KBC Group / Bank

DEBT ROADSHOW

August 2011

More information www.kbc.com
on your mobile m.kbc.com

KBC Group - Investor Relations Office - E-mail: investor.relations@kbc.com

Important information for investors

- This company presentation is provided for information purposes only. It does not constitute an offer to sell or the solicitation to buy any security issued by KBC. A decision to purchase or sell our securities should be made only on the basis of a prospectus or offering memorandum prepared for that purpose and on the information contained or incorporated by reference therein.
- KBC believes that this presentation is reliable, although some information is summarised and therefore incomplete. Financial data is generally unaudited. KBC cannot be held liable for any loss or damage resulting from the use of the information.
- 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 may differ materially. Moreover, KBC does not undertake to update the presentation in line with new developments.
- Much of the information in these slides relates to the KBC Group and may not, therefore, be wholly relevant to the performance or financial condition of KBC Bank and its subsidiaries. Those interested in KBC Bank should not place undue reliance or attach too great importance to the information contained in these slides relating to KBC Group.
- By reading this presentation, each investor is deemed to represent that they understand and agree to the foregoing restrictions.

Main strengths of KBC Group

- Well-developed bancassurance strategy and strong cross-selling capabilities. 75%-80% of revenue is generated in markets with leading market share
- Strong franchise in Belgium with high and stable return levels (ROAC of 35% in 1H11)
- Access to growth in ‘new Europe’, with mitigated risk profile given most mature markets in the region
- Successful underlying earnings track record, as reconfirmed by the solid 1.7bn EUR net underlying profit in 2010 and already 1.2bn EUR in 1H11
- Thanks to reductions in RWA, disposals of non-core assets and strong earnings power, KBC is well on track to reimburse the government support
- Stable shareholder structure
- Solid liquidity position, with a LTD ratio of 84% and a large portfolio of unencumbered government bonds
- A very favourable funding profile with relatively low (re)financing needs in 2011-2014 of 5bn-7bn EUR as well as a deep pool of liquidity in KBC’s retail client base
- Comfortable level of CT1 and T1 at the end of 1H11: 12.1% and 13.9% respectively. The “Basel III” pro forma common equity ratio is estimated at roughly 8.0% at end 2013

Contents

KBC at a glance

- KBC Group has a successful track record in bancassurance in its domestic market of Belgium and has been expanding to Central & Eastern Europe over the last 10 years

- Key data on KBC Group
  - Total market cap (mid-August 2011): 7bn EUR
  - Total assets: 313bn EUR at the end of 1H11
  - Total equity: 19bn EUR
  - Tier-1 ratio: 13.9% (12.1% core)

- Key data on KBC Bank
  - Total assets: 269bn EUR at the end of 1H11
  - Total equity: 15bn EUR
  - Tier-1 ratio: 13.1% (11.2% core)

- Credit ratings of KBC Bank

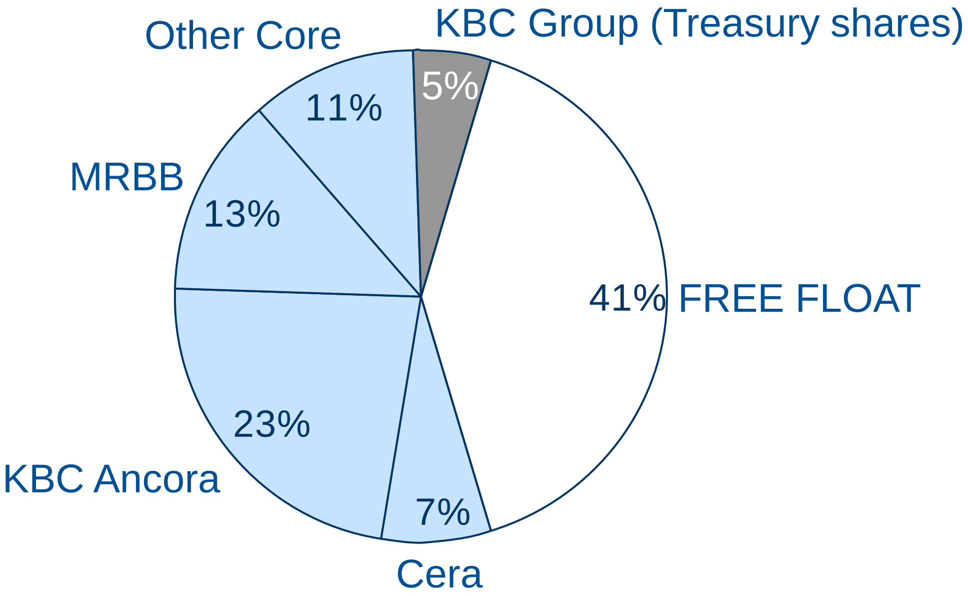
	S&P (Mar 2009)	**Moody's** (Mar 2010)	**Fitch** (Jul 2010)
Long-term	**A / stable**	**Aa3 / Neg**	**A / Stable**
Short-term	A-1	Prime-1	F1

- Underlying net group profit of KBC Group in 2010: 1,710m EUR
- Underlying net group profit of KBC Group in 1H11: 1,186m EUR

Stable shareholder structure

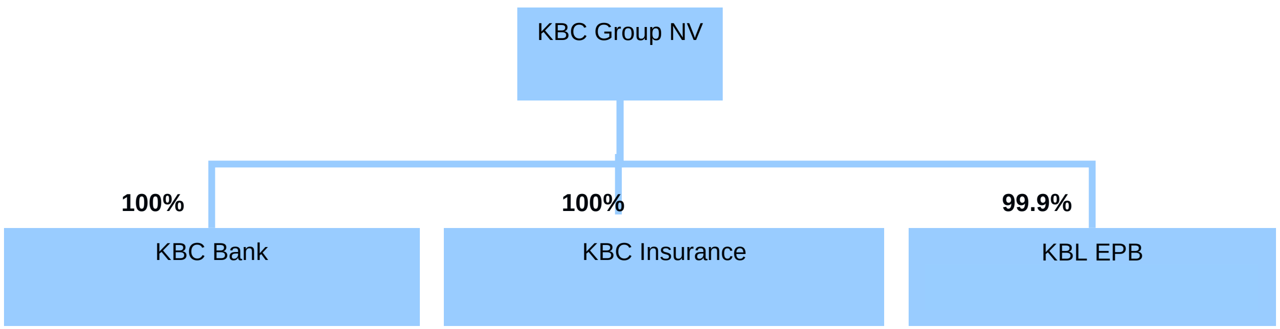
- Over 50% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera / KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of industrialist families

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

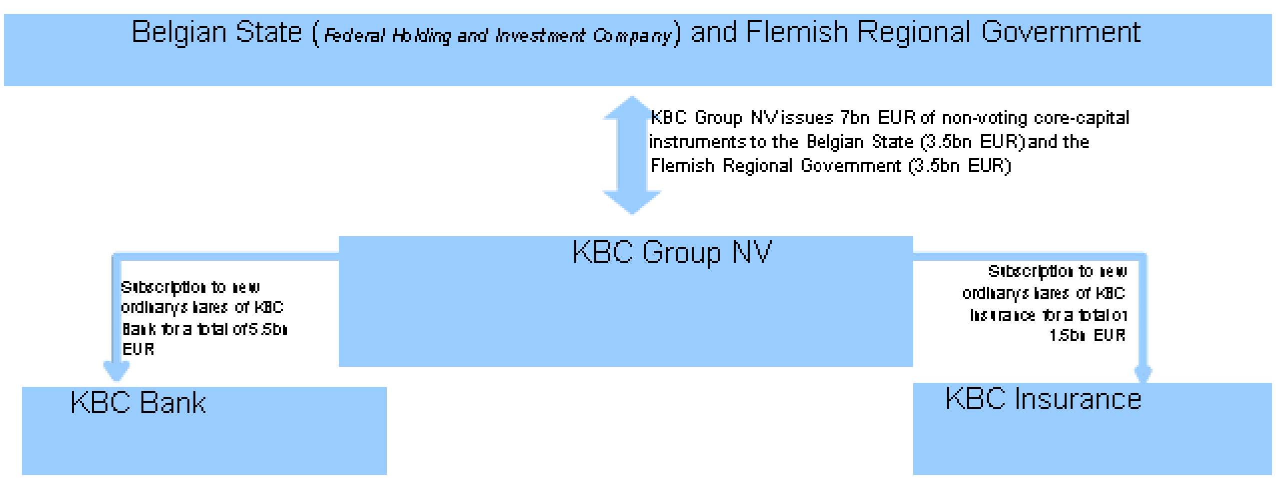


Group’s legal structure

- Group’s legal structure

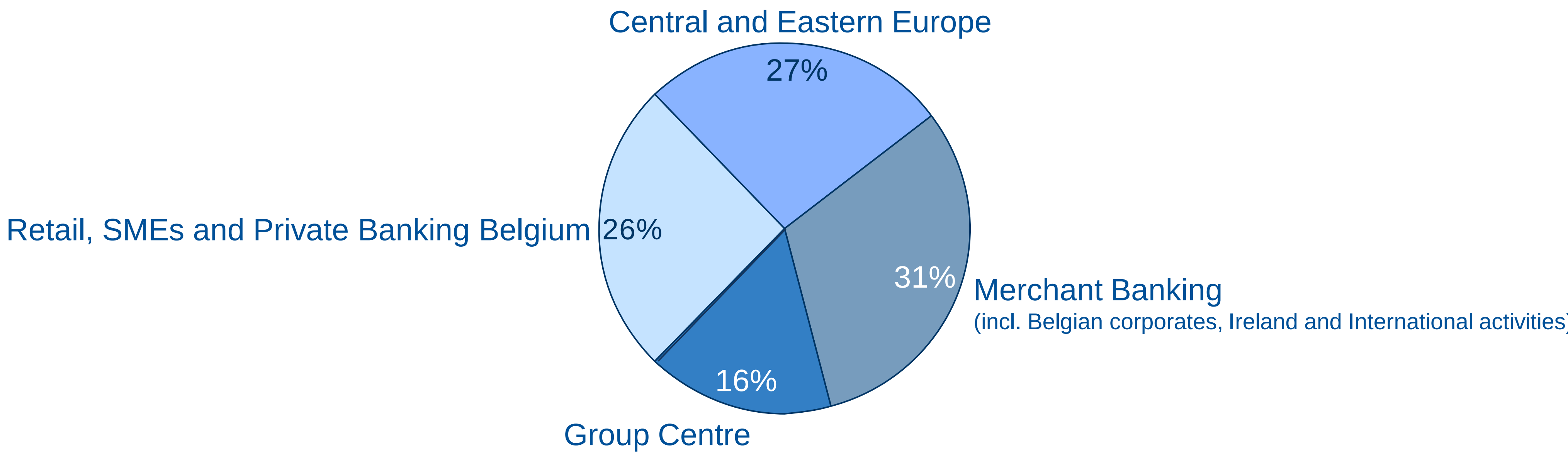


- Overview of capital transactions with the Belgian State and the Flemish Regional Government



Business profile of KBC Group

Breakdown of capital allocation as of 30 June 2011 per business unit



- KBC is a leading player in Belgium and our 4 core countries in CEE (retail and SME bancassurance, private banking, commercial and local investment banking); 75-80% of revenue is generated in markets in which the company has a leading market share
- Note that the 2Q11 results of the business units are still based on the 'old' strategic plan, whereby the CEE BU contains Kredyt Bank and Warta, and the Group Centre BU contains 40% of CSOB Bank CZ. In 3Q11, the business unit reporting will be retroactively adjusted, in line with the updated strategic plan

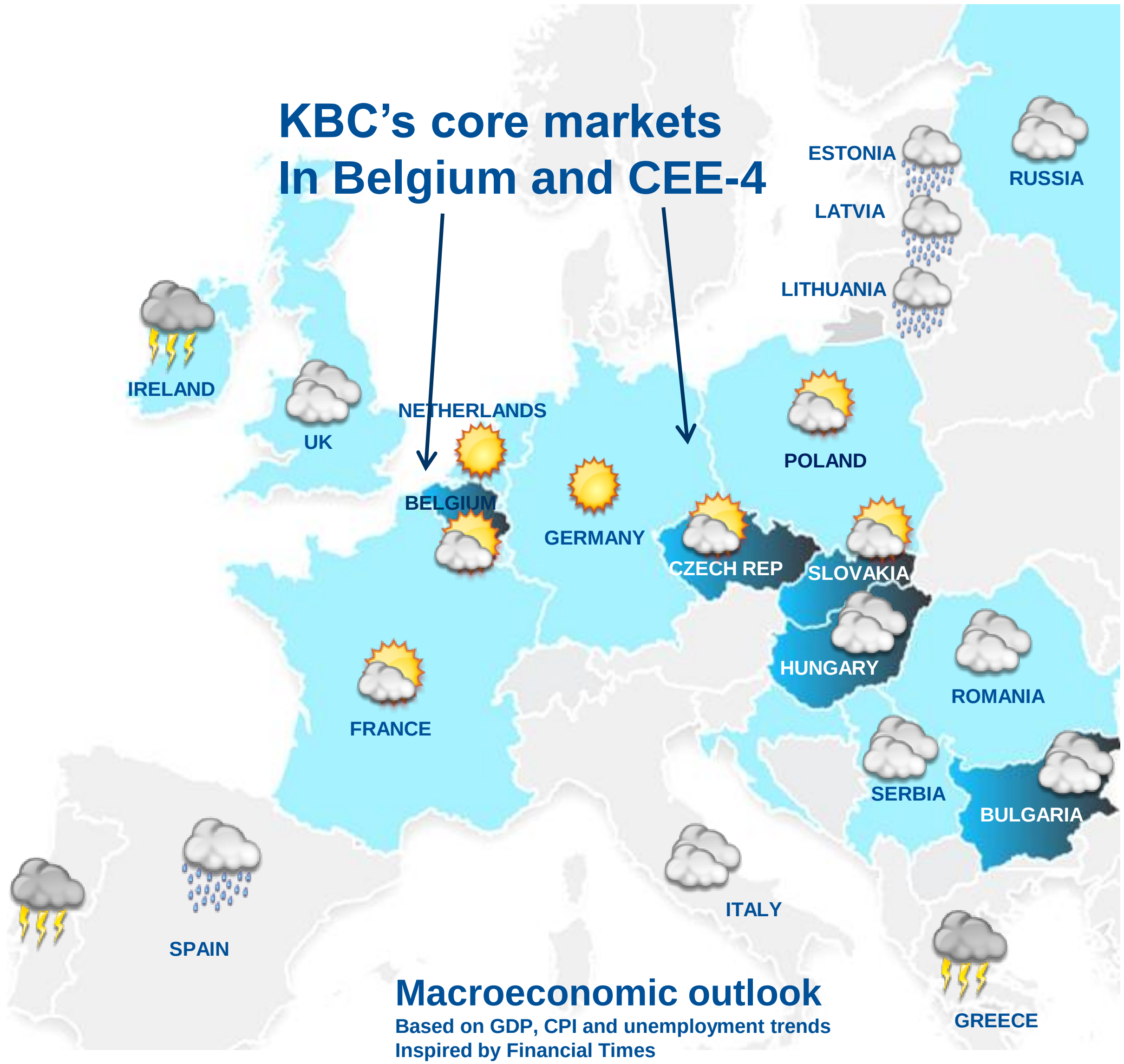
Market shares of KBC Bank in core markets

