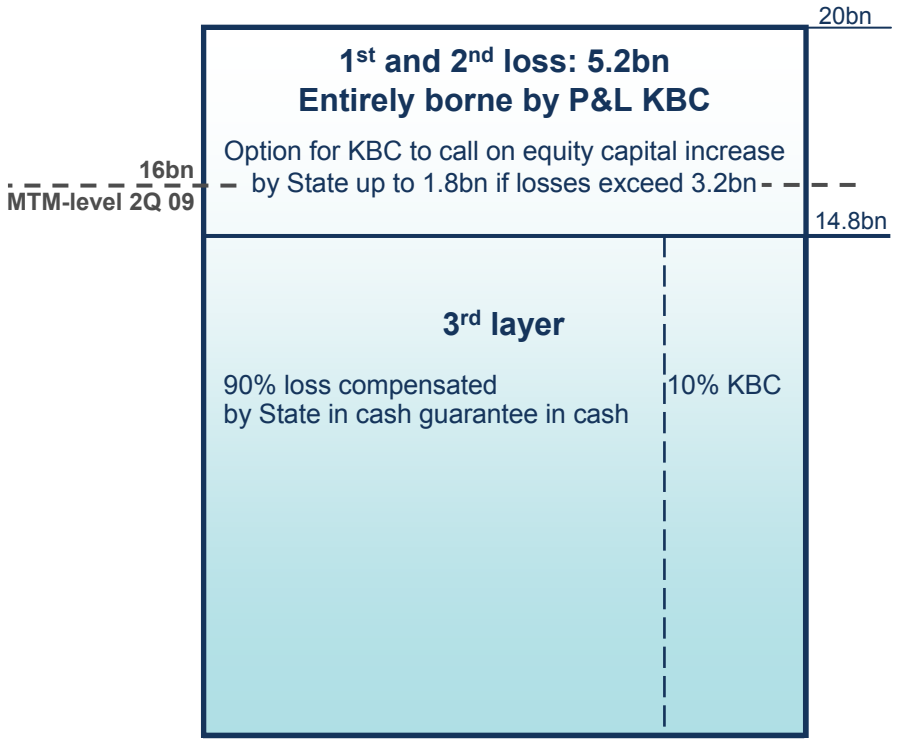
- 7 bn EUR capital increase by the Belgian Federal State and the Flemish Region

	Belgian State	Flemish Region
Amount	**3.5bn**	**3.5bn**
Instrument	Perpetual fully paid up new class of non-transferable securities qualifying as core capital	
Ranking	Pari passu with ordinary stock upon liquidation	
Issuer	KBC Group Proceeds used to subscribe ordinary share capital at KBC Bank (5.5bn) and KBC Insurance (1.5bn)	
Issue Price	29.5 EUR	
Interest coupon	Conditional on payment of dividend to shareholders. The higher of (i) 8.5% or (ii) 120% of the dividend for 2009 and 125% for 2010 onwards Not tax deductible	
Buyback option KBC	Option for KBC to buy back the securities at 150% of the issue price (44.25)	
Conversion option KBC	From December 2011 onwards, option for KBC to convert securities into shares (1 for 1). In that case, the State can ask for cash at 115% (33.93) increasing every year with 5% to the maximum of 150%	No conversion option

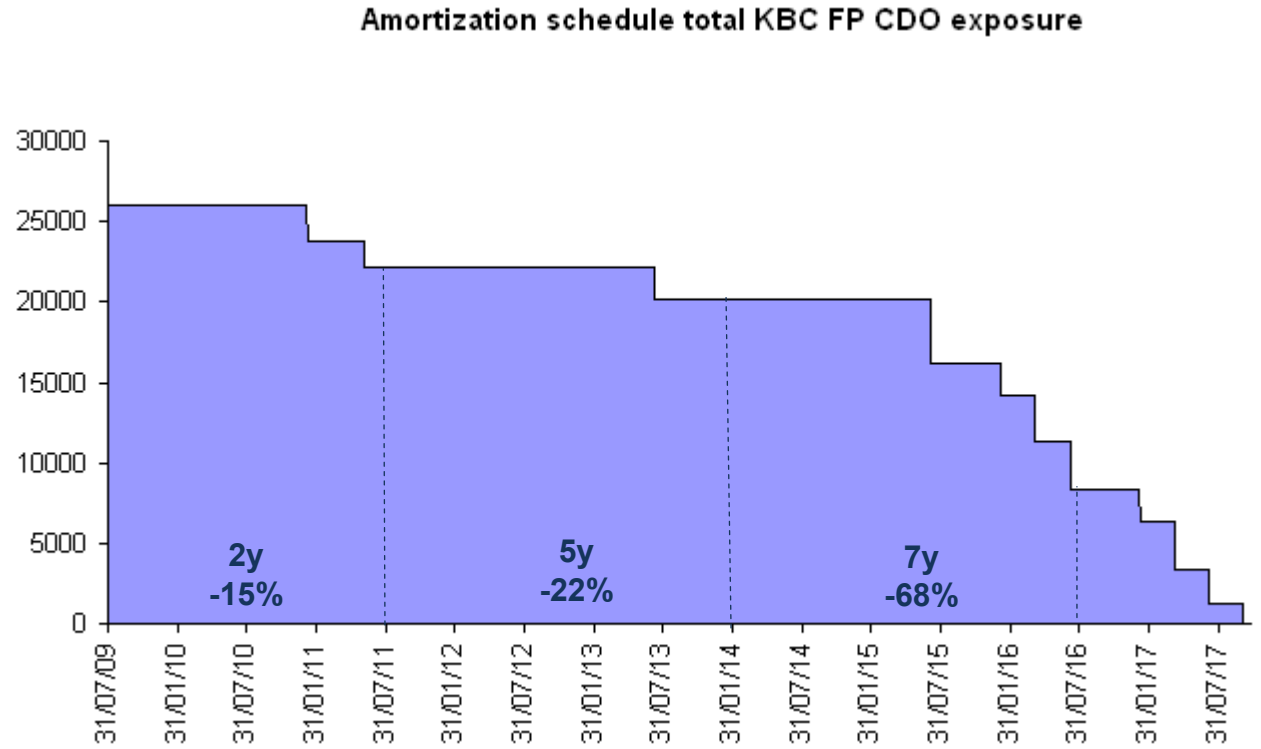
Summary of government transactions (2)

- State guarantee on 20bn CDO linked instruments
  - Scope
    - CDO investments that were not yet written down to zero (5.5bn)
    - CDO-linked exposure towards MBIA, the US monoline insurer (14.4bn)
  - First and second loss: 5.2bn, impact on P&L fully borne by KBC, KBC has option to call on equity capital increase up to 1.8bn from the Belgian State if losses exceed 3.2bn
  - Third loss: 14.8bn, 10% of impact borne by KBC
  - Instrument by instrument approach

GUARANTEE STRUCTURE



Maturity schedule CDO portfolio



The total FP CDO exposure includes the 'unhedged' own investment portfolio as well as the 'hedged' portfolio that is insured with MBIA, Channel and Lloyds

Update on KBC Financial Products

- KBC FP represents 11.3bn in RWA (incl. impact of the State guarantee transaction)
- Provision for run-off in 2Q results: 0.8bn (after tax)
- 15m EUR VaR (2Q average for 1day VaR, 99% confidence interval)

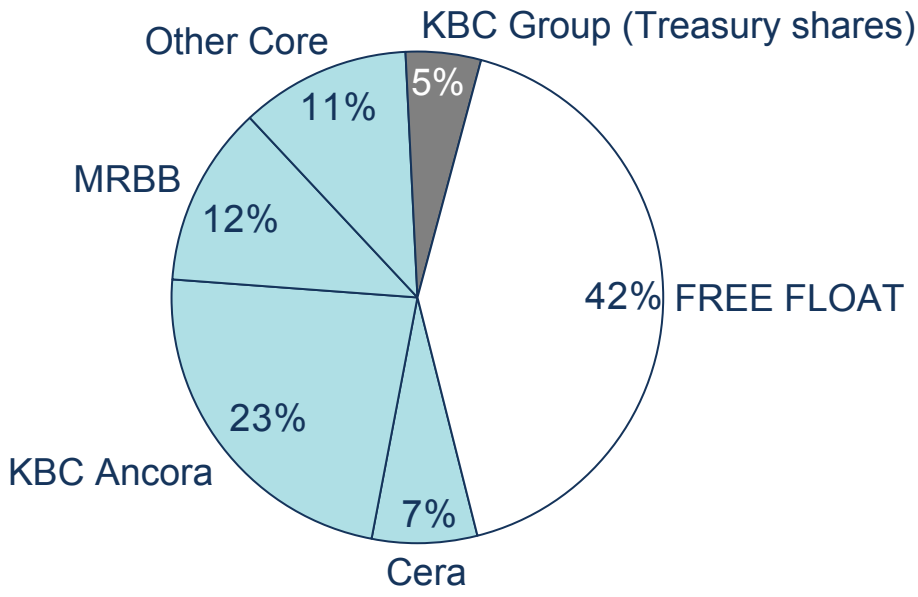
Business lines KBC FP	Exit status	Outstanding 2Q09[1]	Comments Comforting element	Main concern
Structured finance				
- Alternative investments	Almost completed	0.1bn[2]	Limited remaining position	Market risk
- CDOs	Start 4Q 08	27.1bn	Largely written down or guaranteed	Market and operational risk
- Fund derivatives	Start 4Q 08	1.6bn	7.1bn underlying collateral	Market and liquidity risk
- Exotic equity derivatives	Start 4Q 08	2.4bn	Conservative valuation	Market risks
- Life insurance settlements	Start 2Q 09	0.6bn[2]	Life contracts as collateral	Longevity risk
- US reverse mortgages	Start 2Q 09	1.3bn	Government guaranteed loans	Market and operational risk
Sales and trading				
- US High Yield Bonds	Completed	-	-	
- Convertible bonds	Under review	0.8bn[3]	Usual business risks	
- Equity derivatives	Under review	2.1bn	Usual business risks	
- Equity brokerage	Under review	-	Usual business risks	

(1) amounts in EUR. Amounts are nominal amounts except if indicated otherwise.
(2) These amounts reflect market value.
(3) Gross exposure long + short positions

Shareholder structure

- Over 50% of KBC shares is 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), a farmers' association (MRBB) and a group of industrialist families

- The free float is mainly held by a large variety of international institutional investors



Analysts' coverage

Bank/broker	Analyst	Contact details	Rating	Target Price	Upside
Cheuvreux	Hans Pluijgers	hpluijgers@cheuvreux.com	-	12	-31%
Citi Investment Research	Andrew Coombs	andrew.coombs@citi.com	=	15	-14%
Credit Suisse Securities	Guillaume Tiberghien	guillaume.tiberghien@credit-suisse.com	=	20	15%
Degroof Banque	Ivan Lathouders	ivan.lathouders@degroof.be	-	12	-32%
Deutsche Bank	Brice Vandamme	brice.vandamme@db.com	=	15	-14%
Evolution Securities	Jaap Meijer	Jaap.Meijer@evosecurities.com	-	11	-38%
Exane BNP Paribas	François Boissin	francois.boissin@exanebnpparibas.com	+	17	-2%
Fortis Bank	Kurt De Baenst	kurt.debaenst@fortis.com	-	12	-31%
HSBC	Marcel Mballa-Ekobena	marcel.mballa-ekobena@hsbcib.com	+	19	11%
ING	Albert Ploegh	albert.ploegh@ing.com	=	13	-25%
JP Morgan Securities	Paul Formanko	paul.formanko@jpmorgan.com	-	UR	UR
Keefe, Bruyette & Woods	Jean-Pierre Lambert	jplambert@kbw.com	+	22	26%
Kepler	Benoit Petrarque	benoit.petrarque@keplercm.com	=	13	-25%
Oddo Securities	Scander Bentchikou	sbentchikou@oddo.fr	-	13	-25%
Oppenheim Research	Thomas Stögner	thomas.stoegner@oppenheim.de	=	15	-17%
Rabo Securities	Cor Kluis	cor.kluis@rabobank.com	=	15	-14%
Royal Bank of Scotland	Aurelia Faure	afaure@uk.abnamro.com	=	13	-24%
S&P	Marco Troiano	marco_troiano@standardandpoors.com	=	15	-14%
Societe Generale	Sabrina Blanc	sabrina.blanc@sgcib.com	-	12	-31%
UBS	Omar Fall	omar.fall@ubs.com	=	13	-26%

Situation 4 August 2009, based on share price 17.41 EUR

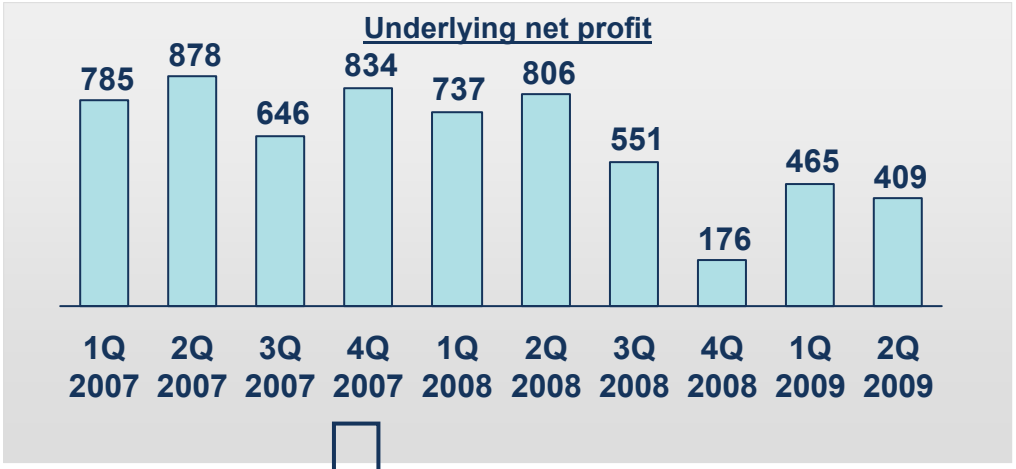
Calendar upcoming events

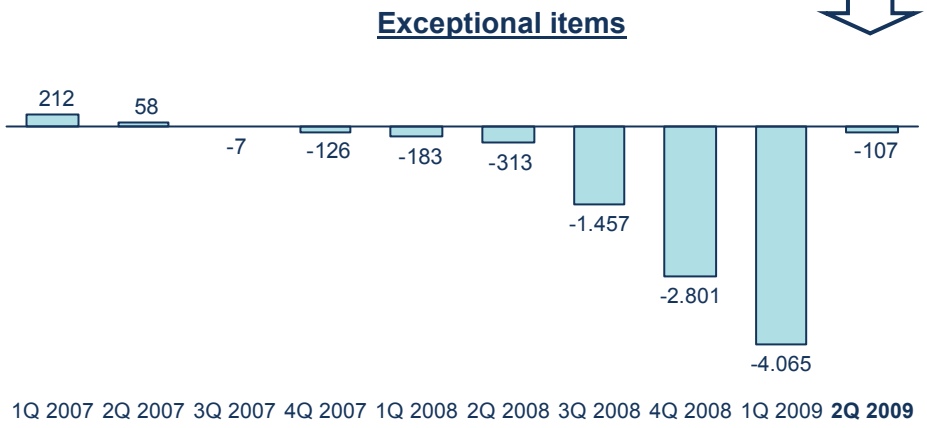
6 August 2009	**2Q 2009 Publication of results**
25 - 26 August 2009	Company roadshow, New York
27 August 2009	Company roadshow, Boston
28 August 2009	Company roadshow, Toronto
3 - 4 September 2009	Company roadshow, London
7 September 2009	Company roadshow, Paris
7 September 2009	Company roadshow, Edinburgh
10 September 2009	Company roadshow, Frankfurt
15 September 2009	Broker conference, London
17 September 2009	Company roadshow, Netherlands
17 September 2009	Company roadshow, New York
18 September 2009	Broker conference, New York
29 - 30 September 2009	Broker conference, London
1 October 2009	Broker conference, London
As of 30 October 2009 from 5 PM CET	Pre-earnings blackout period
13 November 2009	**3Q 2009 Publication of results**
16 - 17 November 2009	Broker conference, New York
18 November 2009	Broker conference, Zurich
1 December 2009	Broker conference, London
4 December 2009	KBC Investor Day, London (to be confirmed)

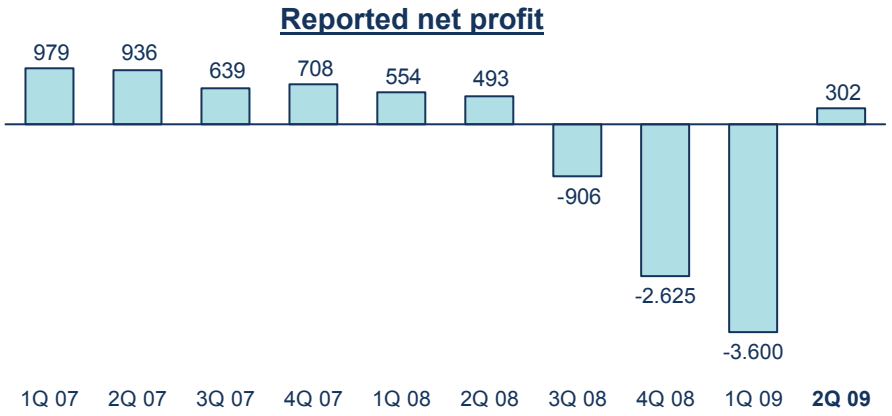
Section 2

2Q 2009 Financial highlights

Back on track



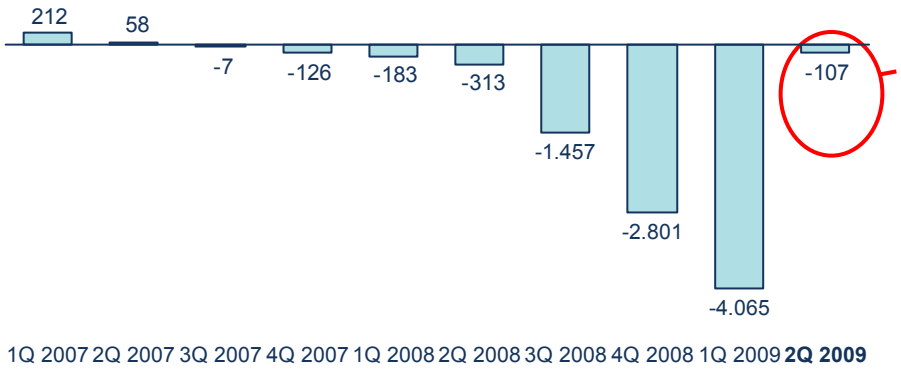




Amounts in m. EUR

Some exceptional items

Exceptional items



Main exceptional items (post-tax) (*)

• MTM ALM hedging derivatives	+0.1bn
• MTM own debt	+0.1bn
• Markdown positions KBC Financial Products	-0.7bn
• Structured credit portfolio revaluation	+1.3bn
• Government guarantee fee	-0.7bn
• Provision for CDOs sold to customers	-0.2bn
	-0.1bn

Amounts in m. EUR

(*) A generic provision of 138m EUR (pre-tax) recognised on the US mortgage backed securities (that were reclassified to loans and receivables at year end 2008) has not been excluded from the underlying results

Financial highlights 2Q 2009

- Resilient margin environment, previous quarter margin recovery confirmed
- Improved investment climate halting previous negative earnings impact: more fee and commission income, no more (mention worthy) share portfolio impairment and a positive CDO revaluation (considered exceptional)
- Continued favourable cost trend: on underlying basis costs down -14% year on year
- Stable loan impairment charges in Belgium and CEER, rising for international credit exposure
- Exceptional: (pre-announced) cost of government guarantee 740m EUR post tax
- Exceptional: significant mark down of trading positions of KBC Financial Products businesses that are already in wind-down
- Including all government transactions banking tier 1 ratio at 10.8% (core: 8.1%) and insurance solvency at 182%

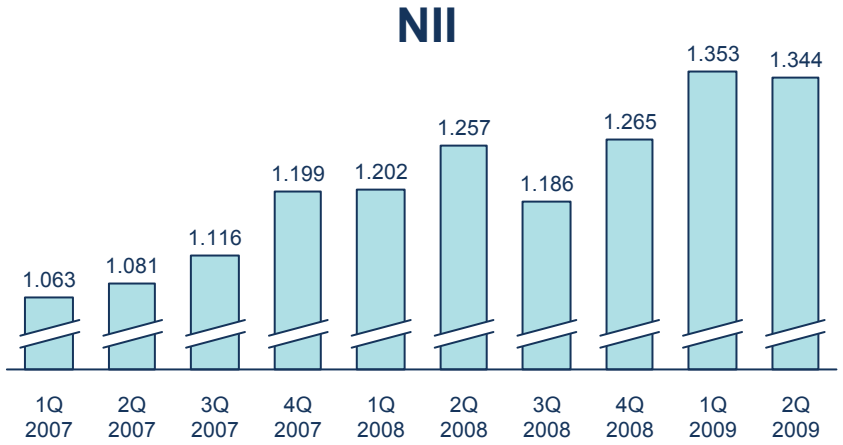
Strategy highlights, future developments

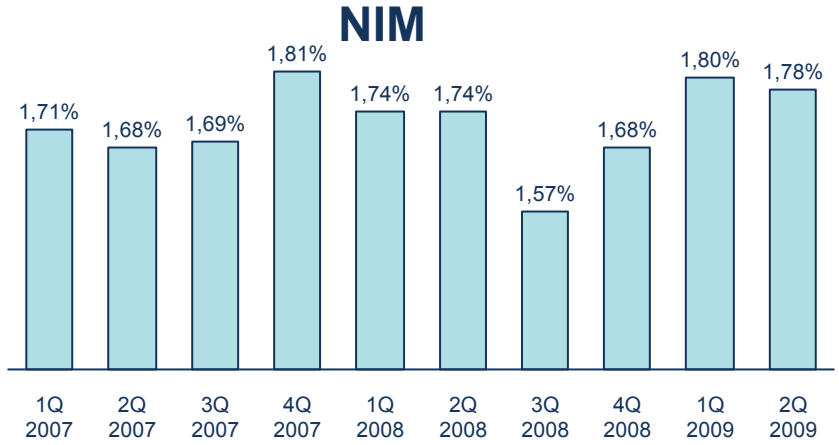
- Improvement of business environment but economic recovery may be very gradual, NPL trends are expected to rise further, Ireland and CEER being main areas of interest
- Ongoing comprehensive review of strategy for the future, will result in a significant capital release while safeguarding future earnings power
- EU temporary clearance to be followed by detailed restructuring plan aiming for final approval before end 2009
- Pending regulatory approvals, restriction on calls and discretionary coupons of perpetual hybrid instruments
- Renewed Executive Committee

Section 3

Underlying business performance

Revenue trend - Group





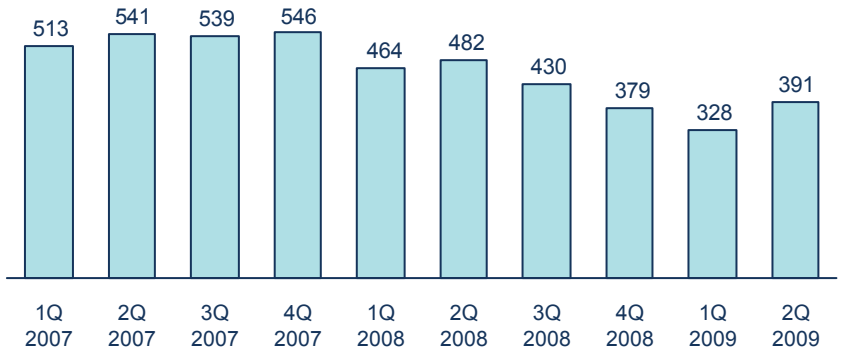
- Net interest income in line with record high of previous quarter and up 7% year on year
- Net interest margin at 1.78% confirms recovery from low levels in second half 2008
  - Increase based on combination of healthier credit and deposit spreads, the latter based on gradual lowering of interest rates on traditional savings products in Belgium and shift to higher margin products
- Weaker credit demand results in virtually zero loan volume growth both quarter on quarter and year on year
- Deposit volumes down 6% qoq and 13% yoy, entirely situated in Merchant Banking in line with winding down of international banking activities