Market shares, as of end 2010**

	Belgium	Czech Republic	Slovakia	Hungary	Poland	Bulgaria
(Inhabitants)	(10 million)	(10 million)	(5 million)	(10 million)	(39 million)	(8 million)
Loans and deposits	21% ↑	23%* →	10% →	9% →	4% →	3% →
Investment funds	39% →	32% ↓	11% ↓	20% →	5% →	-

* Including the joint venture with CMSS. Excluding this, the market share would amount to roughly 20%-21%
** Market shares are based on preliminary figures

KBC's geographical presence



KBC'S CORE MARKETS

Belgium (Moody's Aa1)
Total assets: 181bn EUR

Czech Republic (A1)
Total assets: 37bn EUR

Hungary (Baa3)
Total assets: 11bn EUR

Slovakia (A1)
Total assets: 6bn EUR

Bulgaria (Baa2)
Total assets: 1bn EUR

KBC'S NON-CORE MARKETS

Ireland (Moody's Ba1)
Total assets: 20bn EUR

Poland (A2)
Total assets: 13bn EUR

Russia (Baa1)
Total assets: 2.2bn EUR

Serbia (not rated)
Total assets: 0.3bn EUR

Romania (Baa3)
Total assets: 0.1bn EUR

Real GDP growth outlook for core markets
Source: KBC data, August 2011

	% of assets	2010a	2011e	2012e
SK	2%	+4.0%	+2.9%	+2.0%
BE	58%	+2.1%	+2.2%	+1.5%
CZ	12%	+2.2%	+2.1%	+2.0%
BG	1%	+0.2%	+2.4%	+2.1%
HU	4%	+1.1%	+2.3%	+1.8%

Action plan to prepare for the future

1. Leverage Earnings Power

- Generate capital by leveraging our successful business model in core markets (retained earnings)

2. Shrink RWA

- Free up capital by:
  - Reducing international lending & capital market activities
  - Divesting European Private Banking, complementary channels in Belgium (giving up 1-2% market share) and non-EU CEE (Russia and Serbia, post 2011). Sale of Centea was finalised on 1 July 2011
  - Sale of Kredyt Bank and Warta in Poland (approved by the EC)
  - Certain additional measures

3. Pay Back State Capital & Continue Growth

- Accumulated capital will be sufficient to reimburse the State, whilst maintaining sound solvency (tier-1 target of 10%) and steady organic growth

Current situation (at end 1H11)

1. Adequate Capital

- Including State core capital securities of 7bn EUR, the core tier-1 ratio for KBC Group was at a comfortable 12.1% level at the end of 1H11 . At KBC Bank, the core tier-1 ratio amounted to 11.2% at the end of 1H11

2. Mitigated 'Toxic' risk

- Remaining structured credit risk is largely covered by a State guarantee* in order to prevent new market turbulences putting the capital position at risk again

3. Adequate Loan Quality

- 1H11 and 2010 loan losses were significantly lower than in 2009

4. New Team & Strategy

- The new management team is implementing a new strategy, focusing on core businesses and structurally reducing risk, whilst maintaining sound growth/returns

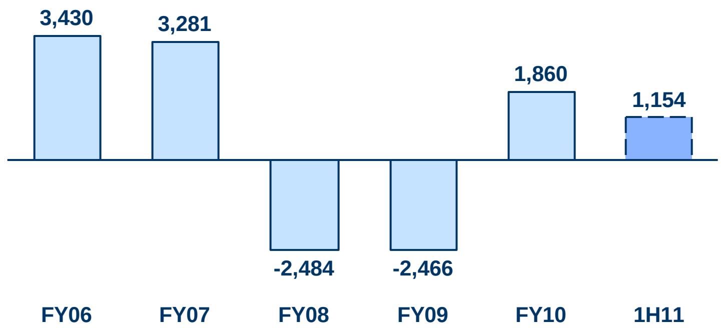
* Additional disclosure in appendices

Contents

Solid core earnings power

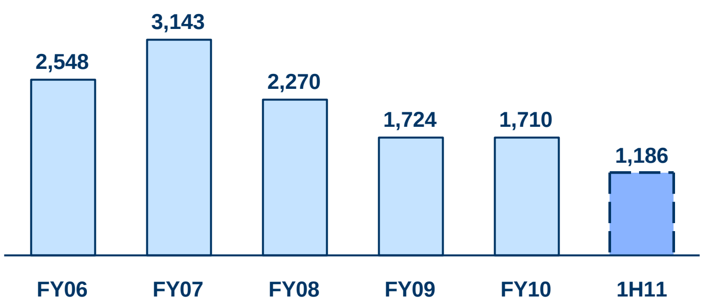
Amounts in EUR million
for KBC Group

Reported net profit



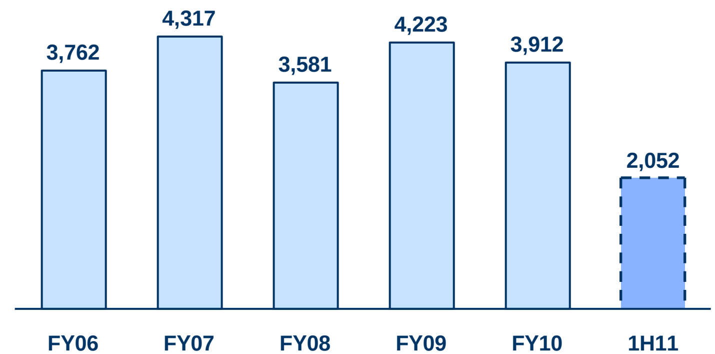
Excl. exceptional items

Underlying net profit



Excl. exceptional items and cyclical effects of credit provisions

Underlying gross operating income (pre-impairments)



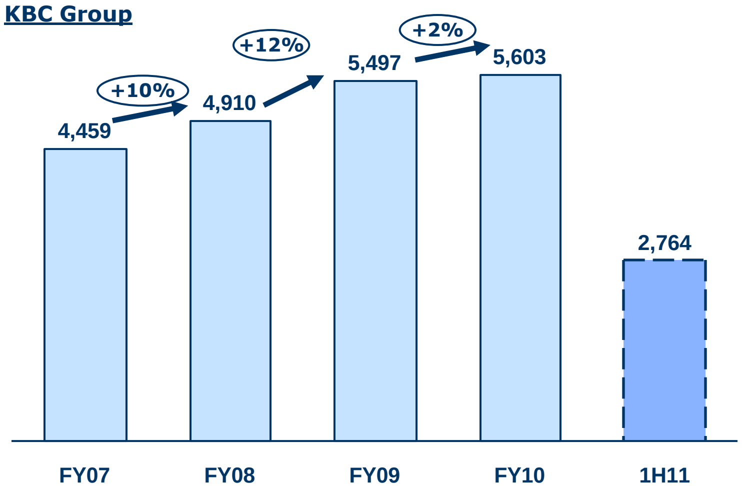
- Underlying gross operating income (core earnings) in FY09 and FY10 is roughly in line with the pre-crisis FY06 and FY07 level (when trading income was still much higher)

Revenue keeping up well based on healthy margin environment

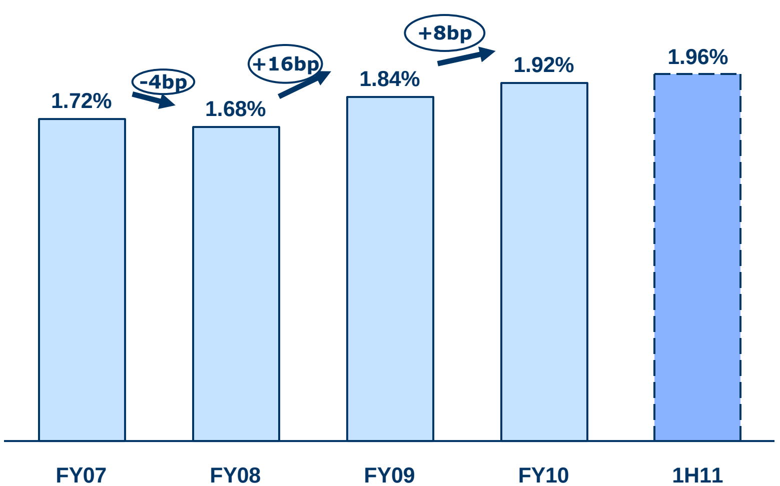
- Net interest income from lending and deposit-taking rose by 2% in 2010 on account of healthy credit spreads and shift to higher-margin deposit products. The NIM increased 8bps y-o-y to 1.92%, partly thanks to some technical items. The NIM in 1H11 amounted to 1.96%
- Loan volumes fell by 2% y-o-y in FY10, while deposit volumes rose by 6% in FY10. Loan volumes in 1H11 were flat y-o-y, despite a further reduction in the international corporate loan book (Merchant Banking and Russia), in line with the strategic focus. Deposit volumes in 1H11 fell by 2% y-o-y mainly due to a decrease in corporate deposits (BU MEB)

Underlying net interest income
(worldwide)

Amounts in EUR million
for KBC Group



Net interest margin
(worldwide)

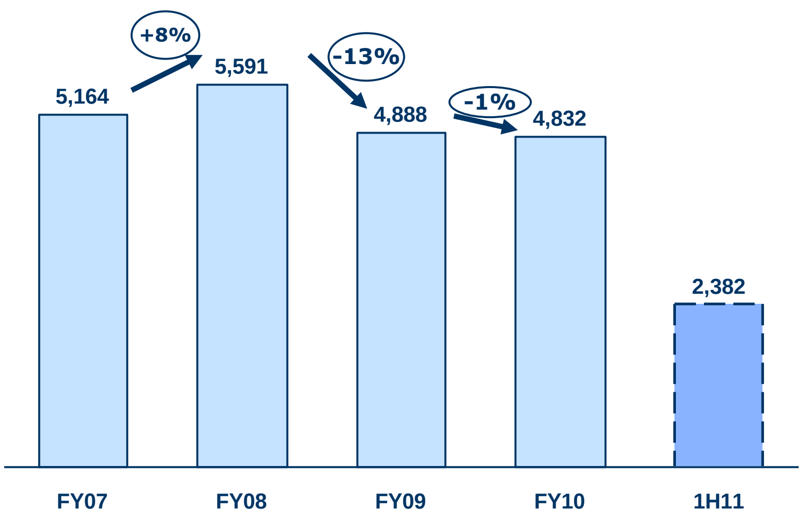


Continued tight cost control, loan loss provisions significantly lower

- Even after the 13% y-o-y reduction in operating expenses realised in 2009, operating costs remained very well under control (-1% y-o-y in 2010), reflecting strong cost management, despite the Belgian and Hungarian bank tax. We still believe that costs in 2011 on a like-for-like basis will start to increase somewhat going forward
- In 2010, loan loss provisions were significantly lower (-20% y-o-y): consistently low in the Belgium BU and substantially lower in the CEE and Group Centre BUs. The loan loss provisions in 1H11 were very low, but may not be extrapolated in 2H11

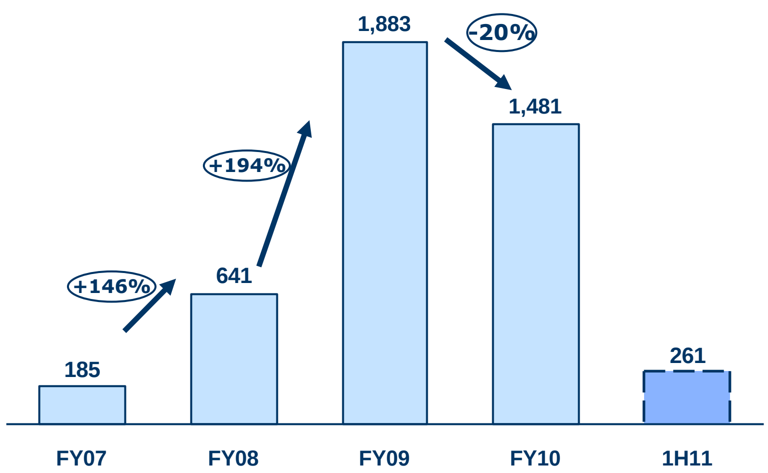
Underlying operating expenses (worldwide)

Amounts in EUR million for KBC Group



Underlying loan loss provisions (worldwide)

Amounts in EUR million for KBC Group



Loan loss experience at KBC Group

	1H 2011 credit cost ratio	FY 2010 credit cost ratio	FY 2009 credit cost ratio	Average '99 –'10	Peak '99 –'10
Belgium	**0.10%**	0.15%	0.15%	0.16%	0.31%
CEE	**0.53%**	1.22%	1.70%	1.05%	2.75%
Merchant	**0.58%**	1.38%*	1.19%	0.55%	1.38%*
Group Centre	**-0.25%**	1.03%	2.15%		
Total	**0.32%****	0.91%	1.11%	0.45%	1.11%

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

* This high credit cost ratio at Merchant Banking is fully attributable to KBC Bank Ireland

** Credit cost ratio fell to 0.32% thanks to several impairment releases in 1Q11. Excluding these releases, the credit cost ratio is still at a low 0.41%

Contents

Balance sheet risks?
(KBC Bank consolidated at end 1H11)

Total Assets: 268bn EUR	Total Liabilities & Equity: 268bn EUR
Tangible & intangible fixed assets (incl. Investment property): 5bn EUR	Parent shareholders' equity: 14bn EUR — Capital adequacy
Loan book: 144bn EUR (Loans and advances to customers) — 1. Credit quality	Funding and deposit base: 192bn EUR — Liquidity position
Trading assets: 24bn EUR — 2. Trading exposure	Trading liabilities: 20bn EUR
Investment portfolio: 52bn EUR — 3. 'Toxic' assets; 4. Sovereign bonds	
Other (incl. interbank loans): 43bn EUR	Other (incl. interbank deposits): 42bn EUR

Credit quality

Total Assets

Tangible & intangible fixed assets

Loan book
(loans & advances to customers)

1. Credit quality (esp. in CEE)

Trading assets

2. Trading exposure

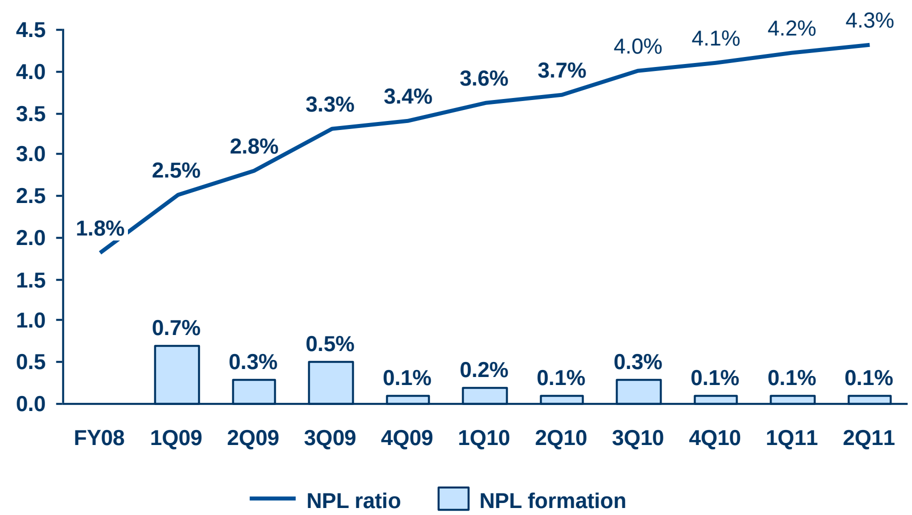
3. 'Toxic' assets

Investment portfolio

4. Sovereign bonds

Other (incl. interbank loans)

- Customer loan book: 144bn EUR at end 1H11
  - 39% residential mortgages
  - 3% consumer finance
  - 12% other retail loans
  - 46% SME/corporate loans
- Largely sold through own branches
- Total NPL at 4.3% at end 1H11 (5.3% in CEE)
- The NPL formation has stabilised
- NPL cover ratio at 67% at end 1H11 (73% in CEE)



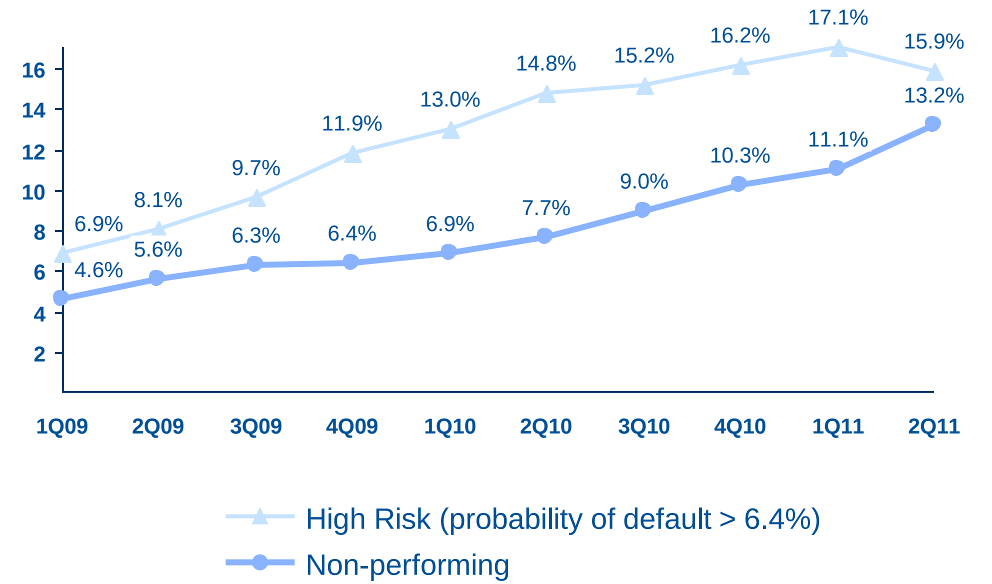
Update on Ireland (1)

- Business conditions continue to be very difficult
- Austerity measures impact consumer incomes and business confidence as a further budget adjustment of 6bn EUR affects the economy this year. Unemployment remains high
- Export performance and foreign direct investment remain strong, but have not yet impacted the domestic economy
- 2Q11 loan loss provisions of 49m EUR in line with 1Q11 and previous guidance
- However, 2Q11 residential mortgage arrears have shown signs of deterioration. Collateral values on commercial exposures, in the absence of domestic liquidity, continue to decline
- Local tier-1 ratio was 10.4% at the end of 2Q11 (9.9% at the end of 1Q11)

Irish loan book – key figures June 2011

Loan portfolio	Outstanding	NPL	NPL coverage
Owner occupied mortgages	9.7bn	8.8%	27%
Buy to let mortgages	3.2bn	13.7%	32%
SME /corporate	2.2bn	13.8%	38%
Real estate investment	1.3bn	20.8%	37%
Real estate development	0.6bn	62.1%	66%
	16.9bn	13.2%	37%

Proportion of High Risk and NPLs



Update on Ireland (2)

- Considering the gradual trend deterioration in the portfolio during 2Q11 and July, we anticipate a higher quarterly run-rate of loan loss provisions going forward

- The current depressed environment in Ireland leads to a further deterioration in the portfolios:
  - The economy and domestic Irish marketplace have not improved as was envisaged
  - The greater than initially envisaged cumulative impact on households of the austerity measures in the economy
  - The operational and regulatory environment has changed. The introduction of new consumer protection legislation has impacted operationally, delaying communication with borrowers, slowing restructuring of mortgages and affecting lenders from being able to react appropriately to the situation

Trading activities

Total Assets

Tangible & intangible fixed assets

Loan book

1. Credit quality

2. Trading exposure

Trading assets

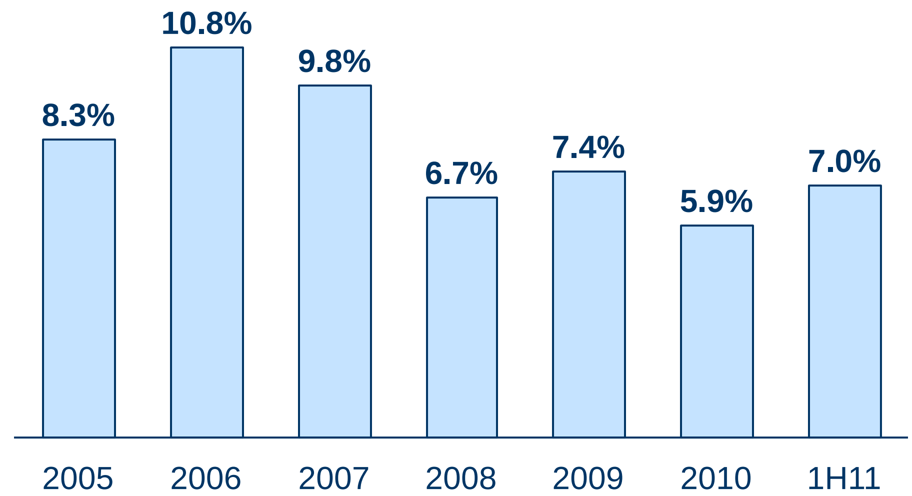
3. 'Toxic' assets

Investment portfolio

4. Sovereign bonds

Other (incl. interbank loans)

Net (un)realised gains from FIFV within the 'Market Activities' sub-unit, 2005-2010 (on a pro forma basis)



Underlying net (un)realised gains from FIFV within 'Market Activities' (on a pro forma basis) as a % of group underlying total income

- Less dependency on net (un)realised gains from FIFV within the 'Market activities' sub-unit (part of MEB), and more in particular on the dealing room results

Investment portfolio

Total Assets

- Tangible & intangible fixed assets
- Loan book
  - 1. Credit quality
- Trading assets
  - 2. Trading exposure
  - 3. 'Toxic' assets
- Investment portfolio
  - 4. Sovereign bonds
- Other (incl. interbank loans)

Outstanding CDO exposure * (bn EUR)	Notional	Outstanding markdowns
- Hedged portfolio	13.0	-0.9
- Unhedged portfolio	6.7	-4.0
TOTAL	**19.7**	**-4.9**

Amounts in bn EUR	Total
Outstanding value adjustments	-4.9
Claimed and settled losses	-2.2
- Of which impact of settled credit events	-1.3

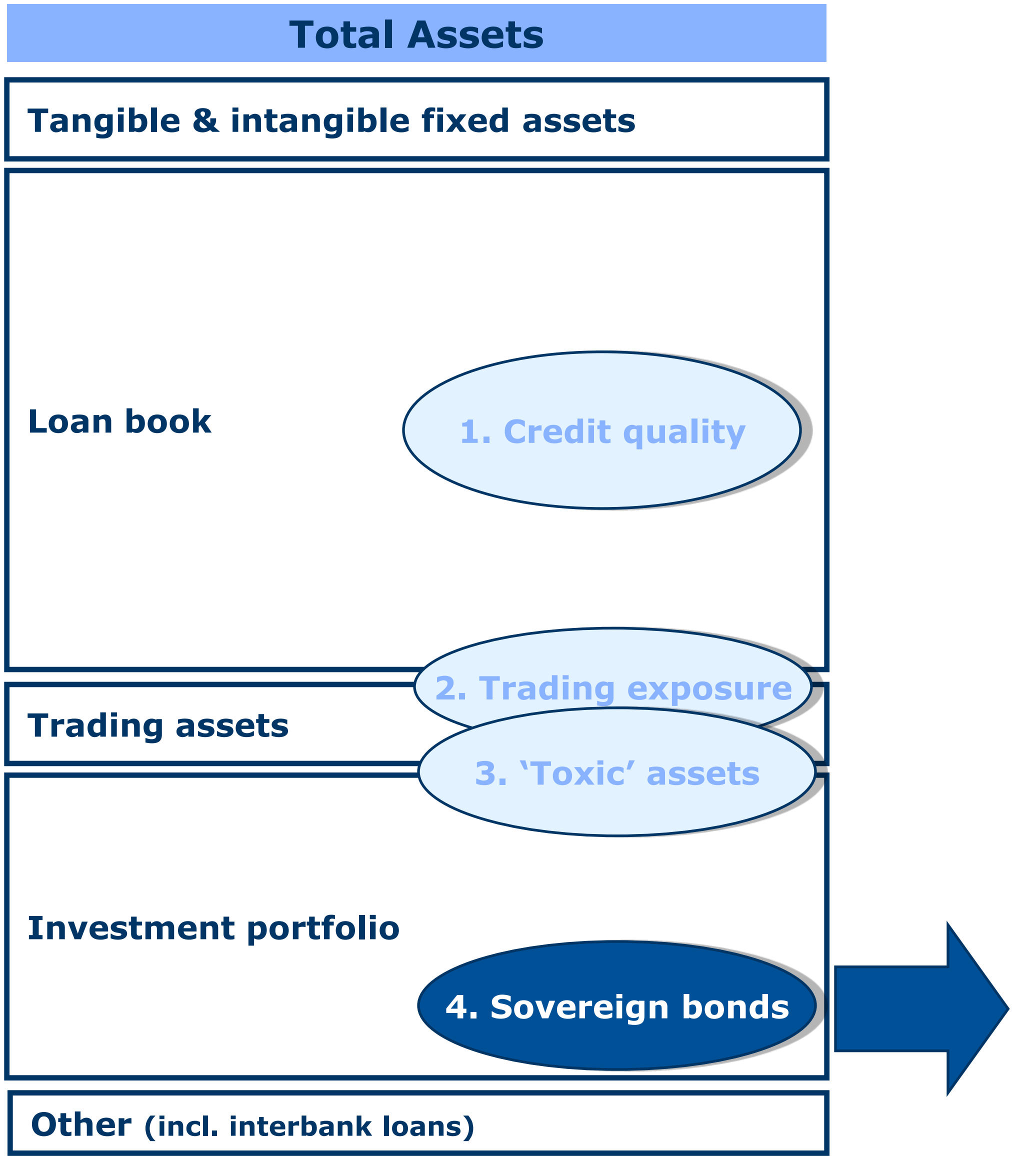
- The total notional amount decreased by roughly 2.2bn EUR, mainly as a result of the Chiswell CDO reaching maturity and the sale of the Avebury CDO
- At end of 1H11, outstanding value adjustments amounted to 4.9bn EUR vs. 2.2bn EUR claimed and settled losses
- Within the scope of the sensitivity tests, the value adjustments reflect a cumulative loss of 13% in the underlying corporate risk
- Reminder: CDO exposure largely written down or covered by a State guarantee

Earnings sensitivity test

- If credit spreads were to tighten/widen by 20%, MtM impact on CDO values would be +0.3/-0.3bn EUR

* Excluding all expired and unwound CDOs
** See appendices for more details

Investment portfolio (cont'd)

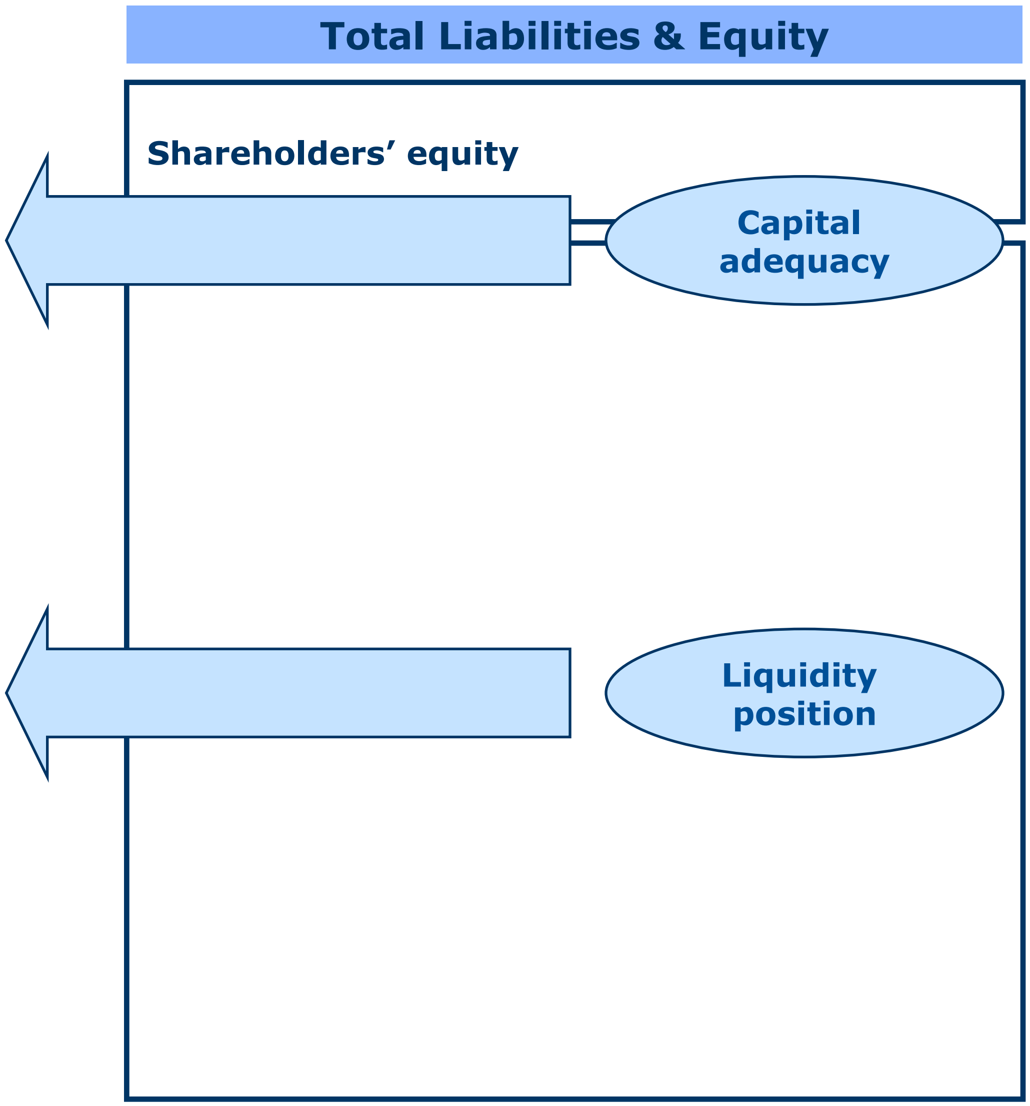


- Government bond investment portfolio at KBC Bank of 51bn EUR (at end of 2010)
- Geographical composition:
  - Almost all European (99.2%)
  - Belgium (AA+/Aa1): 42%
  - CEE (mainly locally held portfolios): 35%
  - Italy: 11%
  - Spain: 3%
  - Greece, Portugal and Ireland: 2%
  - Other Europe: 6%