Amounts in m. EUR

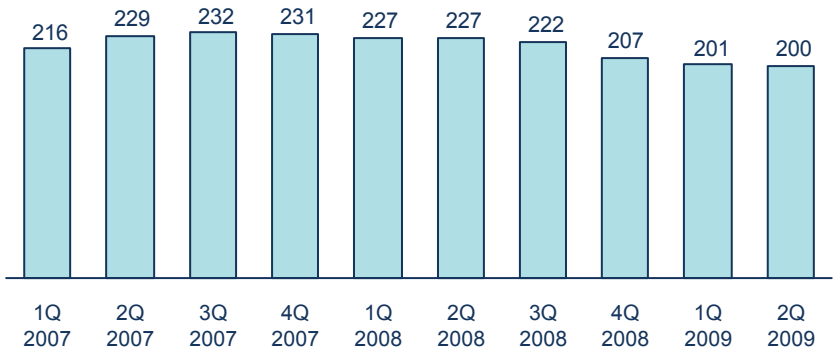
* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

Revenue trend - Group

F&C



AUM



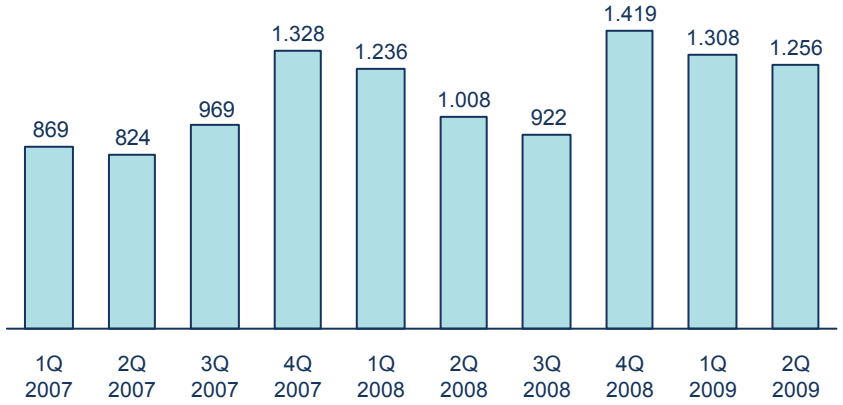
Amounts in bn. EUR

- Net fee and commission income showing rebound compared to very low level previous quarter (+19%) but still low compared to year earlier quarter (-19%)
  - Quarter on quarter rise based on improved investment climate (asset management fees) and lower fees paid for insurance
- Assets under management at 200bn EUR, in line with previous quarter (positive performance offset by outflow from lower margin products), down -12% year on year (-4% due to price effect)

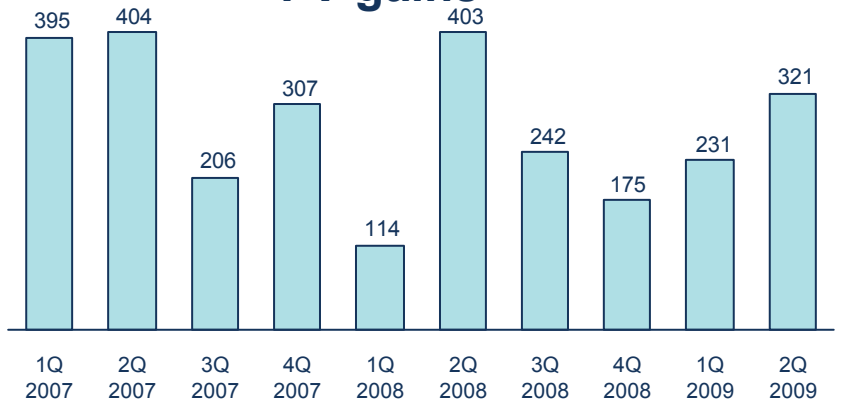
Amounts in m. EUR

Revenue trend - Group

Premium income



FV gains

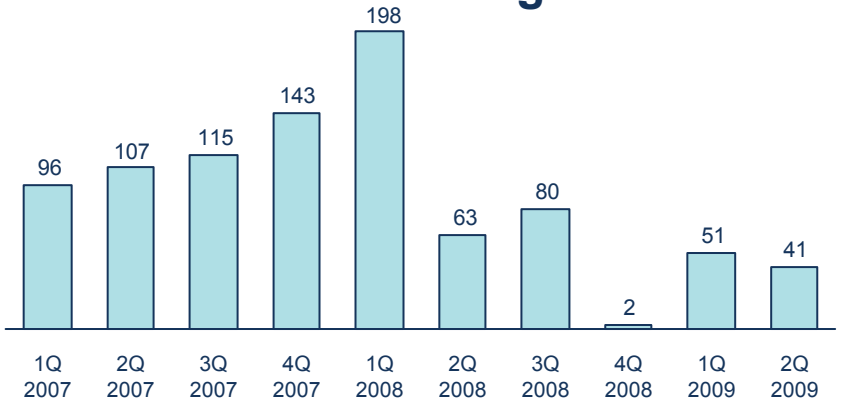


- Premium income at 1.256m
  - Non-life premium income (477m), virtually status quo with previous quarter and up 4% yoy (excl. FX effects)
  - Life premium income (780m), keeping up based on sales of interest guaranteed products (860m)
- Excellent combined ratio at 92% for first half year, compared to 95% full year 2008
- Improved fair value gains (321m, +39% qoq) based on good performance of debt capital and money market activities, mainly in Brussels dealing room

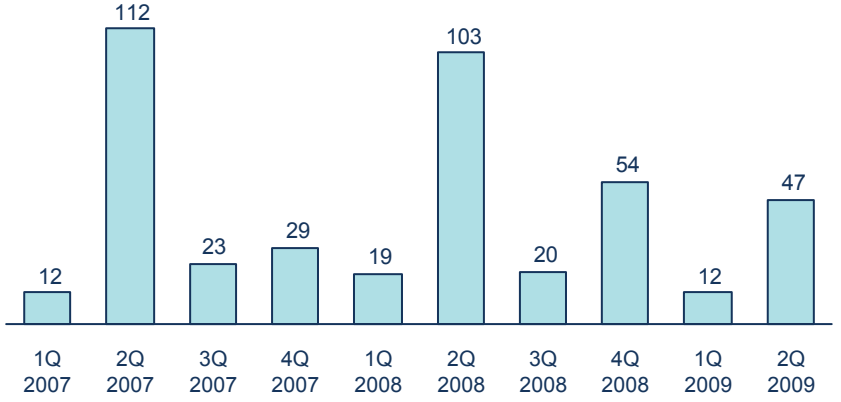
Amounts in m. EUR

Revenue trend - Group

AFS realised gains



Dividend income



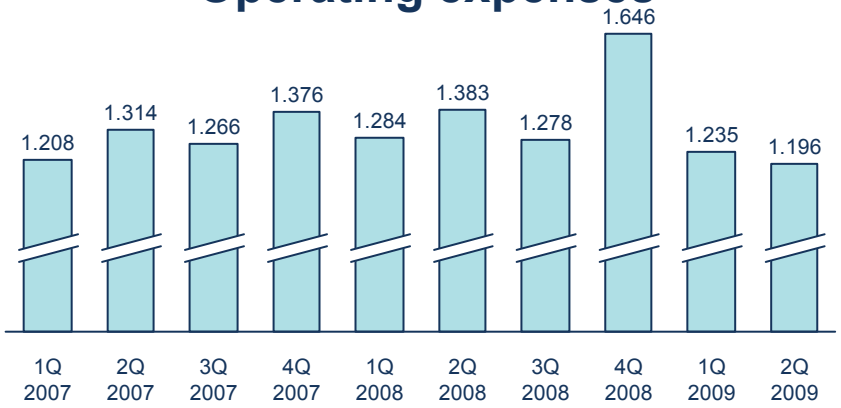
- AFS realised gains at 41m
- Dividend income at 47m obviously higher quarter on quarter due to dividend season but clearly below year earlier quarter due to decrease of share portfolio and generally lower corporate dividends

Share portfolio	KBC Group
31-12-2008	2.7bn
30-03-2009	2.1bn
30-06-2009	1.7bn

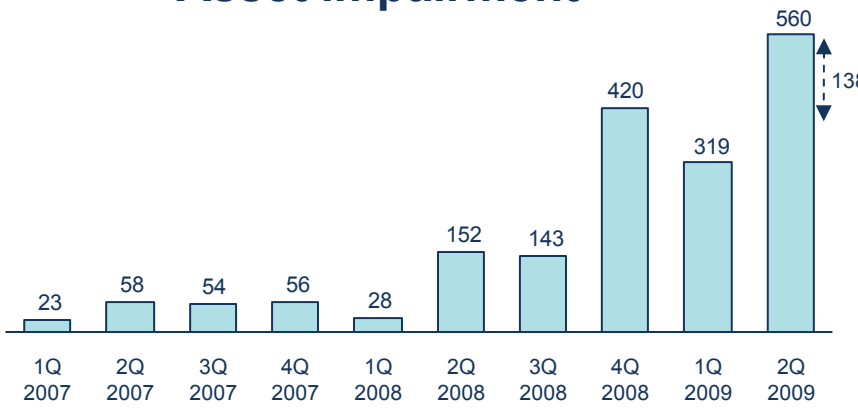
Amounts in m. EUR

Opex and asset impairment - Group

Operating expenses



Asset impairment



- Operating expenses at 1.196m
  - -3% compared to first quarter level
  - Year on year evolution (-14%) enhanced by the reduction of investment banking activities
    - Decrease across all business units (-8% in Belgium, -15% in CEER, -30% in MEB, -6% in EPB)
- Higher impairments (560m)
  - Stable credit cost in Belgium and CEER, increase in MEB due to, among other factors provisions on reclassified US mortgage backed securities portfolio (173m, o/w 138m generic provision)

Amounts in m. EUR

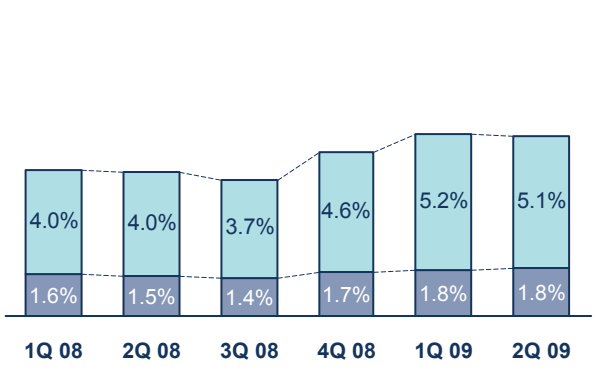
Rising credit cost within expectations

- NPL up to 2.8% from 2.5% in previous Q and 1.8% at start 09
- Though rising, NPL trends have not accelerated in 2Q explaining the broadly stable credit cost (excl. 173m provision for reclassified ABS)
- Increasing trend expected to continue
- Earlier given guidance for full year 2009 credit cost CEER at 200-230bps maintained

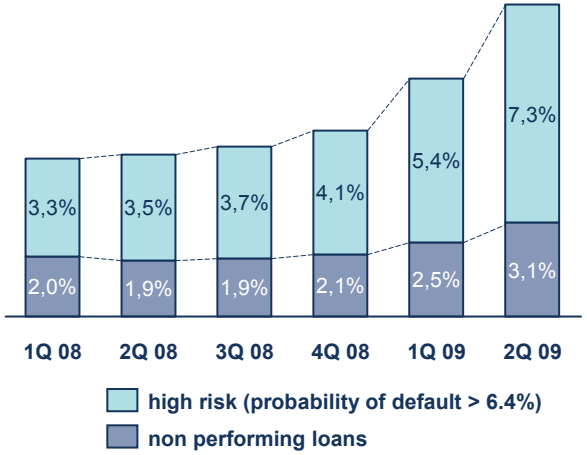
Credit cost ratio

	Loan book	2007 FY	2008 FY	1Q 09 YTD	1H 09 YTD
Belgium	**57bn**	0.13%	0.09%	0.13%	**0.14%**
CEE	**40bn**	0.26%	0.73%	1.69%	**1.75%**
Merchant Incl. ABS imp.	**74bn**	0.02%	0.48%	0.59%	**0.71%** 1.31%
Total Incl ABS imp.	**174bn**	0.13%	0.46%	0.70%	**0.76%** 1.01%