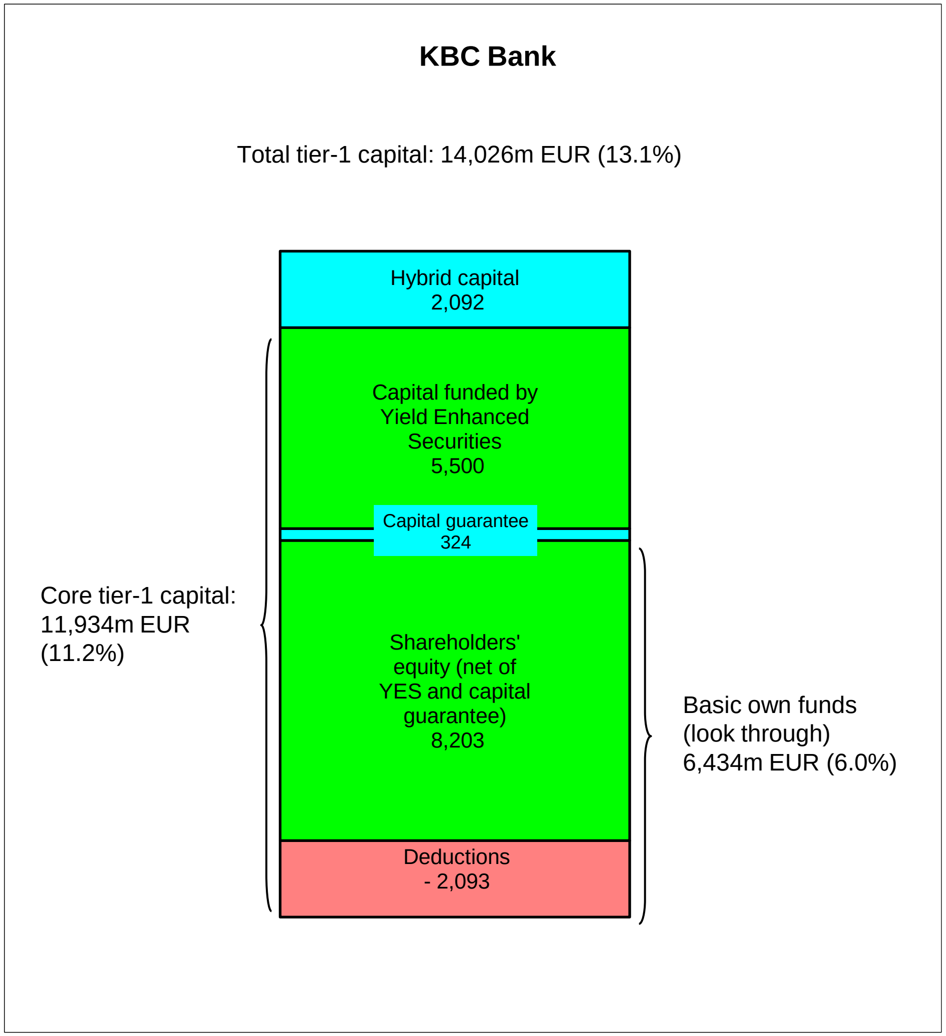
Contents

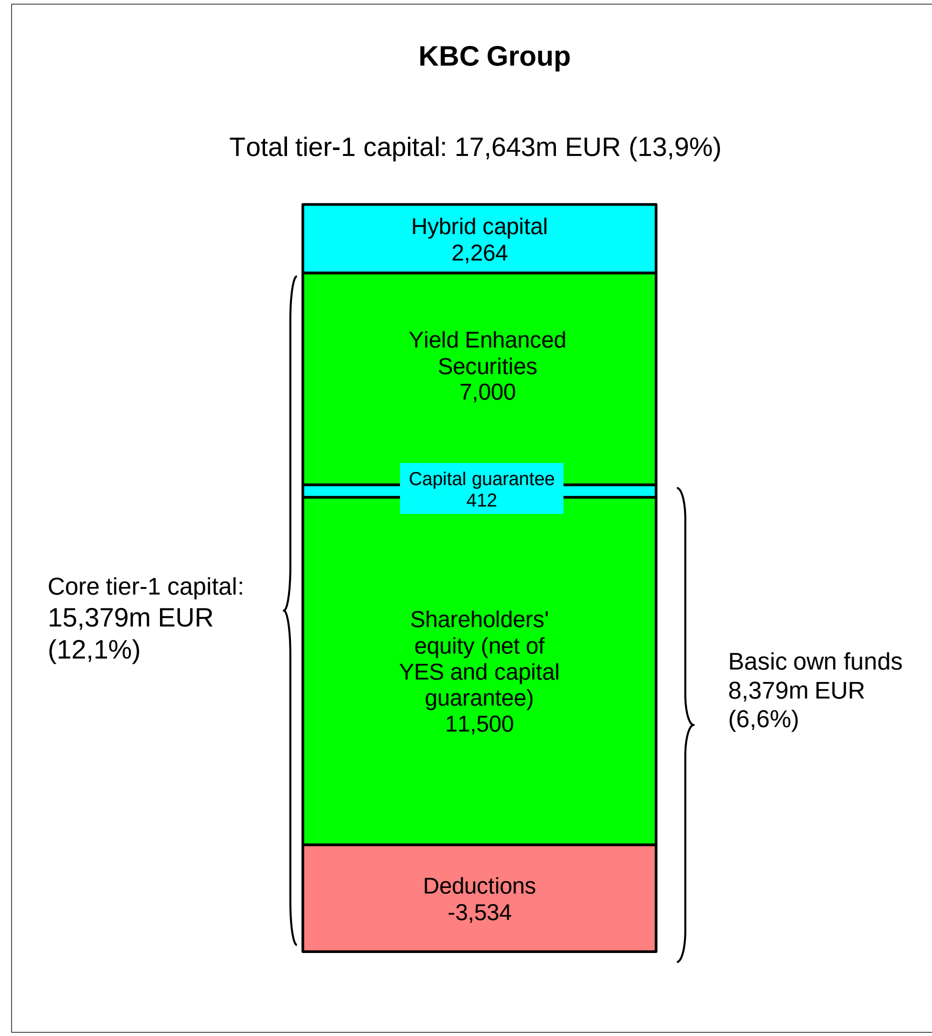
Solvency and liquidity position

- With core tier-1 ratio of 11.2% at KBC Bank (excl. KBL *epb*) and 12.1% at KBC Group, KBC is well positioned to pursue organic growth
- With loan-to-deposit ratio at 84%, need for refinancing in the market is limited compared to peers
- Based on a preliminary analysis, funding & solvency seem to be manageable in light of the new ‘Basel’ proposals

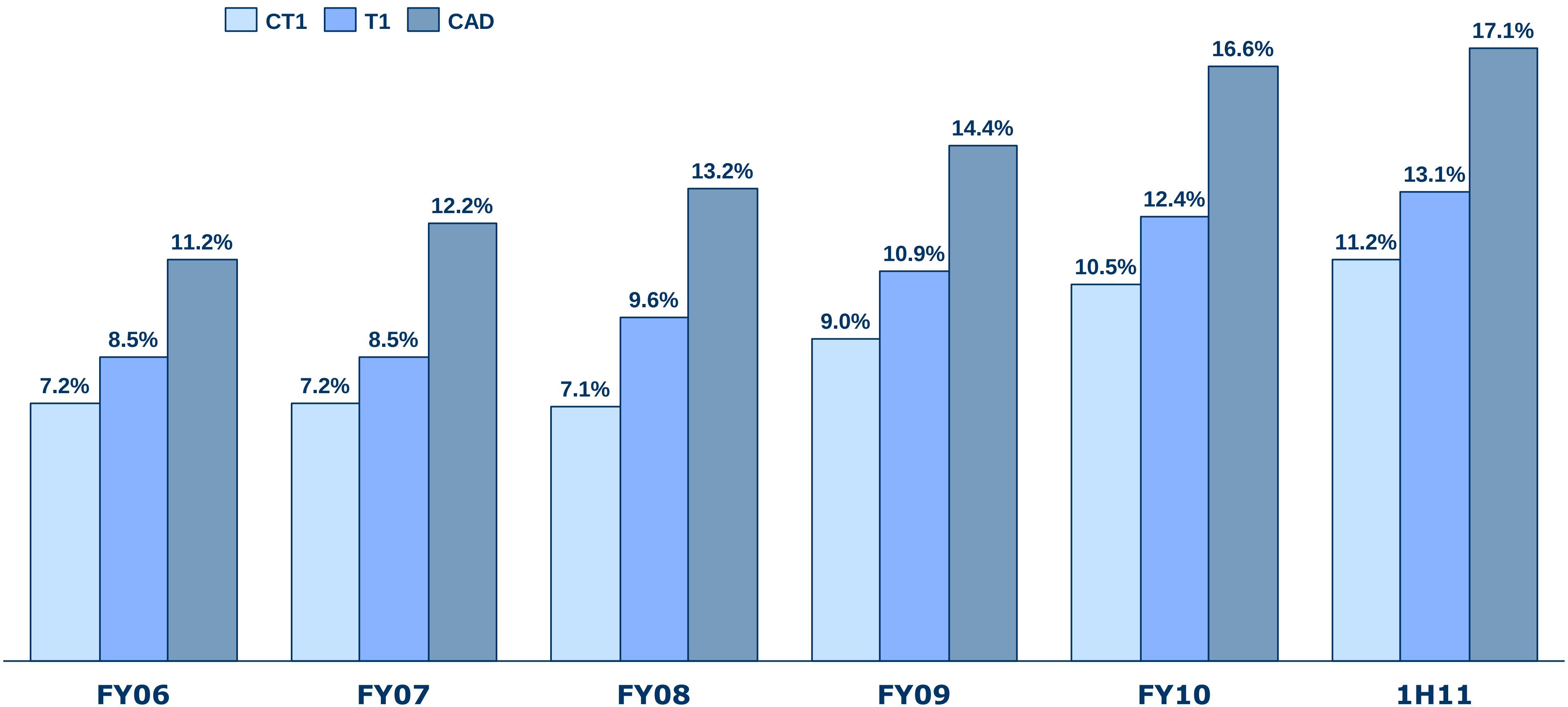


Overview total (core) tier-1 composition



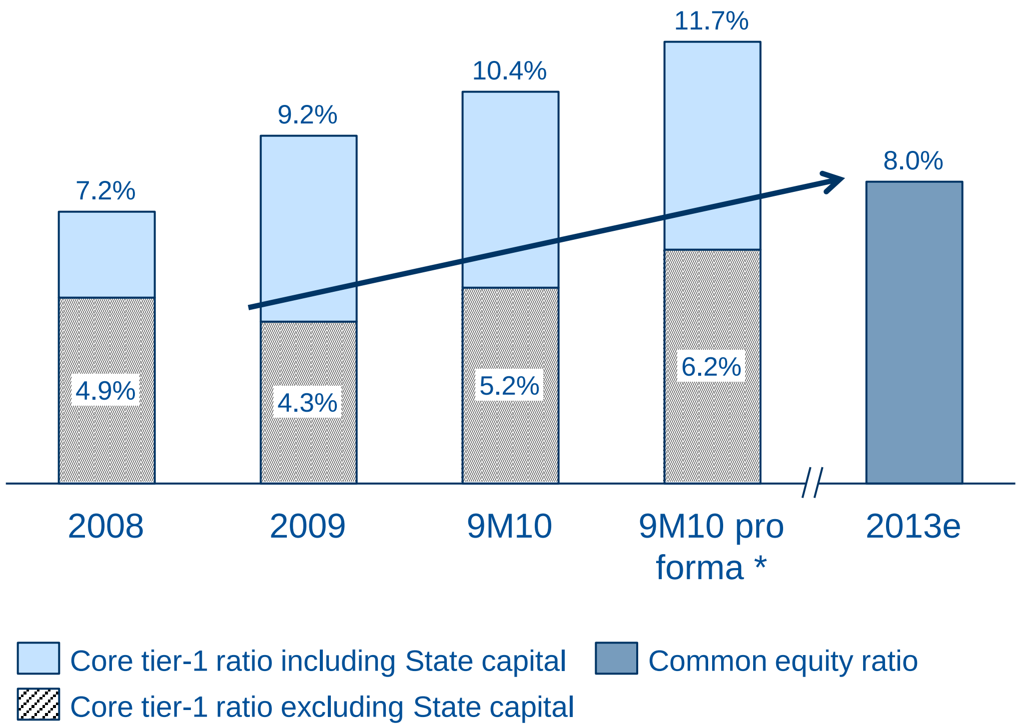


Improved capital ratios at KBC Bank (excl. KBL)



Impact of Basel III for KBC Group (1)

- **MAIN CONCLUSION ABOUT impact of BIII on KBC GROUP:**
  - “Basel III” pro forma common equity ratio is estimated at roughly 8.0% at end 2013



*** 9M10 pro forma CT1 includes the impact of divestments already announced**

Impact of Basel III on KBC Group (2)

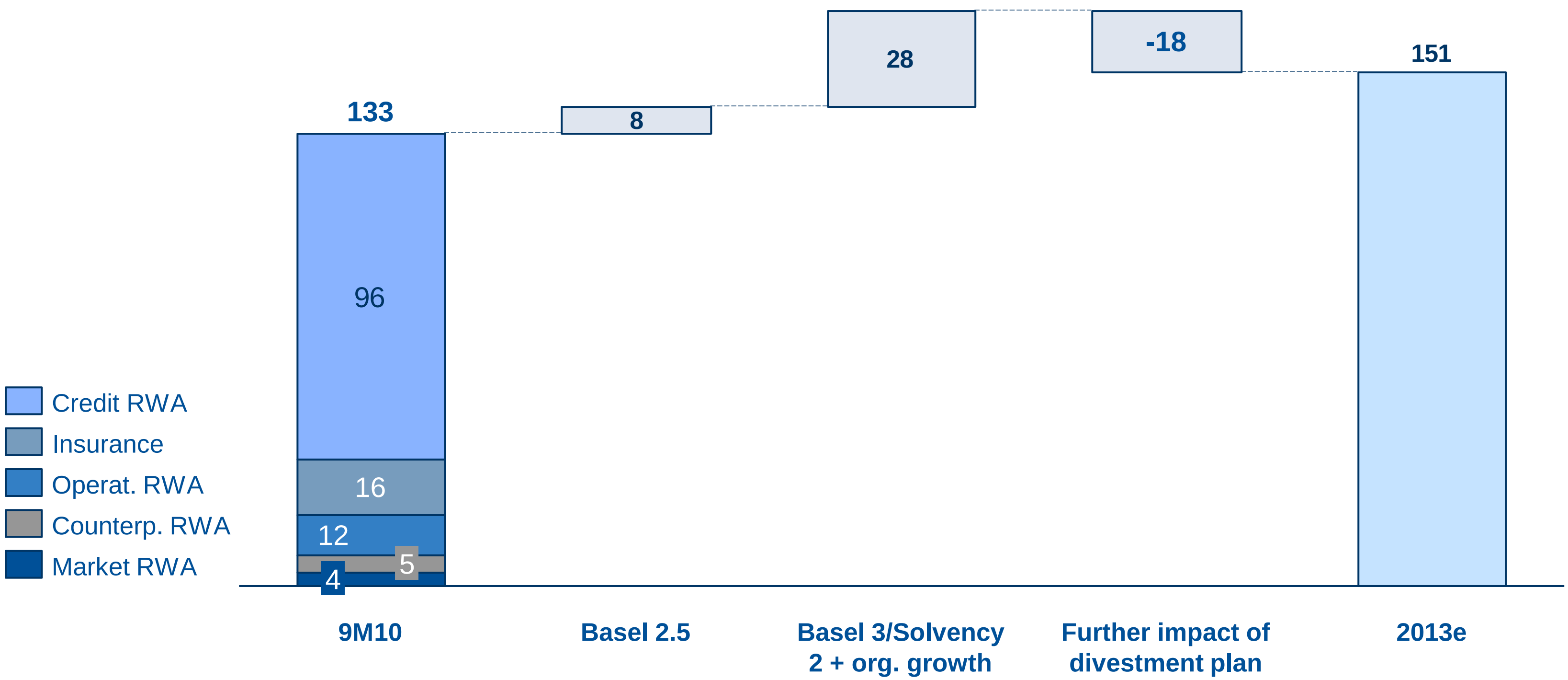
- **At the level of ‘RWAs’: relatively limited impact thanks to KBC’s divestment plan**
  - Uncertainties remain with respect, for example, to different calculations for the Credit Valuation Adjustment (CVA) method.
  - Counterparty and market RWAs have already fallen by 54% to roughly 9.5bn EUR in 7 quarters (end FY08 – end 3Q10), mainly as a consequence of progress made in implementing KBC’s divestment plan.

(bn EUR)	End FY08	End 3Q10	% Δ
Counterparty RWAs	9.2	5.2	-43%
Market RWAs	11.4	4.2	-63%
TOTAL counterparty & market RWAs	20.6	9.5	-54%
% of TOTAL RWAs	13.3%	7.1%	

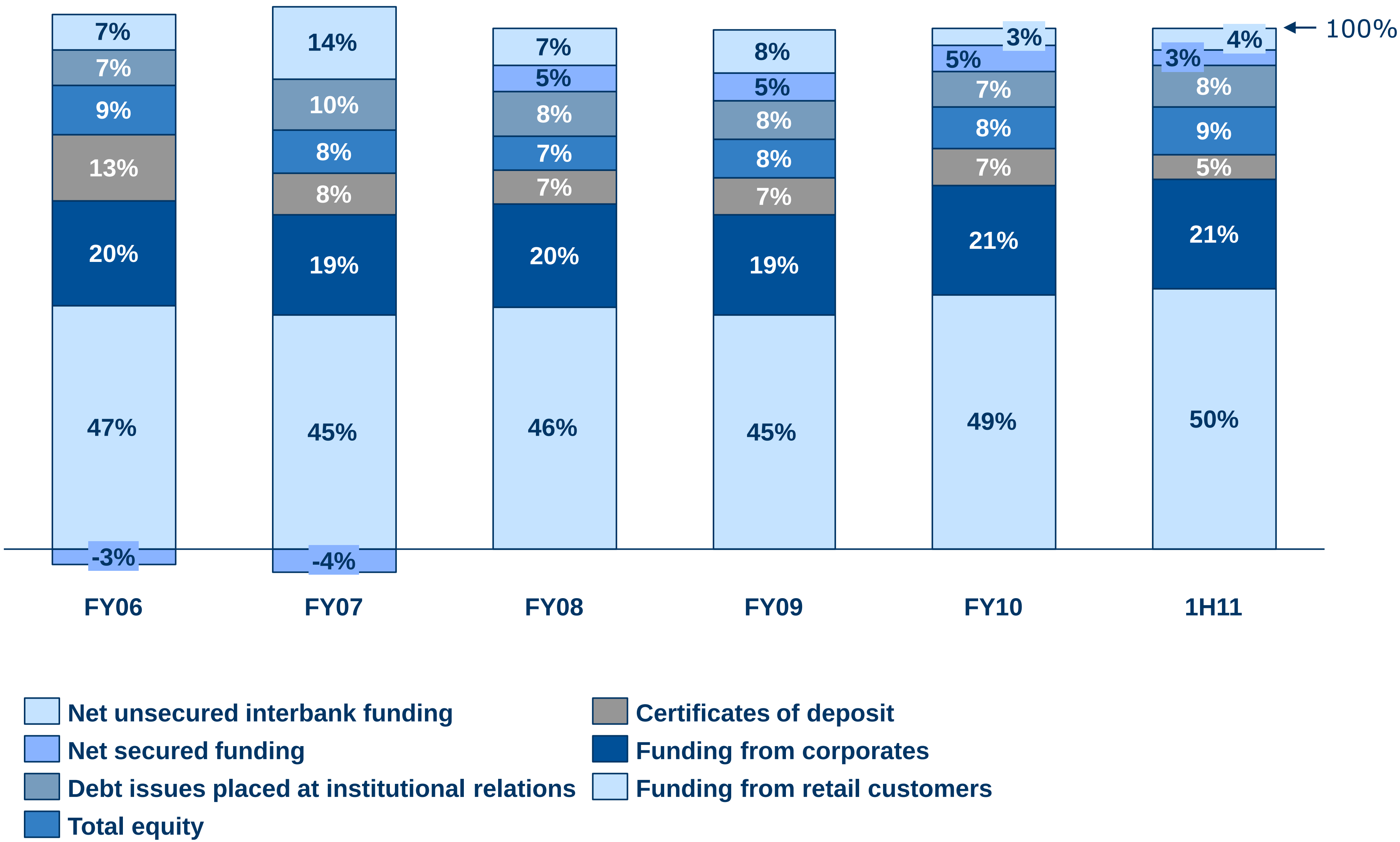
  - By the end of 2012-1013, once the divestment plan is completely finalised, the counterparty and market RWAs will have further decreased. As such, the impact of BIII on these RWAs will certainly be manageable for KBC Group.

Impact of Basel III on KBC Group (3)

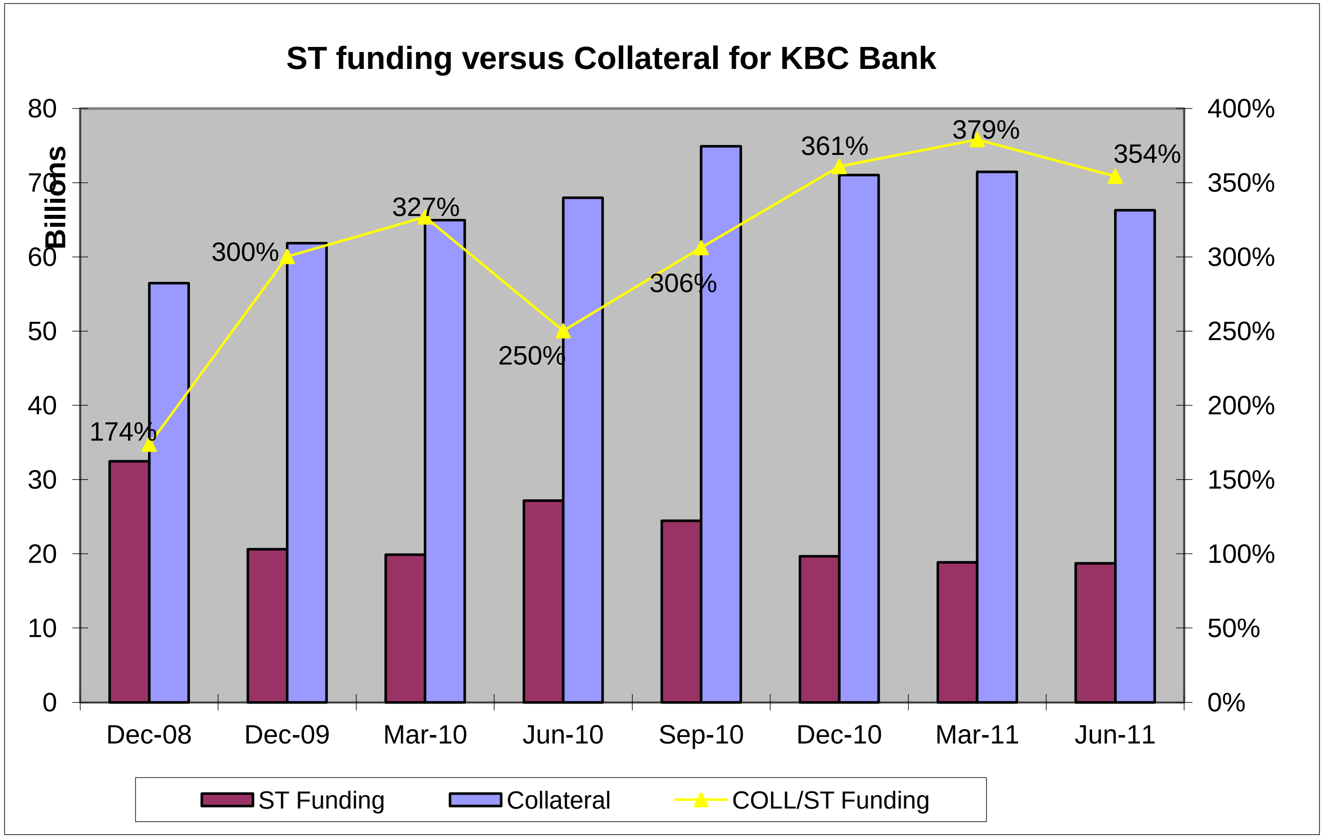
Impact on RWA



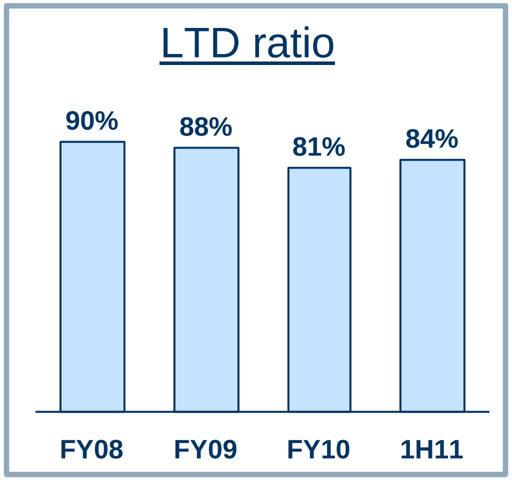
Liabilities – funding mix: stable & retail-based



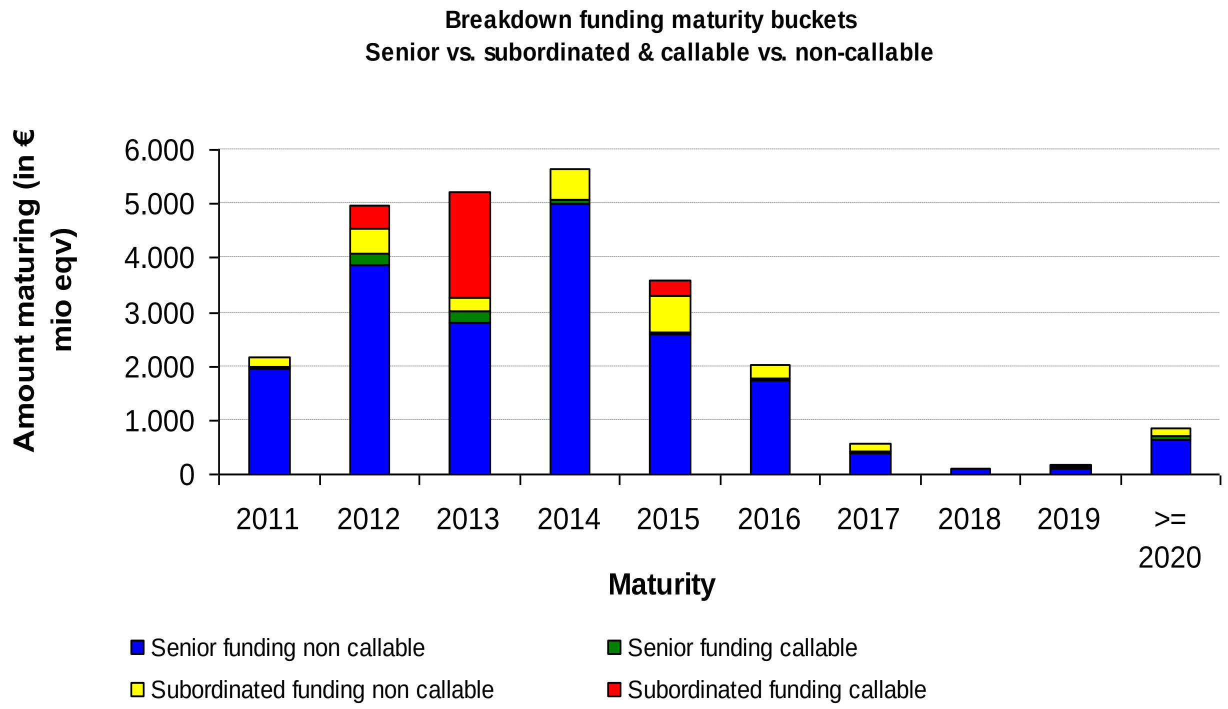
ST funding needs are fully covered by central-bank eligible collateral