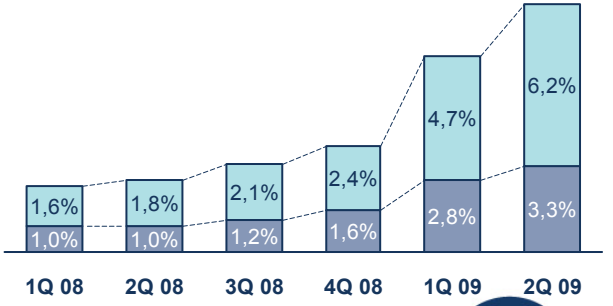
BU BELGIUM



BU CEER

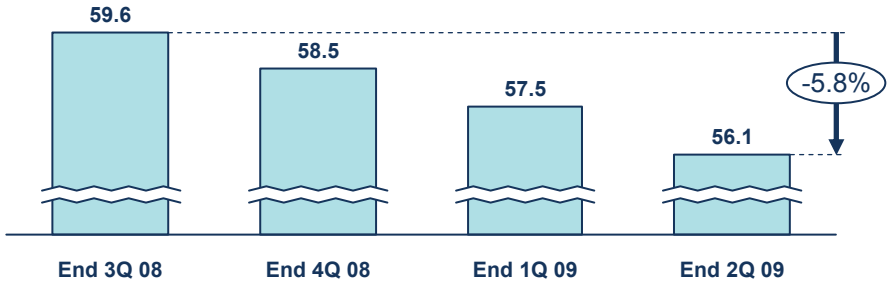


BU MEB



Cost control initiatives on track

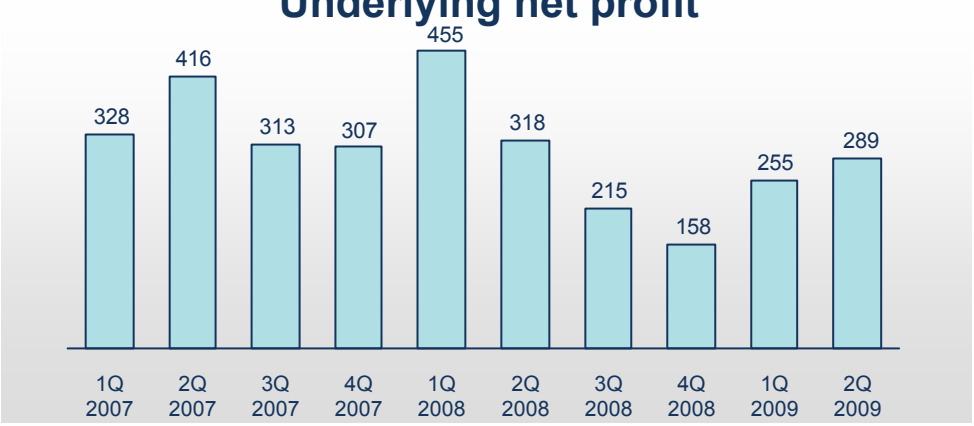
- Underlying cost income ratio down to 56%
  - Vs 64% for full year 2008
  - Back to pre-crisis level (FY 2007 cost income ratio 57%)
    - Drop in revenue from crisis properly absorbed by cost reduction
- Group-wide FTE reduction
  - Guidance given previously for 2009-2010 reduction around -5%
  - Realised at end 2Q 09: -5.8% (-3500 FTE)



In '000 FTE	End 3Q 08	End 2Q 09	Change	
BU Belgium	12.6	12.5	-0.1	-0.8%
BE CEER	28.6	26.7	-1.9	-6.6%
BU Merchant Banking	5.1	4.4	-0.7	-13.7%
BE EPB	2.8	2.7	-0.1	-4.0%
Shared services	10.4	9.8	-0.6	-6.1%
TOTAL	**59.6**	**56.1**	**-3.5**	**-5.8%**

Business Unit Belgium

Underlying net profit



Volume trend

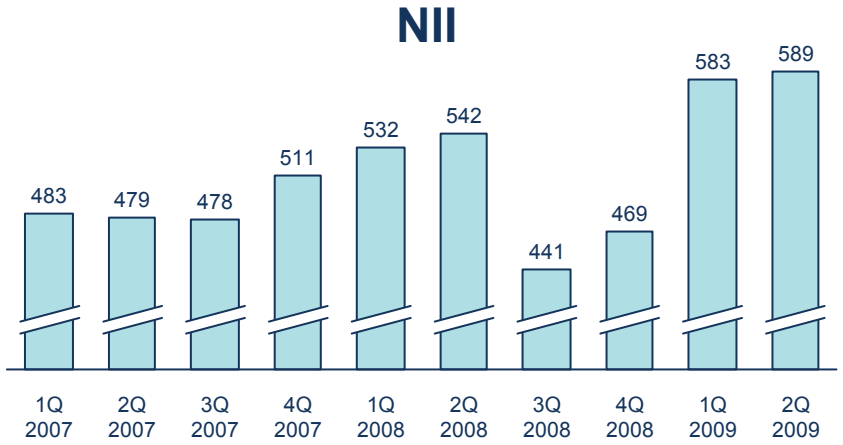
	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Volume	57bn	30bn	80bn	143bn	21bn
Growth q/q*	+1%	+2%	+3%	-3%	+3%
Growth y/y	+9%	+7%	+8%	-8%	+4%

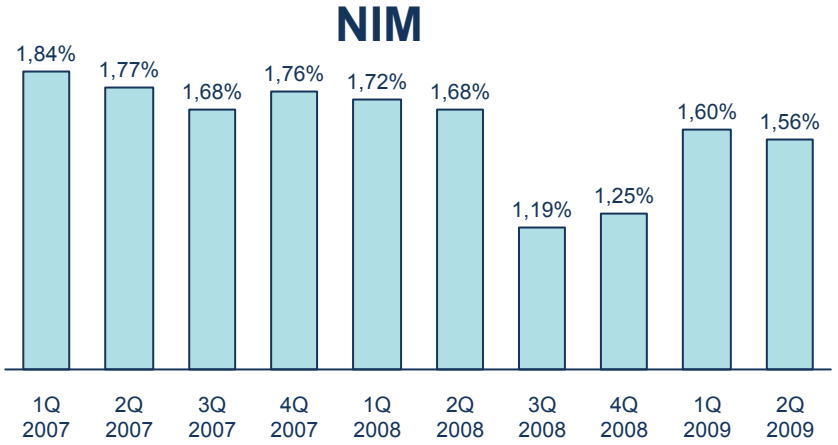
non-annualized

- Positive turn in underlying profit Business Unit Belgium confirmed (289m)
  - Net profit level well above average of last four quarters (237m)
  - Quarter on quarter increase (+34m,+13%) based on maintained net interest margin benefit and fee and commission income picking up from previous low level combined with continued efforts to control operating expenses
- Steady growth of credit volume (+1% qoq , +9% yoy)
  - 1% quarter on quarter evolution equals 5% growth on an annualized basis
- Deposit volume growth +3% qoq, +8% yoy
  - 3% quarter on quarter evolution equals 11% growth on an annualized basis

Amounts in m. EUR

Business Unit Belgium (2)



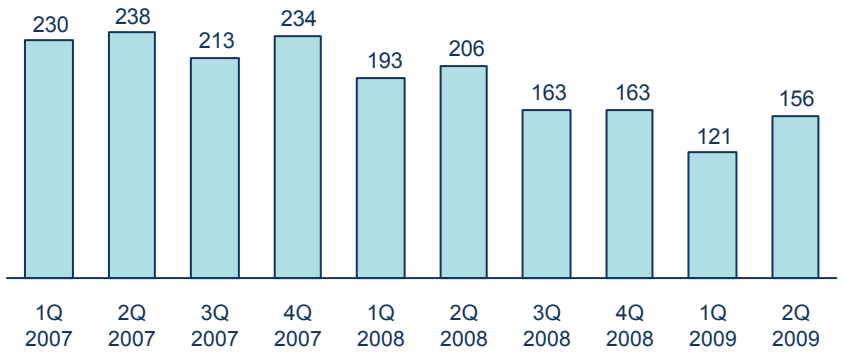


- Net interest income at 589m surpassing previous quarter level
  - Improvement versus 2H 2008 based on margin recovery on credits and deposits combined with shift to higher margin products (from time deposits to saving accounts)
  - Year on year increase (+9%) based on volume growth compensating for lower margin
- Overall net interest margin at 1.56%

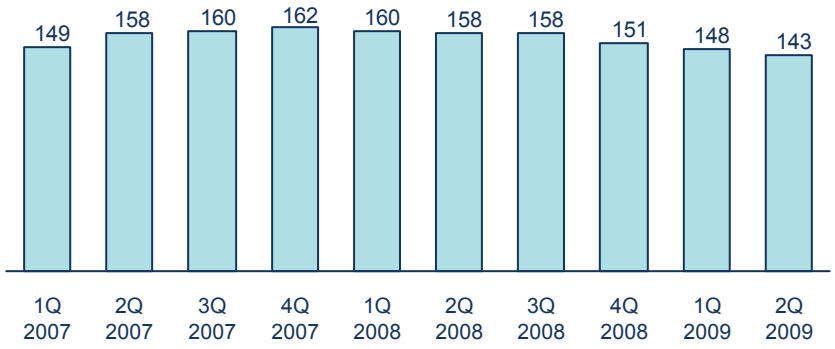
Amounts in m. EUR

Business Unit Belgium (3)

F&C



AUM



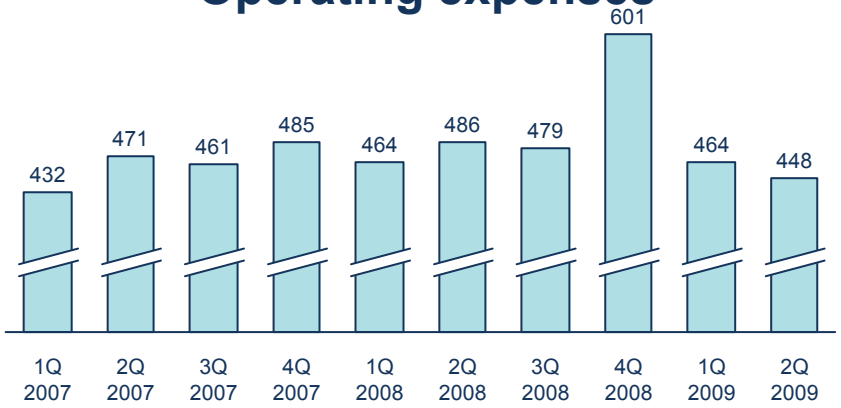
Amounts in bn. EUR

- Net fee and commission income at 156m
  - Quarter on quarter rebound (+29%) mainly based on improving investment climate reflected in fee income in mutual fund business
  - Year on year decrease (-24%) due to lower level of assets under management
- Assets under management at 143bn
  - -3% qoq (mainly in lower fee generating products such as money market products and for advisory retail mandates) and -8% year on year