… and healthy LTD ratios



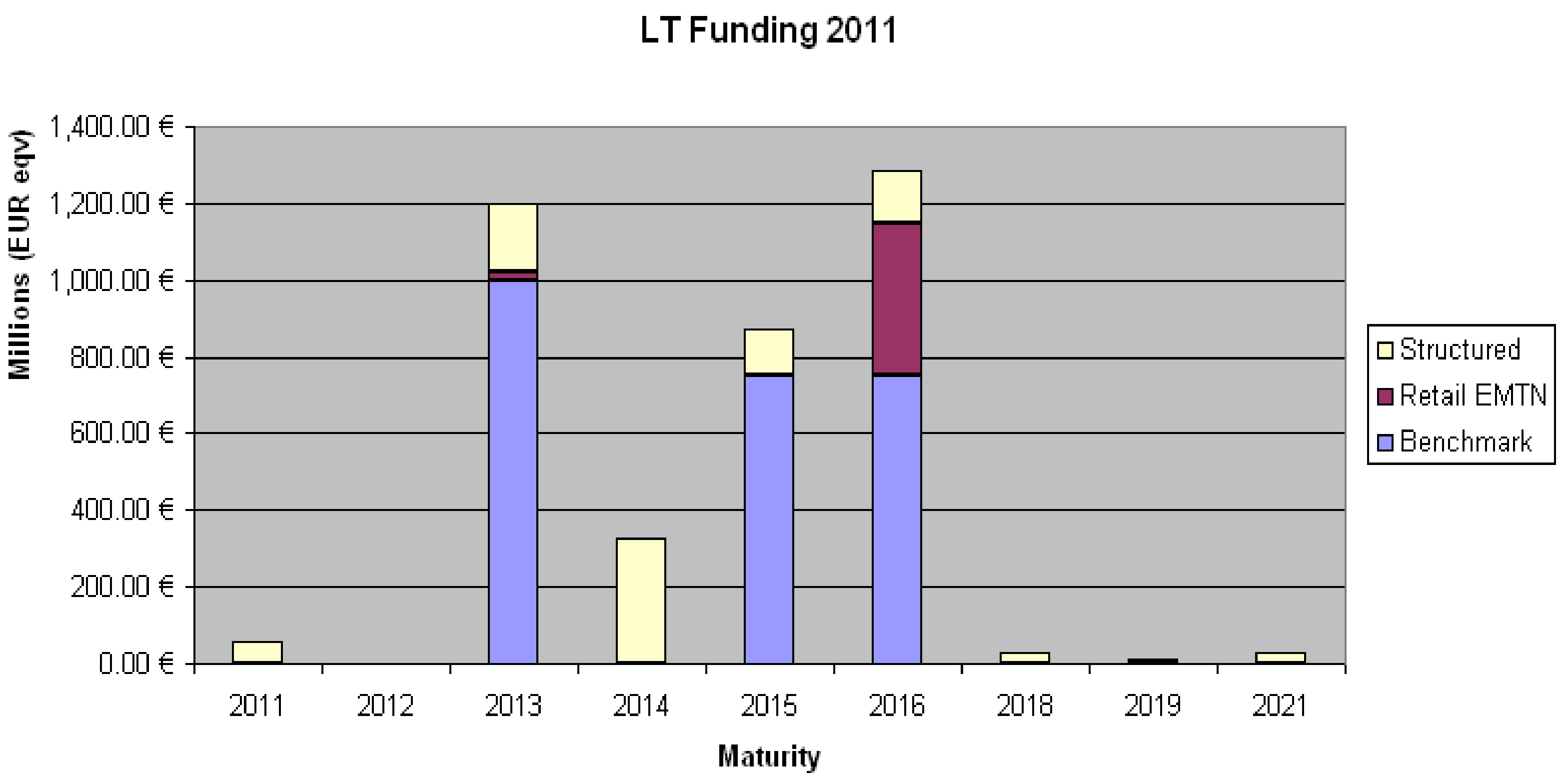
Upcoming mid-term funding maturities in 2011



KBC Bank NV has 3 solid sources of funding:

- Public Benchmark transactions
- Structured Notes using the Private Placement format
- Retail and Private Banking Network Notes

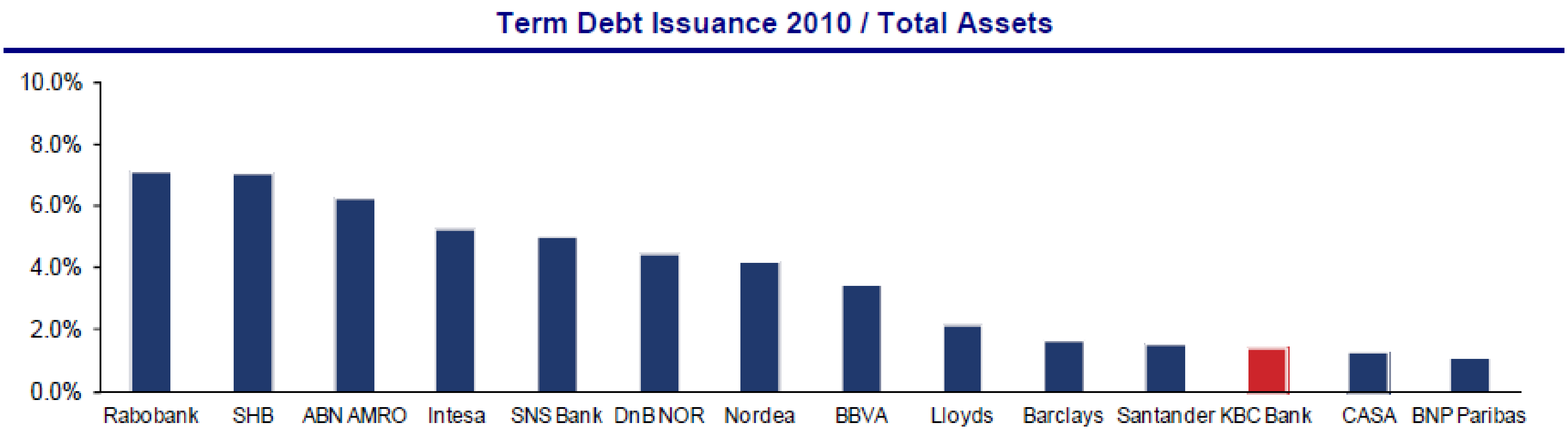
Overview of LT EMTN funding attracted in 2011



- KBC Bank NV (mainly through KBC Ifima NV, using its EMTN program (40bn EUR)) has already raised 3.9bn EUR LT in 2011 (by the end of July). This debt programme was updated on 13 July 2011
- KBC Bank NV also has a US MTN program (10bn USD) available for structuring debt capital market transactions in the US. This debt programme was updated on 15 April 2011

Putting things into perspective…

- Term debt issuance in 2010: 4.3bn EUR (vs. 11bn-48bn EUR for peer group)
- Term debt issuance 2010 / Total assets of KBC Bank 2010: 1.5% (vs. 1.1% – 7.1% for peer group)



Source: KBC Bank, Bloomberg, Goldman Sachs

- Term debt issuance 2010 / Total assets of KBC Group 2010: 1.3%
- Total LT debt outstanding / Total assets of KBC Bank 2010: 9.1% (vs. 3.6% - 28.6% for peer group)
- Total LT debt outstanding / Total assets of KBC Group 2010: 7.8%

Contents

Wrap up (at KBC Group level)

- Well-developed bancassurance strategy and strong cross-selling capabilities. 75%-80% of revenue is generated in markets with leading market share
- Strong franchise in Belgium with high and stable return levels (ROAC of 35% in 1H11)
- Access to growth in 'new Europe', with mitigated risk profile given most mature markets in the region
- Successful underlying earnings track record, as reconfirmed by the solid 1.7bn EUR net underlying profit in 2010 and already 1.2bn EUR in 1H11
- Thanks to reductions in RWA, disposals of non-core assets and strong earnings power, KBC is well on track to reimburse the government support
- Stable shareholder structure
- Solid liquidity position, with a LTD ratio of 84% and a large portfolio of unencumbered government bonds
- A very favourable funding profile with relatively low (re)financing needs in 2011-2014 of 5bn-7bn EUR as well as a deep pool of liquidity in KBC's retail client base
- Comfortable level of CT1 and T1 at the end of 1H11: 12.1% and 13.9% respectively. The "Basel III" pro forma common equity ratio is estimated at roughly 8.0% at end 2013

Appendices

Appendices

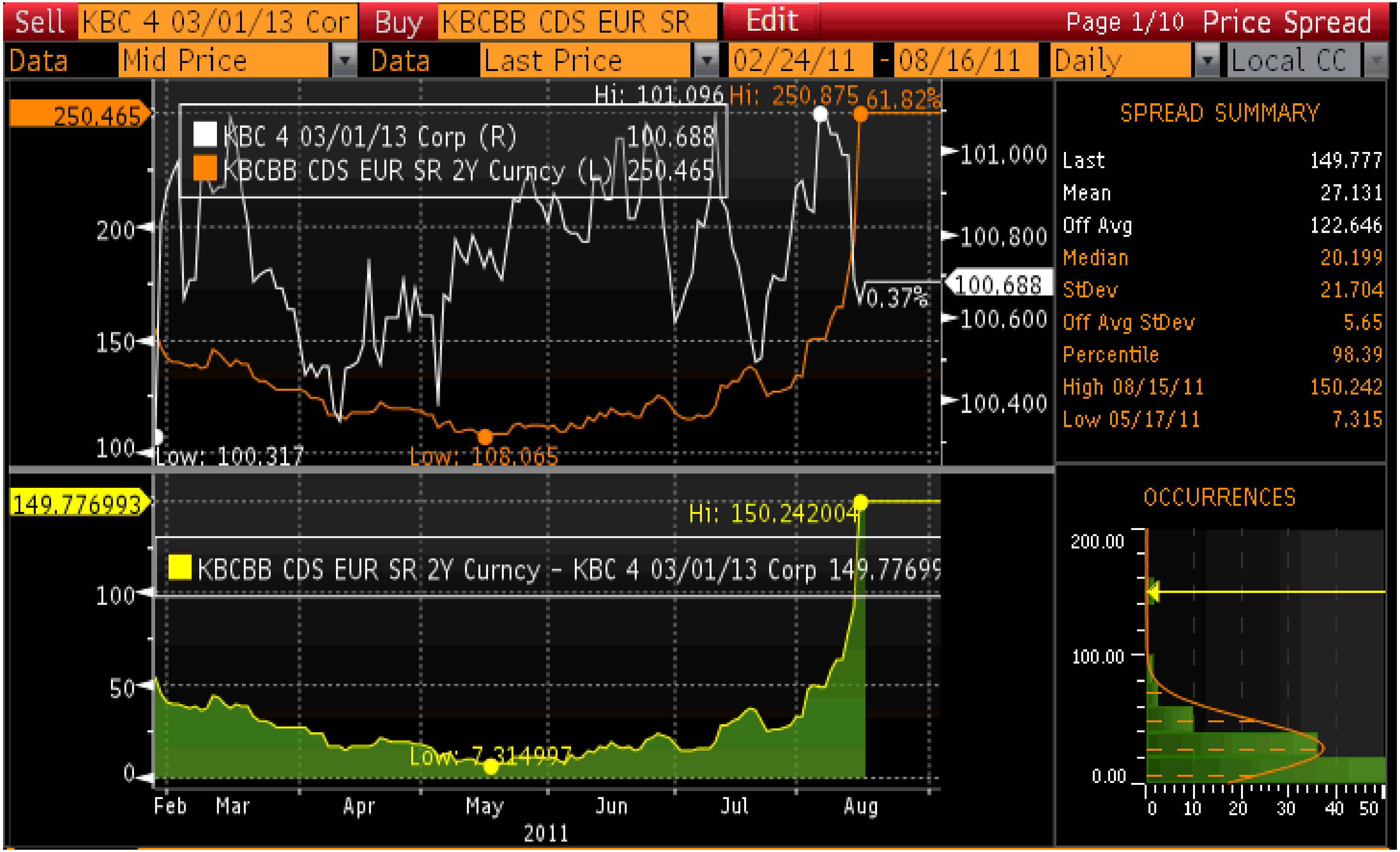
- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the ‘new future’
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

KBC 2011 Benchmarks

KBC 2Y Fixed - XS0597921724

- Notional: 1 bn EUR
- Issue Date: 1 Mar 2011 – Maturity: 1 Mar 2013
- Coupon: 4.00%, A, Act/Act
- Re-offer spread: 2Y Mid swap + 195bp (issue price 99.887%)
- Joint lead managers: KBC, BAML, GS, DZ Bank

KBC 2011 Benchmarks

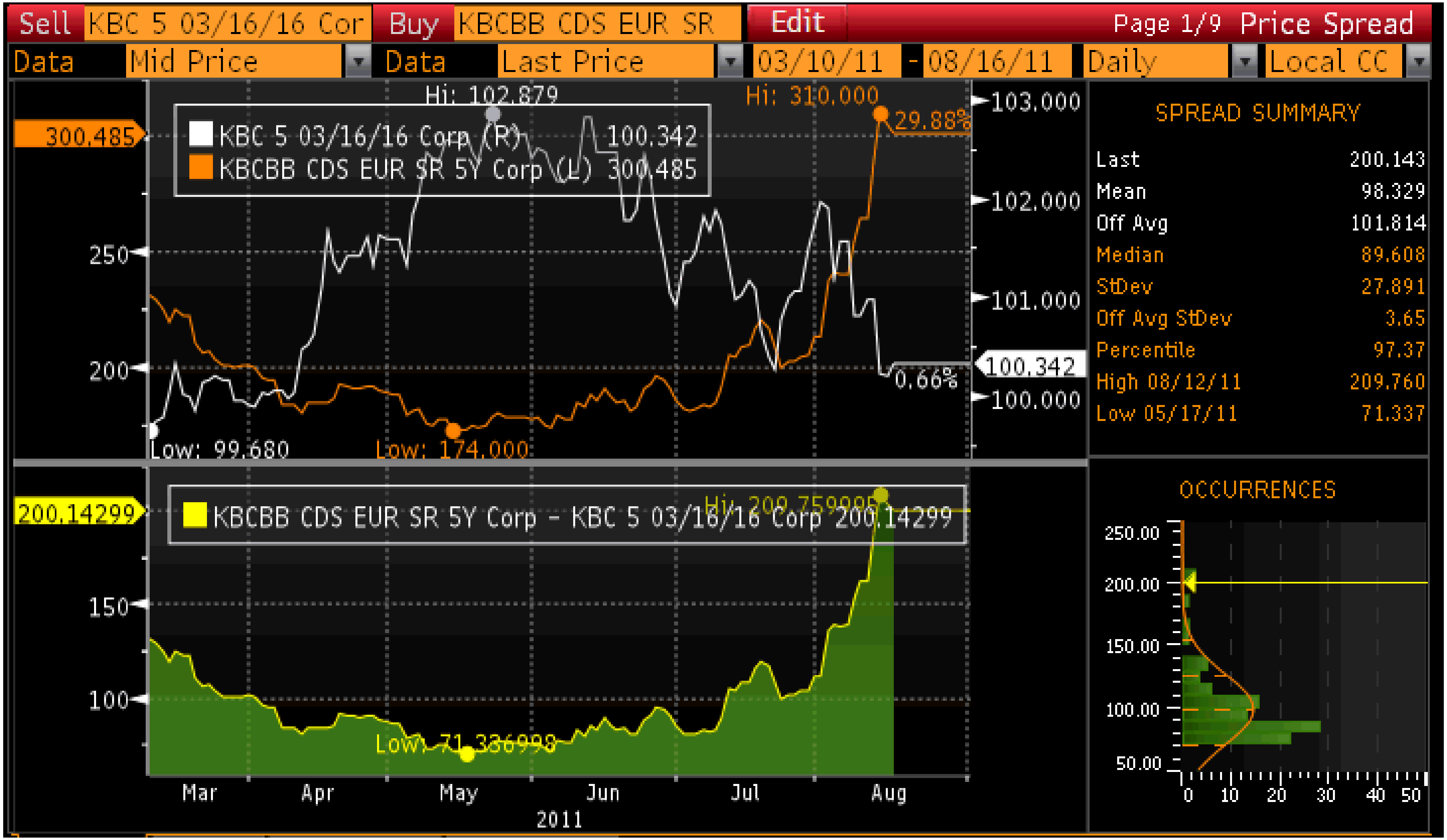


KBC 2011 Benchmarks

KBC 5Y Fixed - XS0605440345

- Notional: 750m EUR
- Issue Date: 16 March 2011 – Maturity: 16 March 2016
- Coupon: 5.00%, A, Act/Act
- Re-offer spread: 5Y Mid Swap + 210bp (issue price 99.577%)
- Joint lead managers: KBC, BAML, GS, DZ Bank