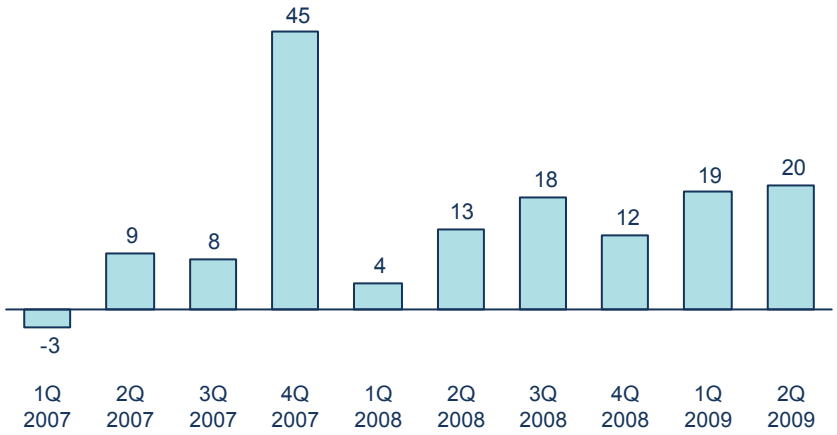
Amounts in m. EUR

Business Unit Belgium (4)

Operating expenses



Asset impairment



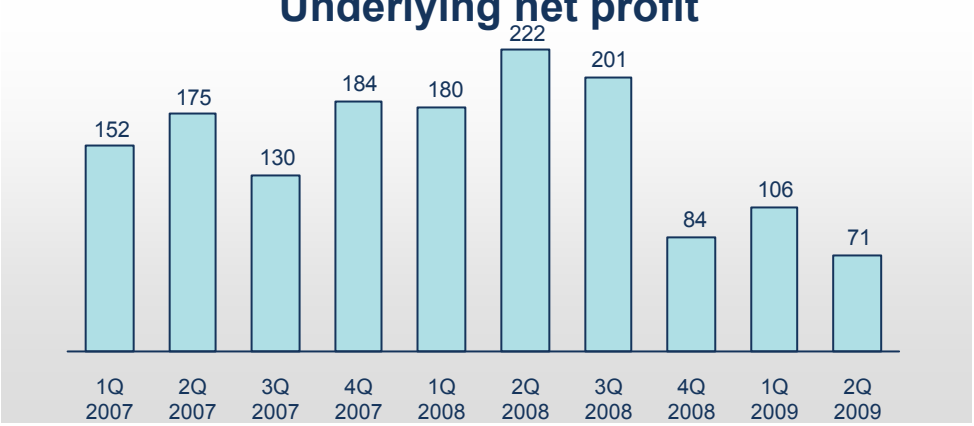
- Ongoing cost containment measures, including lower variable pay, push operating expenses down both quarter on quarter (-3%) and year on year (-8%)
- Cost income ratio: 60% (vs 71% for full year 2008)

- No significant impact from worsening economic climate yet on asset impairment. Year to date credit cost only up 1bp compared with previous quarter to 0.14% but expected to rise in coming period

Amounts in m. EUR

Business Unit CEER

Underlying net profit



Volume trend

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Volume	34bn	12bn	40bn	12bn	1bn
Growth q/q*	-4%	-1%	+1%	+8%	-13%
Growth y/y	+12%	+24%	+10%	-19%	-13%

non-annualized

- Underlying profit CEER Business Unit at 71m
  - CEER profit breakdown: 96m Czech Republic, 4m Slovakia, 30m Hungary, 15m Poland, -19m Russia
- Negative quarter on quarter evolution despite manageable credit cost, mainly due to lower trading income and adverse evolution of hedges in place

- Quarter on quarter organic reduction of loan book (-4%) while deposit volumes remained stable (+1%)
- Assets under management up 8% qoq (+2% organically) but still down yoy (-19%, -8% organically)

Amounts in m. EUR

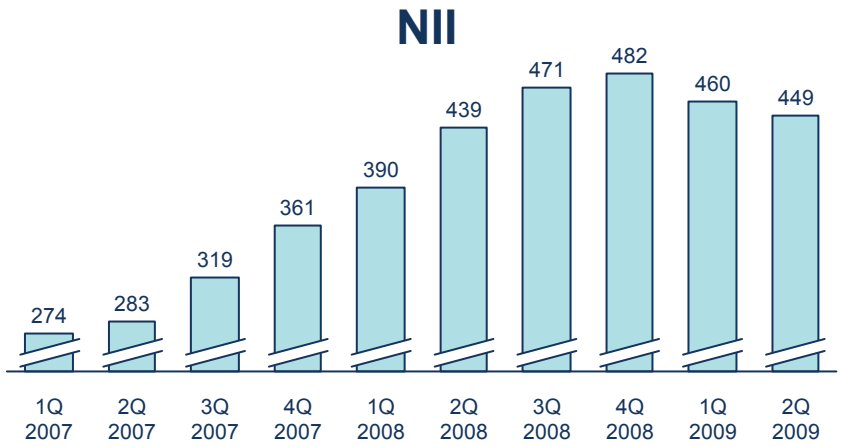
Business Unit CEER (2)

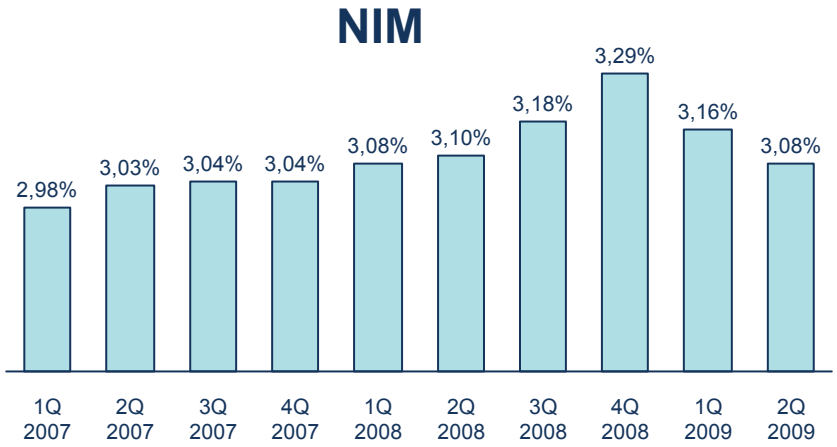
Organic growth(*)

	Total loans		Mortgages		Deposits	
	q/q	y/y	q/q	y/y	q/q	y/y
CZ	0%	+6%	+4%	+24%	+2%	+4%
SK	-1%	+6%	+1%	+3%	+12%	+32%
HU	-8%	+6%	-7%	+13%	-11%	+25%
PL	-2%	+28%	-2%	+38%	+4%	+14%
RU	-11%	-1%	-7%	+25%	+12%	+12%

(*) organic growth excluding FX impact, q/q figures are non-annualized

Business Unit CEER (3)



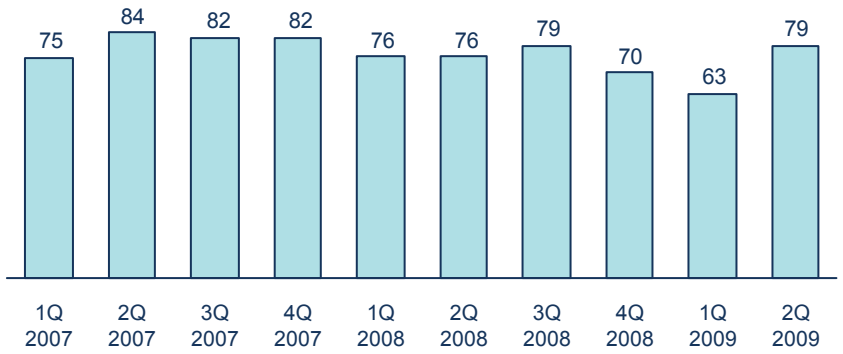


- Net interest income (449m) down -2% quarter on quarter
  - -5% net of FX effects following a substantial build-down of loan book (-8% in Hungary, -11% in Russia)
- Year on year increase based on rising volumes

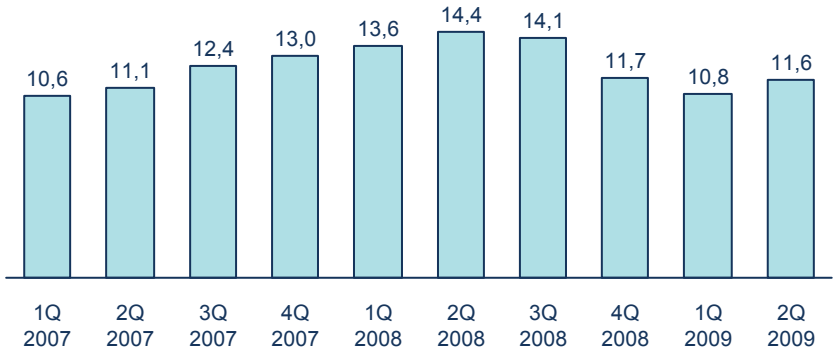
Amounts in m. EUR

Business Unit CEER (4)

F&C



AUM



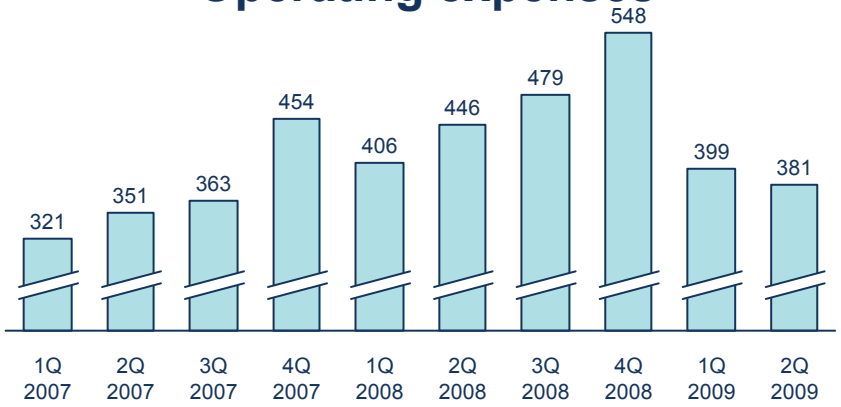
Amounts in bn. EUR

- Organic increase of net fee and commission income to 79m
  - Net of FX effects +21% quarter on quarter, +12% year on year
- Assets under management at 11.6bn (net of FX effects +2% qoq, -8%yoy)

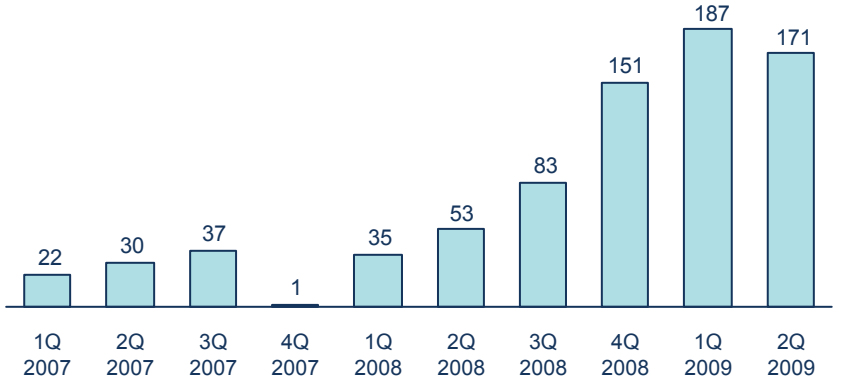
Amounts in m. EUR

Business Unit CEER (5)

Operating expenses



Asset impairment



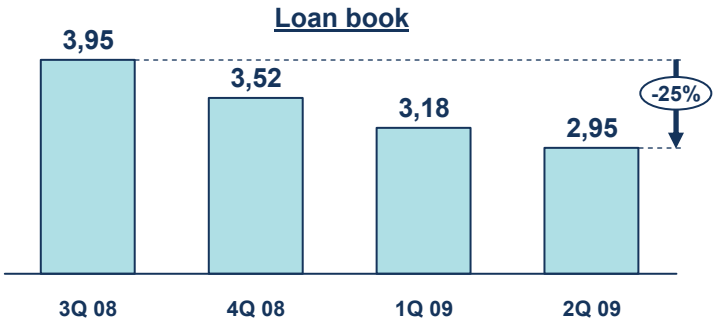
- Operating expenses (381m) down on organic basis both quarter on quarter (-6%) and year on year (-5%)
- Cost income ratio at 57% (60% FY 2008)
- Broadly stable credit cost
  - NPL ratio at 3.1% up from 2.5% 1Q09 and 2.1% end 08
  - Earlier given guidance for full year credit cost CEER business unit 200-230 bps maintained

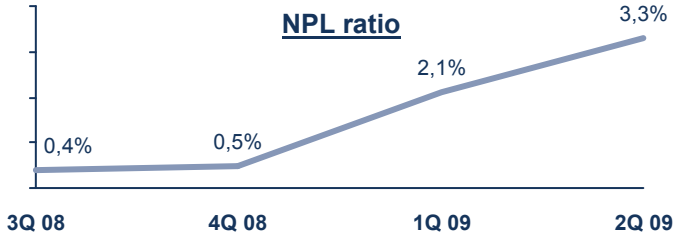
	Loan book	2007 LLR	2008 LLR	1Q 09 LLR	1H 09 LLR
CEE	**40bn**	0.26%	0.73%	1.69%	**1.75%**
- Czech Rep.	18bn	0.27%	0.38%	0.62%	1.05%
- Poland	7bn	0.00%	0.95%	2.29%	1.81%
- Hungary	7bn	0.62%	0.41%	1.99%	1.80%
- Slovakia	4bn	0.27%	0.82%	1.03%	1.33%
- Russia	3bn	0.21%	2.40%	5.37%	4.84%

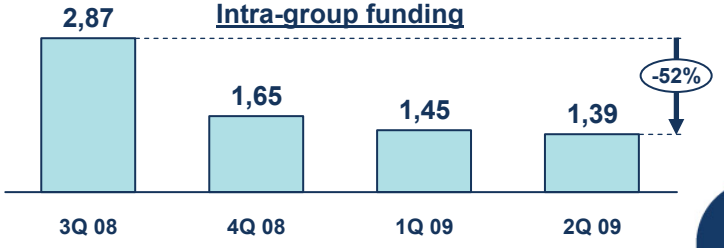
Amounts in m. EUR

Business Unit CEER (6)
Update on Russia

- Since the economic downturn in Russia (3Q08), KBC's exposure reduced
  - Loan book run down by 25%
  - Intra-group funding reduced by 52%, partially guaranteed by Belgian Export Agency (extra 0.1bn risk transfer in 2Q)
  - Improved loan to deposit ratio at 271% vs 389% in previous quarter
- No further acceleration of NPL trends, keeping credit cost roughly stable at 5%
  - NPL cover ratio 185%
  - Real estate and automotive main areas of concern
  - Further rise in NPL expected in 2H09, 2010 situation dependent on potential recovery on the back of rising oil prices
- Tier 1 capital Absolut Bank exceeding 380m EUR results in a local Tier 1 capital ratio in excess of 14%



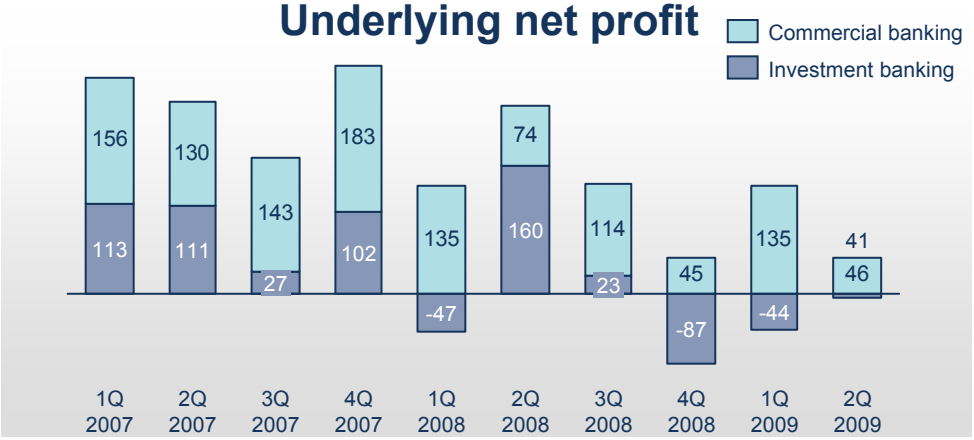




Amounts in bn. EUR

Business Unit Merchant Banking

Underlying net profit



Volume trend

	Total loans	Customer deposits
Volume	60bn	50bn
Growth q/q*	-1%	-24%
Growth y/y*	-6%	-36%

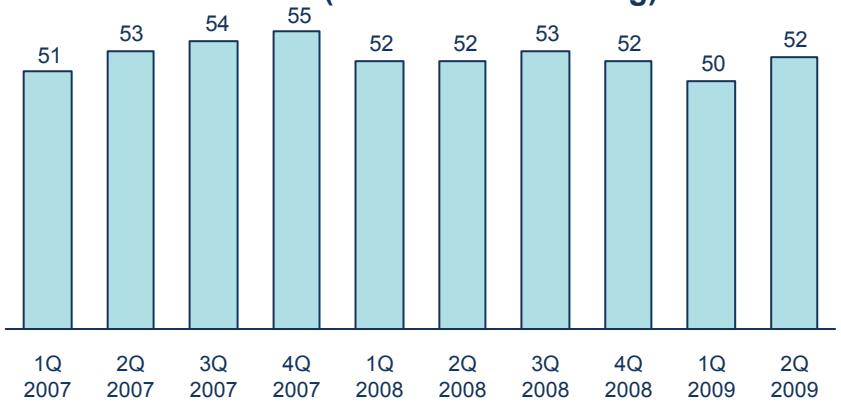
non-annualized

- Despite good trading results, lower underlying net profit in Business Unit Merchant Banking (41m)
  - Commercial banking result 46m depressed by rising credit cost in international corporate segment
  - Investment Banking result -5m due to generic provision (-138m) on reclassified US mortgage backed securities portfolio, completely offsetting good trading results

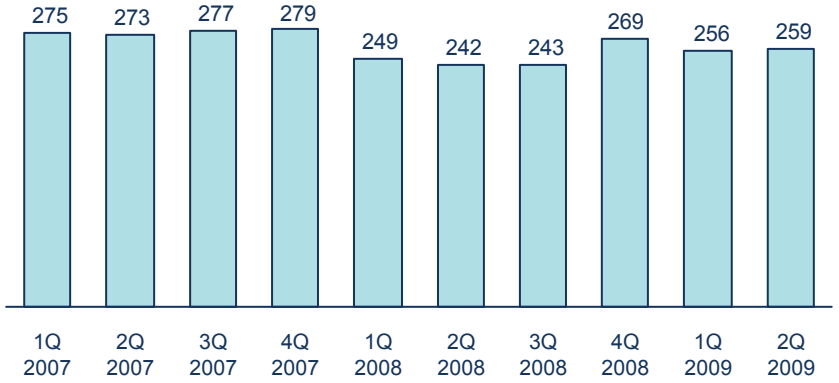
Amounts in m. EUR

Business Unit Merchant Banking (2)

RWA (Commercial banking)



NII (Commercial banking)

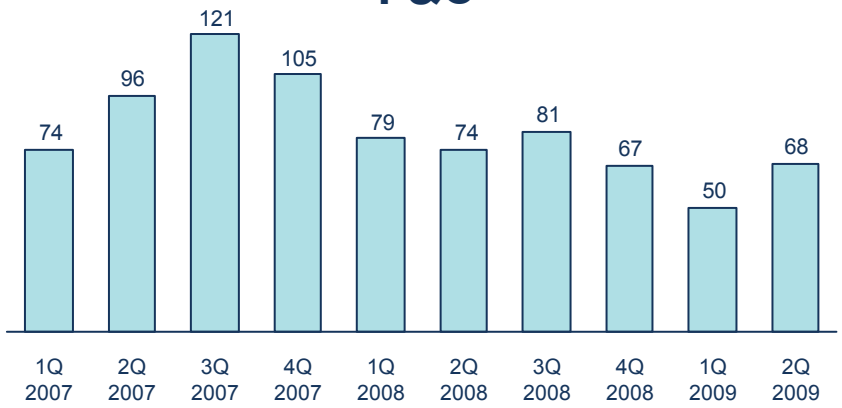


- Rising risk weighted assets commercial banking due to continued adverse rating migrations in loan portfolio
- Net interest income (relating to the commercial banking division) slightly up on average of last four quarters based on good margin environment compensating for lower credit volumes

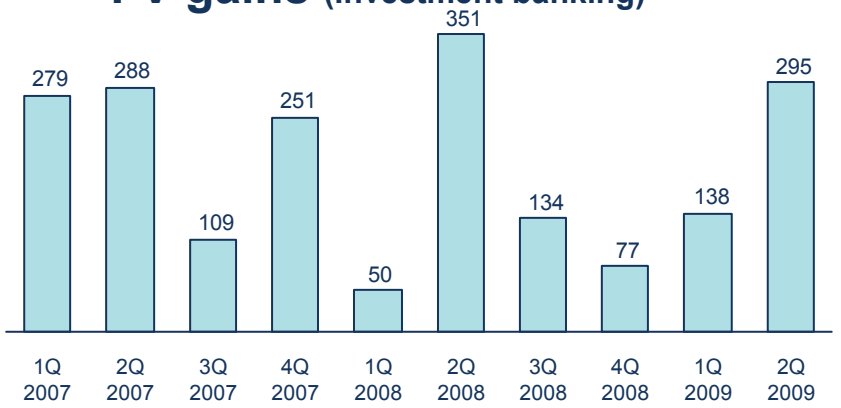
Amounts in m. EUR

Business Unit Merchant Banking (3)

F&C



FV gains (Investment banking)

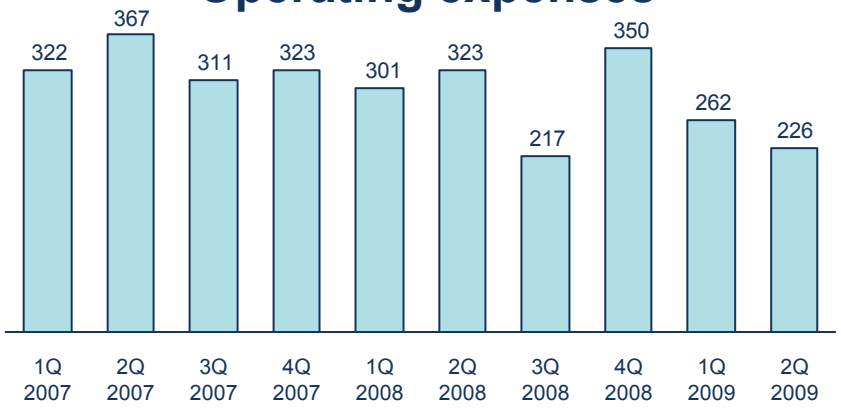


- Net fee and commission income up from previous quarter (+18m) based on improved equity brokerage and corporate finance business combined with lower fee paid for reinsurance
- Good trading results bringing fair value gains in investment banking division to 295m

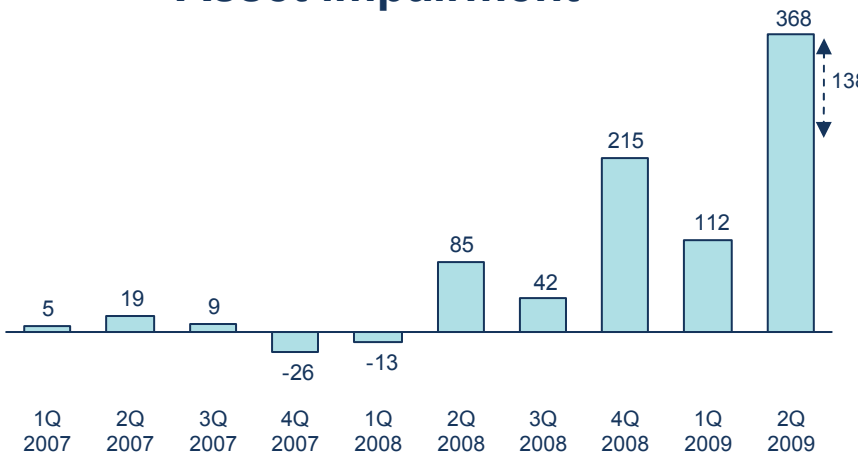
Amounts in m. EUR

Business Unit Merchant Banking (4)