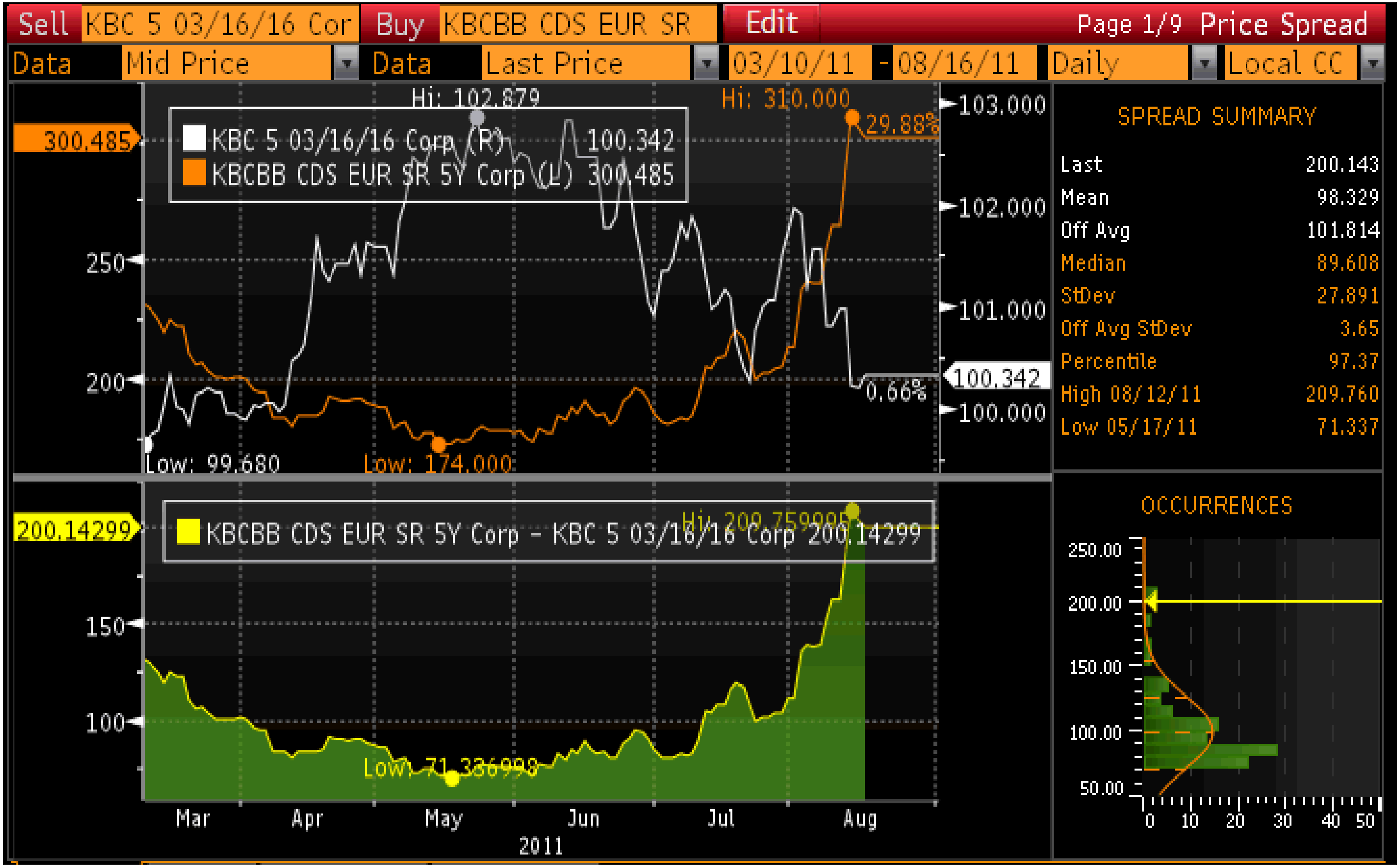
KBC 2011 Benchmarks



KBC 2011 Benchmarks

- **Tap of KBC 5Y Fixed - XS0616973813 (fungible with XS0498962124 from 24/5/2011)**
  - Notional: 250m EUR, so total to 1 bn EUR
  - Original Issue Date: 31 March 2010 – Maturity: 31 March 2015
  - Coupon: 3.875%, A, Act/Act
  - Re-offer spread: Mid Swap + 180bp (issue price 96.885%)
  - Joint lead managers: KBC, BAML

KBC 2011 Benchmarks



KBC 2011 Benchmarks

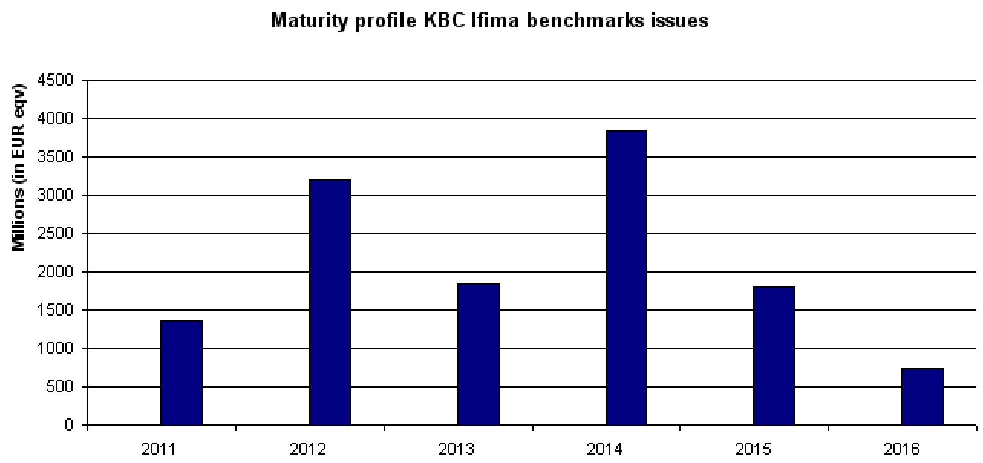
KBC 4.5Y Fixed - XS0630375912

- Notional: 500m EUR
- Issue Date: 26 May 2011 – Maturity: 26 October 2015
- Coupon: 4.375%, A, Act/Act
- Re-offer spread: Mid Swap + 165bp (issue price 99.747%)
- Joint lead managers: KBC, Commerzbank, GS, Natixis

KBC 2011 Benchmarks

Outstanding Benchmarks

Issuer	Curr	Amount issued	Coupon	Settlement Date	Maturity Date	Isin
KBC Ifima N.V.	EUR	1,000,000,000	3-mth Euribor +9.5bp	4-Oct-06	4-Oct-11	XS0269226238
KBC Ifima N.V.	GBP	400,000,000	3-mth Libor +7.5bp	8-Nov-06	8-Nov-11	XS0273444538
KBC Ifima N.V.	GBP	500,000,000	3-mth Libor +7.5bp	18-Jan-07	18-Jan-12	XS0281641810
KBC Ifima N.V.	EUR	600,000,000	3-mth Euribor +75bp	20-Jan-10	20-Jan-12	XS0479870916
KBC Ifima N.V.	EUR	500,000,000	3-mth Euribor +7bp	23-Jan-07	23-Jan-12	XS0282215259
KBC Ifima N.V.	GBP	400,000,000	3-mth Libor +7.5bp	8-Feb-07	8-Feb-12	XS0285159363
KBC Ifima N.V.	EUR	300,000,000	3-mth Euribor +80bp	14-Mar-08	14-Mar-12	XS0353131419
KBC Ifima N.V.	EUR	1,000,000,000	3-mth Euribor +35bp	26-Oct-07	26-Oct-12	XS0327159074
KBC Ifima N.V.	EUR	1,000,000,000	4	1-Mar-11	1-Mar-13	XS0597921724
KBC Ifima N.V.	EUR	250,000,000	3-mth Euribor +85bp	4-Mar-08	4-Mar-13	XS0350935671
KBC Ifima N.V.	EUR	250,000,000	3-mth Euribor +85bp	6-Mar-08	6-Mar-13	XS0351341150
KBC Ifima N.V.	EUR	350,000,000	3-mth Euribor +165bp	19-Jul-10	19-Jul-13	XS0527072937
KBC Ifima N.V.	EUR	250,000,000	4.75	26-Jan-09	26-Jan-14	XS0406774538
KBC Ifima N.V.	EUR	1,602,615,000	6-mth Euribor -60bp	31-Mar-08	31-Mar-14	XS0340282739
KBC Ifima N.V.	EUR	743,968,000		16-May-08	16-May-14	XS0352674682
KBC Ifima N.V.	EUR	1,250,000,000	4.5	17-Sep-09	17-Sep-14	XS0452462723
KBC Ifima N.V.	EUR	250,000,000	3.875	14-Apr-11	31-Mar-15	XS0498962124
KBC Ifima N.V.	EUR	750,000,000	3.875	31-Mar-10	31-Mar-15	XS0498962124
KBC Ifima N.V.	EUR	500,000,000	4.375	26-May-11	26-Oct-15	XS0630375912
KBC Ifima N.V.	EUR	300,000,000	3-mth Euribor +20bp	14-Dec-05	14-Dec-15	XS0238065170
KBC Ifima N.V.	EUR	750,000,000	5	16-Mar-11	16-Mar-16	XS0605440345



Main characteristics of outstanding T1 issues

SUBORDINATED BOND ISSUES KBC BANK

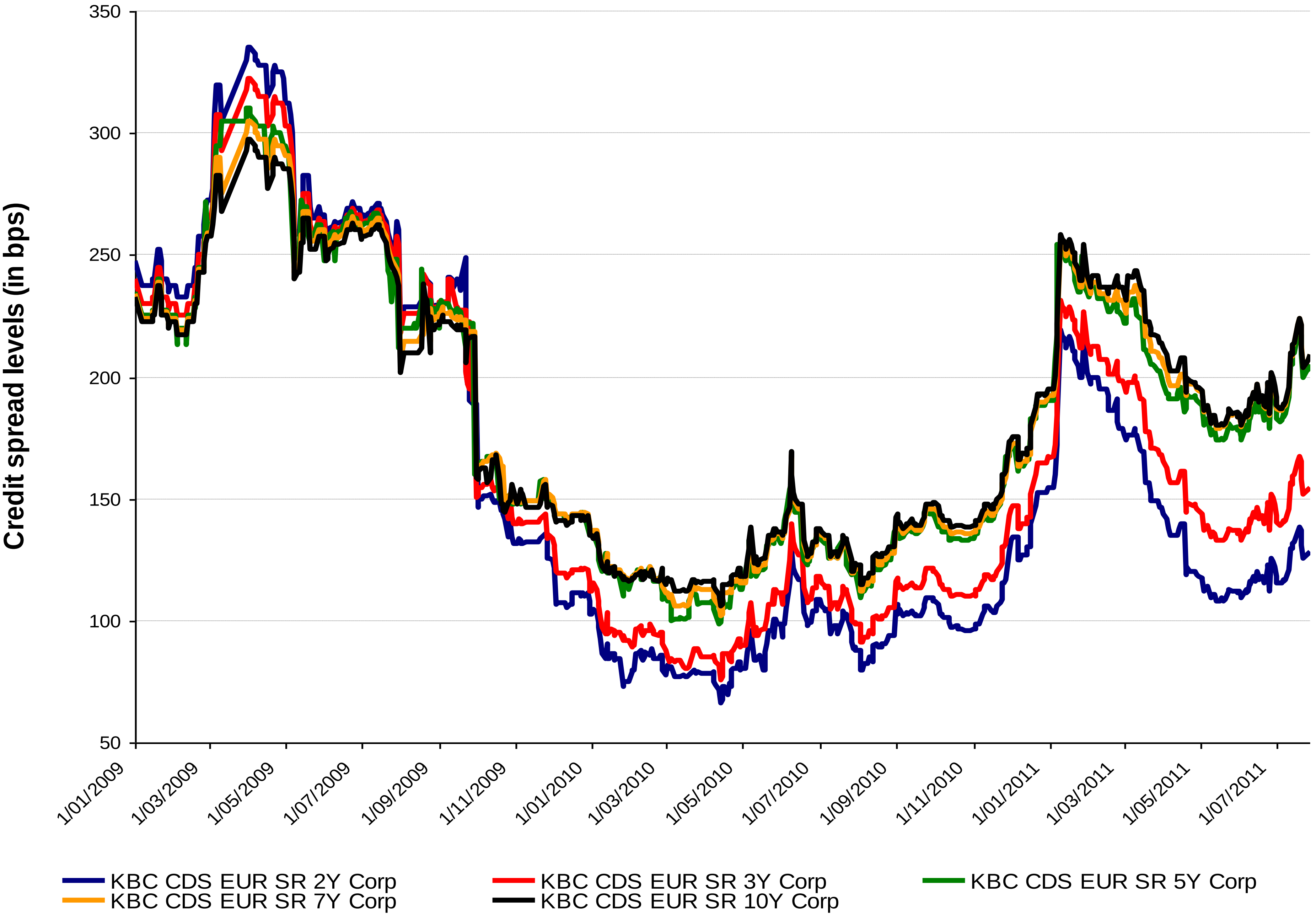
	KBC Bank Funding Trust II	KBC Bank Funding Trust III	KBC Bank Funding Trust IV	KBC Bank NV	KBC Bank NV	KBC Bank NV
Amount issued	EUR 280,000,000	USD 600,000,000	EUR 300,000,000	GBP 525,000,000	EUR 1,250,000,000	EUR 700,000,000
Tendered	EUR 161,300,000	USD 431,400,000	EUR 179,200,000	GBP 480,500,000		
Net Amount	EUR 118,700,000	USD 168,600,000	EUR 120,800,000	GBP 44.500,000		
ISIN-code	XS0099124793	USU2445QAA68 / US48239AAA79	US48239FAA66 / USU2445TAA08	BE0119284710	BE0934378747	XS0368735154
Call date	30/06/2009	02/11/2009	10/11/2009	19/12/2019	14/05/2013	27/06/2013
Coupon	6.875%	9.86%	8.220%	6.202%	8.000%	8.000%
Step-up coupon	3m euribor + 300bps	3m usd libor + 405bps	3m usd libor + 405bps	3m gbp libor + 193bps	no step-up	no step-up
First (next) call date	30/09/2011	02/11/2011	10/11/2011	19/12/2019	14/05/2013	27/06/2013
ACPM	-	-	-	Yes	Yes	Yes
Dividend Stopper	-	-	-	Yes	Yes	Yes
Conversion into PSC	-	-	-	Yes	Yes	Yes
Trigger	-	-	-	Supervisory Event or general "concursus creditorum"	Supervisory Event or general "concursus creditorum"	Supervisory Event or general "concursus creditorum"
Dividend payments	Dividends are only payable with respect to any Dividend Period if, and to the extent that, the Dividends for the corresponding Dividend Period are declared (or deemed declared for the purposes, and subject to the conditions of the Bank Guarantuee or Holding Guarantee) on the securities owned by the Trust (together with the aforementioned guarantees, the assets of the Trust). Dividends will be paid to the extent that the Trust has funds available for the payment of such Dividends from its assets.					