Operating expenses



Asset impairment



- Significantly lower operating expenses (-14% qoq, -30% yoy) predominantly in investment banking division following the reduction of activities (esp. KBC Financial Products)

- Increased impairment (368m) mainly due to credit cost international corporate lending and generic provision for reclassified US mortgage backed securities portfolio
- Credit cost ratio at 0.71%
  - 1.31% including impairment reclassified ABS

Amounts in m. EUR

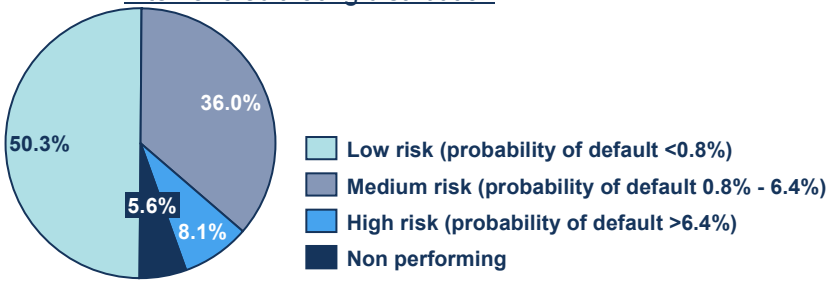
Update on Ireland

- House prices continue to fall (-7.7% ytd), while GDP contracts and unemployment is on the rise (currently, some 11.9%)
- After ytd loan impairment at 62m, Irish business contributes 42m to group profit (local tier-1 at 9%)
- NPL rising to 5.6% from 4.6% in previous quarter, bringing ytd credit cost to 67 bps
- Though conditions are worsening, still 86% of portfolio considered to be low or medium risk
- Despite fall in house prices, indexed loan-to-value of mortgage portfolio at comfortable 79%, on average (though iLTV of 19% of portfolio has risen >100%)
- Some 0.5 bn portion of mortgage portfolio is insured ('top-slice' coverage provided by Genworth FMI UK), current provisions assume claims totalling some 10m against GFMI
- Commercial real estate development exposure is limited to 4% of the portfolio

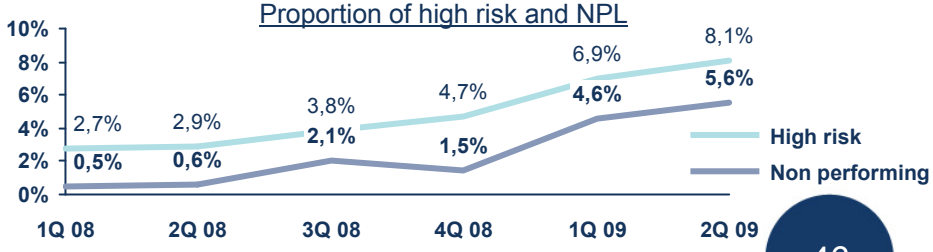
Irish loan book – key figures 2Q 2009

Loan portfolio	Outstanding	NPL 1H09
Owner occupied mortgages	10.2bn	4.8%
Buy to let mortgages	3.4bn	6.3%
SME /corporate	2.9bn	3.8%
Real estate investment	1.2bn	7.4%
Real estate development	0.6bn	26.1%
	18.3bn	5.6%

Internal credit rating distribution

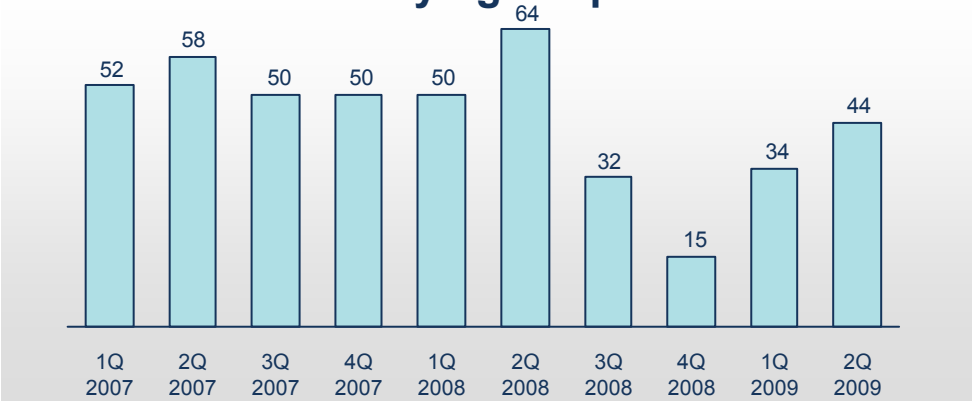


Proportion of high risk and NPL



Business Unit Private Banking

Underlying net profit



Volume trend

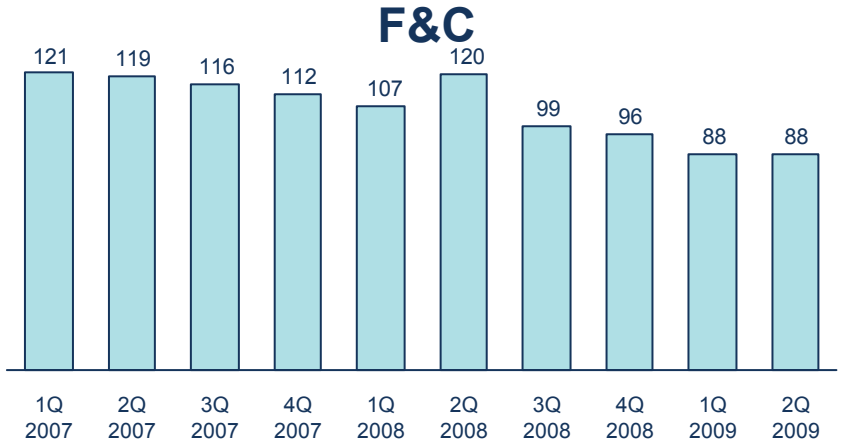
	Customer deposits	AUM	Life reserves
Volume	9bn	45bn	1bn
Growth q/q*	-6%	+5%	+5%
Growth y/y*	-23%	-17%	-24%

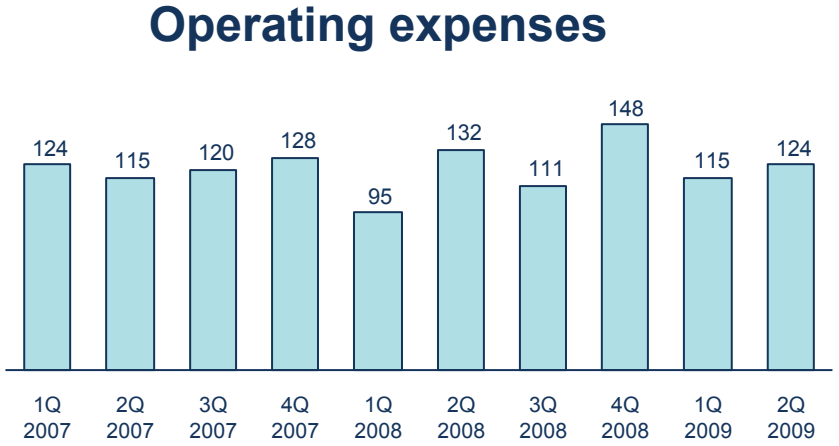
non-annualized

- Underlying net profit Private Banking up compared to previous quarter but still relatively low compared to pre-crisis levels due to the investment climate still suffering from a combination of
  - Lower management fees due to lower asset prices
  - Lower transaction volumes
  - Shift by customers to more defensive (lower fee) products
- Assets under management at 45bn (up 5% qoq but still down 17% yoy predominantly due to price effects)

Amounts in m. EUR

Business Unit Private Banking (2)





- Fee and commission income (88m) in line with level of previous quarter, still markedly lower than previous year level (-27% yoy)

- Operating expense up 8% quarter on quarter but driven down -6% year on year by reduction in FTE and variable pay

Amounts in m. EUR

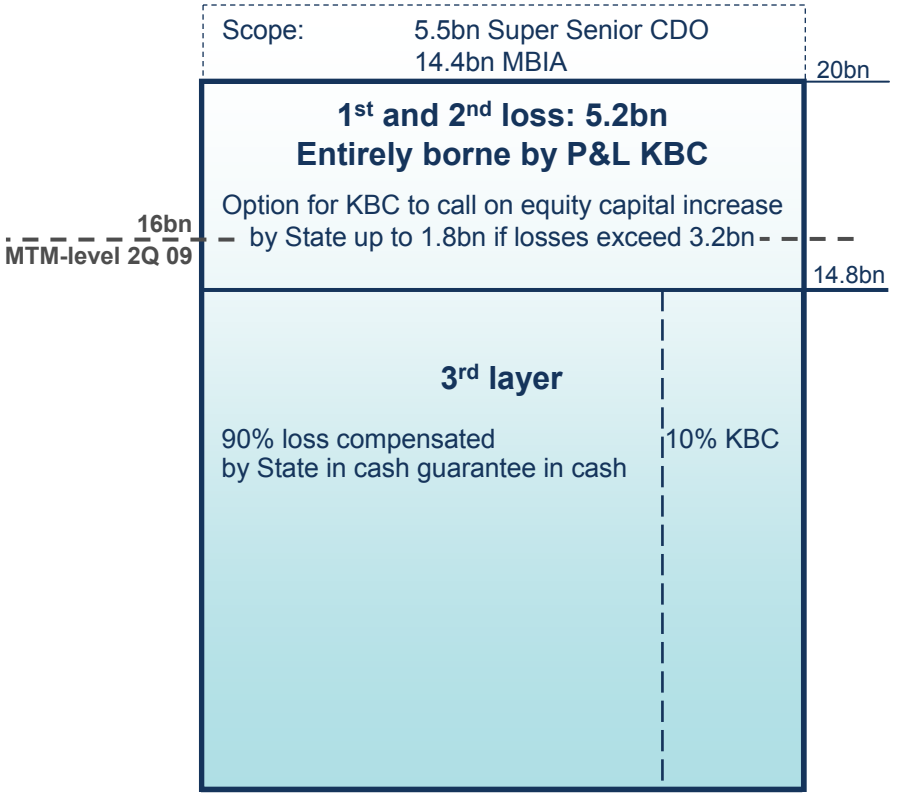
Section 4

Update on topics

Structured credit portfolio - CDO

- Reminder: guarantee deal May 2009 covering effective losses on the 20bn super senior portfolio
  - Instrument by instrument approach
- MTM level in KBC's accounts
  - 16.0bn end 2Q (vs 14.7bn in 1Q 09)
  - Positively impacted by tightening credit spreads and revaluation effects of guarantee
  - Negatively impacted by increased provision rate on MBIA (from 60% to 70%)
- Overall CDO linked impact on reported results 2Q 09: +0.3bn EUR (post-tax)
  - o/w +1.3 valuation changes
  - o/w -0.7 guarantee fee
  - o/w -0.2 provisions for CDOs sold to customers

GUARANTEE STRUCTURE



Structured credit portfolio - CDO

- Details 2Q 2009 earnings impact (excluded from underlying figures)

	Pre-tax	Post-tax
Valuation adjustment own CDO investment portfolio	+0.5bn	+0.5bn
Valuation adjustment MBIA insured portfolio	+1.1bn	+1.1bn
Increase provision rate for counterparty risk MBIA	-0.3bn	-0.3bn
Provisions for CDO claims sold to investors	-0.3bn	-0.2bn
Government guarantee fee	-1.1bn	-0.7bn
TOTAL	**-0.1bn**	**+0.3bn**

Structured credit portfolio - CDO

Amounts in bn €	Investment Loss (unhedged position)	Counterparty Risk (hedged position)	Total
Value adjustments (since start crisis)	-4.2	-2.4	-6.6
Claimed credit events	-0.2	-	-0.2

Sensitivity tests

Amounts in bn €	Expected investment Loss (unhedged position)	Counterparty Risk (hedged position)	Total at risk
Scenario 1 (18% corporate loss)	-3.1	-0.6	-3.7
Scenario 2 (22% corporate loss)	-3.4	-1.3	-4.7
Scenario 3 (37% corporate loss)	-4.1	-2.6	-6.7

Scope of the sensitivity test	
Total CDO investments (unhedged)	9.4bn
Total position hedged by MBIA	14.4bn
o/w equity junior/written off	- 0.8bn
o/w third party CDO	- 0.7bn
o/w CDO in run-off	- 1.1bn
Total CDO issued by KBC FP (excl. CDO in run-off)	**21.3bn**

Sensitivity test assumptions: expected loss on claimed corporate names and ABS and 18%-22%-37% cumulative expected loss on corporate underlying;
The floor provided by the government guarantee is taken into account (applicable in scenario 3)
The counterparty risk includes the amount to be borne by KBC in case of default of MBIA with zero recovery

Structured credit portfolio - ABS

Overview ABS investments (Jun 2009)

(bn euros)	Total portfolio	'Atomium' (US)	Other (mainly EUR)
CMBS	0.2	0.1	0.1
RMBS	4.0	0.9	3.1
Other ABS	1.5	0.4	1.1
Total	5.7	1.4	4.3

Rating distribution, ABS investments (5.7 bn notional)

	AAA	Aa	A	Baa	<Baa3
Jun-09	74%	9%	2%	3%	13%

Rating migration, US RMBS (Atomium porfolio, 0.9 bn notional)

	AAA	Aa	A	Baa	<Baa3
Jun-08	95%	1%	0%	2%	2%
Sep-08	90%	0%	1%	3%	5%
Dec-08	68%	5%	4%	3%	20%
Mar-09	9%	1%	5%	8%	77%
Jun-09	8%	0%	5%	8%	79%

- ABS largely reclassified to loan book in 2008 (applying IAS39 ammendment)
- High quality ABS, though, with 0.9 bn subprime Alt-A US RMBS within 'Atomium' portfolio being weak spot (96% of 4.8 bn non-Atomium-RMBS assets still AAA/AA)
- 35m 2Q specific loan loss on Atomium (34m in 1Q), none on non-Atomium ABS (nor in 1Q)
- On top, 138m generic provision set aside in 2Q for Atomium portfolio:
  - Rating downgrades at start of year
  - Largely 2005-07 vintage subprime Alt-A (0.9 bn)
  - Geographical focus to California (45%)
  - Only 15% will have matured within 3 yrs (90% within 9 yrs, unless written-down earlier)

Update on KBC Financial Products

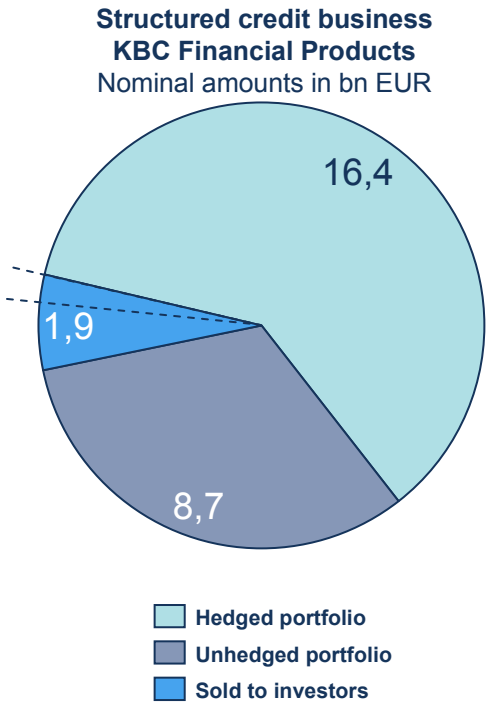
- KBC FP represents 11.3bn in RWA (incl. impact of the State guarantee transaction)
- Provision for run-off in 2Q results: 0.8bn (after tax)
- 15m EUR VaR (2Q average for 1day VaR, 99% confidence interval)

Business lines KBC FP	Exit status	Outstanding 2Q09[1]	Comments	
			Comforting element	Main concern
Structured finance				
- Alternative investments	Almost completed	0.1bn[2]	Limited remaining position	Market risk
- CDOs	Start 4Q 08	27.1bn	Largely written down or guaranteed	Market and operational risk
- Fund derivatives	Start 4Q 08	1.6bn	7.1bn underlying collateral	Market and liquidity risk
- Exotic equity derivatives	Start 4Q 08	2.4bn	Conservative valuation	Market risks
- Life insurance settlements	Start 2Q 09	0.6bn[2]	Life contracts as collateral	Longevity risk
- US reverse mortgages	Start 2Q 09	1.3bn	Government guaranteed loans	Market and operational risk
Sales and trading				
- US High Yield Bonds	Completed	-	-	
- Convertible bonds	Under review	0.8bn[3]	Usual business risks	
- Equity derivatives	Under review	2.1bn	Usual business risks	
- Equity brokerage	Under review	-	Usual business risks	

(1) amounts in EUR. Amounts are nominal amounts except if indicated otherwise.
(2) These amounts reflect market value.
(3) Gross exposure long + short positions

KBC's approach to CDOs sold to customers

- Total amount of KBC FP generated CDO business: 27.1bn
  - 16.4bn hedged with third parties ("hedged portfolio")
  - 8.7bn own investment portfolio ("unhedged portfolio")
  - 1.9bn sold to investors, largely institutional profile
    - Approx. 0.6bn has been sold to Private Banking clients
- Screening of sales of CDO's to PB clients
  - Case by case assessment of sales process
  - Commercial compensation of client based on assessment
- Provisions for CDO claims 2Q 2009: -0.2bn (post-tax)



KBC FP "hedged" portfolio

	16.4bn
MBIA	14.4bn
Lloyds	1.6bn
Channel	0.4bn

KBC FP "unhedged" portfolio

	8.7bn
1Q total CDO portfolio	9.5bn
Natural amortizations 2Q	-0.1bn
Third party CDO's	-0.7bn

Solvency

- Government capital instruments and guarantee transactions fully integrated in 2Q09 figures
  - Tier 1 ratio 10.8%
  - Core tier 1 ratio 8.1%
  - Insurance solvency 182%

  Adjusted final terms for attribution 7bn Gov. capital: 5.5bn KBC Bank and 1.5bn KBC Insurance

- If credit cost were to rise to historic peak levels across all business units, total impact on (core)Tier 1 ratio of -45bps

	Loan book	Current credit cost	10y Historic peak	Impact rise on capital ratios
BE	56,743	0.14%	0.31%	-0.07%
CEER	40,025	1.75%	2.75%	-0.29%
MEB excl. Struct. Credit	64,522	0.71%	0.90%	-0.09%

- Over last six months, average probability of default increased by factor 1.3x, leading to an increase of RWA by 6.2bn
  - Our expected scenario for FY 2009 includes an increase by 1.5x and would increase RWA by 9.5bn
  - A PD increase by 2x would increase RWA by 21.5bn (under ceteris paribus assumption)
  - A PD increase by 3x would increase RWA by 34.2bn (under ceteris paribus assumption)

KBC hybrid debt instruments

2H 2009 events for hybrid instruments

- No exercise of call options
- Payment of coupons KBC Bank Funding Trust II being discussed with the EU Commission
- No payment of optional coupon on KBC Bank 525m GBP issue

ISIN	Issuer	Amount	Coupon	Coupon/ Call date 2H 2009	Coupon Payment 2H 2009	Call Option 2H 2009
XS0099124793	KBC Bank Funding Trust II	280m EUR	3m EURIBOR +3%	30-Sep-09	Payment uncertain	No call
XS0099124793	KBC Bank Funding Trust II	280m EUR	3m EURIBOR +3%	31-Dec-09	Payment uncertain	No call
US48239AAA79	KBC Bank Funding Trust III	600m USD	9.86%	02-Nov-09	Payment	No call
USU2445TAA08	KBC Bank Funding Trust IV	300m EUR	8.22%	10-Nov-09	Payment	No call
BE0119284710	KBC Bank	525m GBP	6.202%	19-Dec-09	No payment	No call date

Hybrid instruments without 2H 2009 event

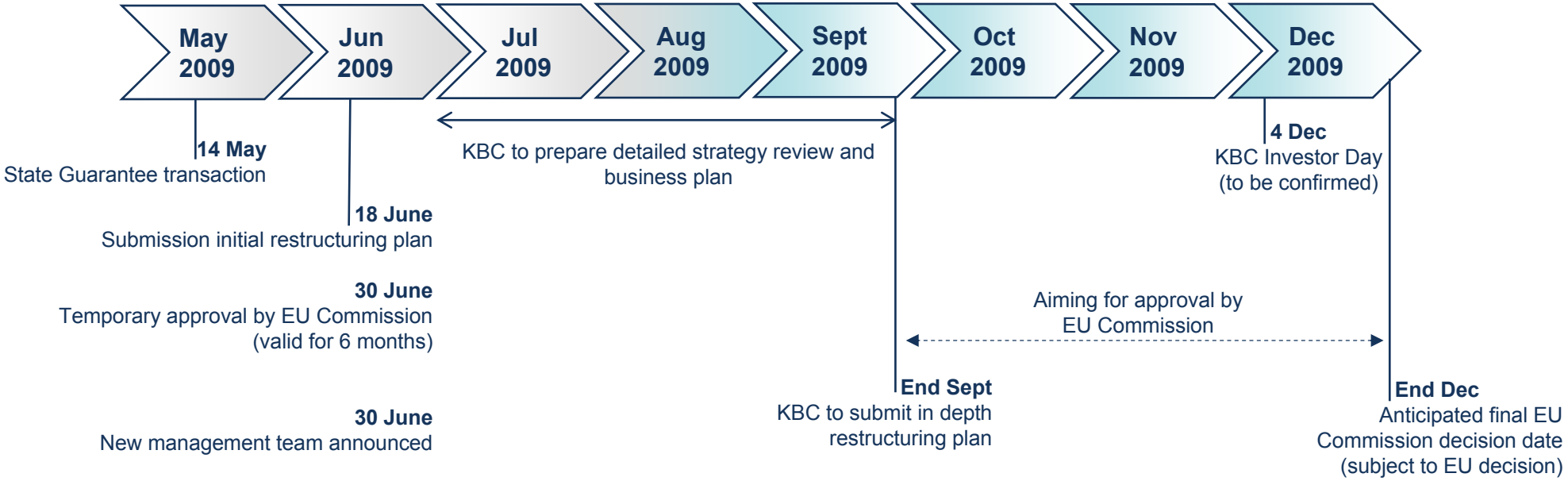
BE0934378747	KBC Bank	1.25bn EUR	8.00%	No coupon date		No call date
XS0368735154	KBC Bank	700m EUR	8.00%	No coupon date		No call date

Preparing for the future

- Measures announced year end 2008
  - Refocus business portfolio on core activities in core markets
  - Downsizing corporate banking presence outside home markets
  - Cut in investment banking activities; derivatives business put on run-off; remaining activities of KBC Financial Products entity currently under review

- Strategic review ongoing, outcome dependent on EU approval

Next steps in strategy review



EU Commission mainly to assess

- valuation details of the guarantee structure
- viability of KBC's business plan and restructuring plan

Wrap up

Wrap Up

- Resilient margin environment, previous quarter margin recovery confirmed
- Improved investment climate halting previous negative earnings impact: more fee and commission income, no more (mention worthy) share portfolio impairment and a positive CDO revaluation (considered exceptional)
- Continued favourable cost trend: on underlying basis costs down -14% year on year
- Stable loan impairment charges in Belgium and CEER, rising for international credit exposure
- Exceptional: (pre-announced) cost of government guarantee 740m EUR post tax
- Exceptional: significant mark down of trading positions of KBC Financial Products businesses that are already in wind-down
- Including all government transactions banking tier 1 ratio at 10.8% (core: 8.1%) and insurance solvency at 182%

Announcement

4 December 2009 // DATE TO BE CONFIRMED

KBC Investor Day London

Merchant Taylor' Hall
30 Treadneedle Street- London EC2R 8 JB

KBC's Management is delighted to invite you to London on 4 December 2009 on the occasion of its Investor Day, to unveil its business plan for the years ahead.

KBC