Tender offer organized in September 2009

Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the ‘new future’
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

KBC Bank CDS levels since January 2009



Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the ‘new future’
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

Proposed swap

In its application to the European Commission dated 12 July 2011, KBC proposed to replace

- The IPO of a minority stake of CSOB Bank (Czech Rep.) and
- The IPO of a minority stake of K&H Bank (Hungary) plus
- The sale & lease back of headquarter offices

	ČSOB	K&H
2010 Profit (100%)	**500**	**75**
40% of 2010 profit	**200**	**30**
Market Share	23%	9%

By

- The divestment of Kredyt Bank (80%) (*) and
- The divestment of Warta (*) and
- The accelerated sale or unwind of selected ABS and CDO assets

	KB Kredyt Bank	WARTA
Profit 2010 (100%)	**45**	**0**
80% profit of KB	**36**	**0**
100% profit of Warta		
Market Share	4%	9%

In the meantime, KBC Group received approval from the European Commission (on 27 July 2011)

*** The considered offer for the sale of Kredyt Bank and Warta, if made, will be directed solely to a selected group of investors on a private placement basis only.**

Rationale of the swap: regulatory factors

The introduction of the Hungarian banking tax in 2010, expected to remain in place after 2012

- Very detrimental impact on the net profit of K&H Bank in Hungary

Basel III impact on minority interests…

- Only the minority share in line with the minimum required capital at subsidiary is taken into common equity

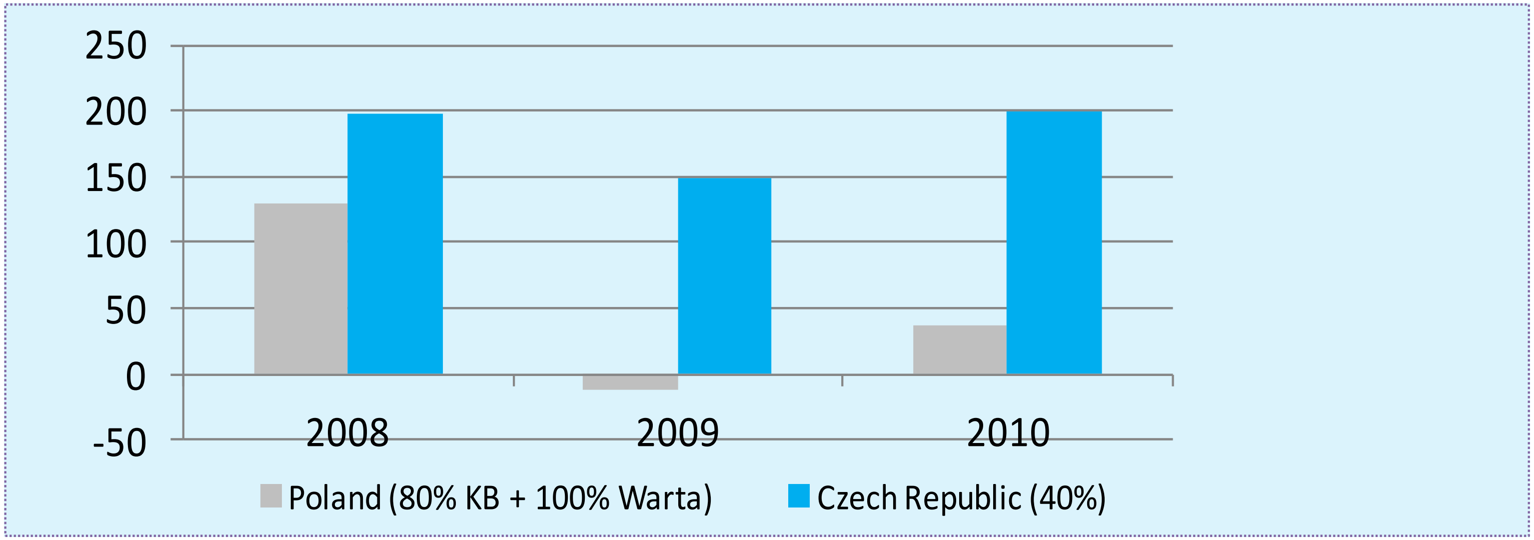
Change in IFRS Accounting Standards for Leases

- The current distinction between financial and operational lease will disappear

Rationale of the swap: financial factors

A small market share in a fragmented and consolidating Polish banking sector (4%), versus a large market share (23%) with a strong franchise and earnings power in the Czech Republic .

Earnings power enhanced by keeping totality of CSOB Bank CZ.



The Future

KBC will be a stable and high-performing European regional player with a more focused range of activities/markets and a reduced risk profile

Activities with low strategic fit will be divested or run down

Capital is to be re-allocated to catch sustainable organic growth potential of core businesses while also reimbursing State capital

KBC will build on sustainable foundations in Belgium

The strategy is based on relationship bancassurance via a extensive network

Complementary sales channels are being divested to generate repayment capacity for State capital securities

The market is delivering an attractive return, while being a low risk business

KBC is resuming the convergence play in Central and Eastern Europe

We are committed to 4 core markets where we have a strong franchise to continue building our presence: Czech Republic, Slovak Republic, Hungary and Bulgaria

Strategy fundamentals remain unchanged and are based on a refined business model taking bancassurance as a point of departure

KBC is reshaping the 'other' activities

KBC is divesting private banking outside home markets

Major reduction of scope and risk profile of international commercial banking operations (targeted RWA – 53%)

Determined run-down of Market Activities (mainly KBC FP)

All remaining Merchant Banking activities have a strategic fit with home markets

Potential capital impact of the swap

SWAP **(all amounts in EUR, 2013, Basel III)**

Part of the initial restructuring plan

IPO minority stake of CSOB Bank CZ post-B3	1.2-2.2bn
IPO minority stake of K&H Bank post-B3	0.2-0.3bn
Sale and leaseback of headquarter offices	0.3bn
Total post-B3	**1.7-2.8bn**
Mid-point	**2.3bn**

Part of the proposed restructuring plan

Total capital relief from divestment (Kredyt Bank and Warta) + increase in earnings power	1.8-2.4n
Sale or unwinding of selected ABS and CDO assets	0.3-0.4bn
Total	**2.1–2.8bn**
Mid-point	**2.4bn**

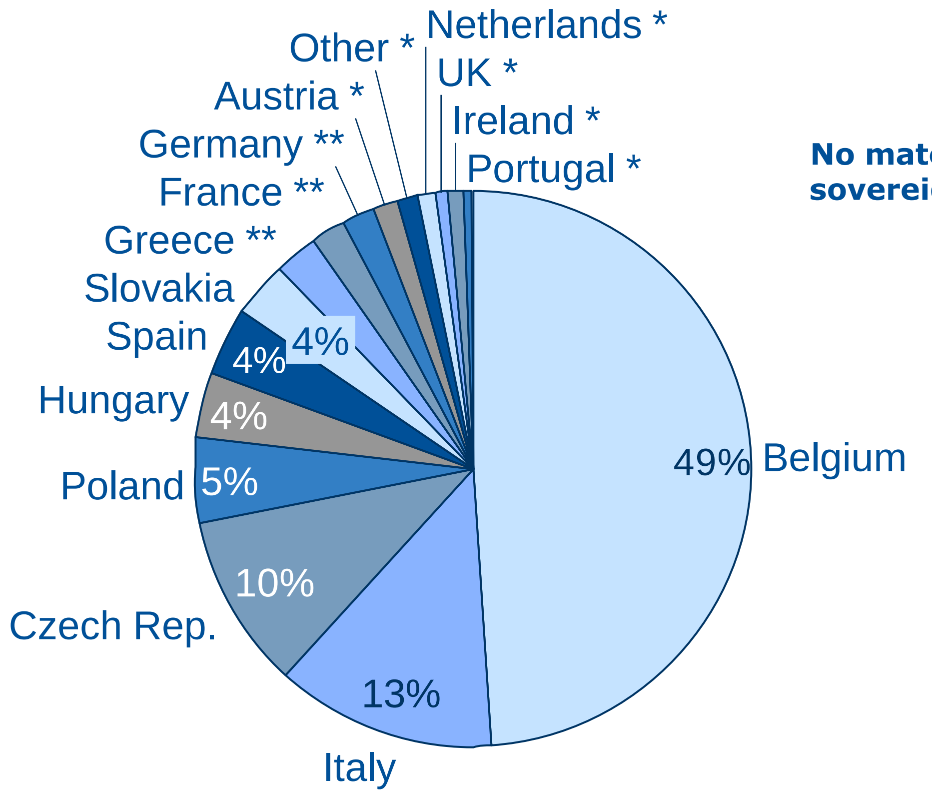
Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the ‘new future’
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

Government bond portfolio

- Investment of around 60bn EUR in government bonds (excl trading book), primarily as a result of significant excess liquidity position and the reinvestment of insurance reserves in fixed income instruments

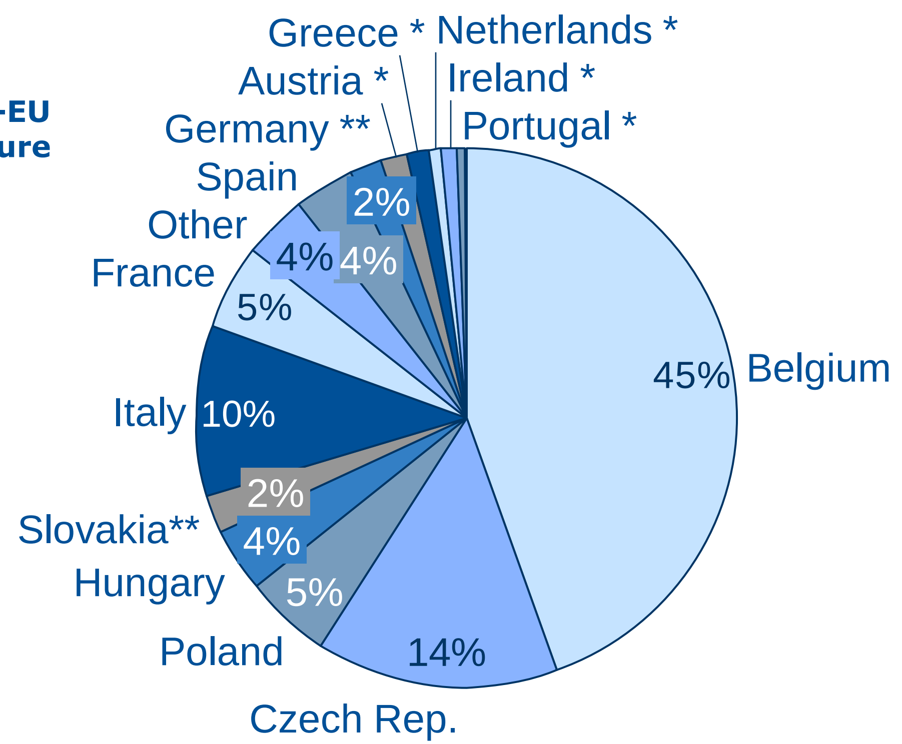
End 2009



(*) 1%, (**) 2%

No material non-EU sovereign exposure

End 2010



(*) 1%, (**) 2%

Sensitivity analysis on government bond exp.

Impact of a 10bps parallel upwards shift in government bond interest rate curves

(m EUR)	Impact on equity	Impact on P&L*	Weighted average duration (in years)
TOTAL	-183	-47*	4.6
- of which Belgium	-86	-21*	4.1

* This P&L impact is largely wiped out as the largest part of the FIFV govies are used to hedge the M2M effect of the interest rate swaps

Belgium... sovereign concerns?

Why the markets target Belgium....

- No new government yet
- Structural policy measures (social security & labour market reform) still to come
- Still relatively high public debt ratio
- Belgian banking sector's sovereign bond exposure

...Why the reaction is exaggerated

- Regional governments still in full force
- Belgian position in the business cycle is good (supported by strong rebound in Germany): 2.0% real GDP growth in 2010
- Labour market performing well (recovery in job creation & declining unemployment). Unemployment rate of 8.3% at the end of 2010 (vs. peak of 8.5% mid-2010)
- Public balance position not worrying in itself (relatively low deficit level & manageable) and good track-record on fiscal discipline
  - Public deficit as % of GDP: 4.7% in 2010 and 3.6% expected in 2011
  - Public debt ratio as % of GDP: 98.6% in 2010 (vs. 134.0% in 1993 and 84.2% in 2007)
- No major economic imbalances (fundamentally Belgium is in far stronger position than the peripheral countries)

Effects of Greek assistance programme

- With regard to the Greek sovereign bonds that mature before the end of 2020, KBC decided to record 139m EUR pre-tax impairments (102m post-tax) at *underlying* level in 2Q11

- *Calculation* method:
  - As required by IAS 39, the **AFS bonds** are impaired to their *fair value* (market prices) as at 30 June 2011
  - For the **HTM bonds**, the impairment is calculated based on the *21% expected discount* resulting from the IFF proposal for Greece decided on 21 July 2011

- *Breakdown* of the impairments *per business unit* at underlying level in 2Q11:

(m EUR)	Impairments on AFS	Impairments on HTM	Total pre-tax impairments	Total post-tax impairments
Belgium BU	-41	-4	-45	-30
CEE BU	-53	0	-53	-26*
MEB BU	-1	-4	-5	-4
GC BU	-27	-9	-36	-42*
TOTAL	**-122**	**-17**	**-139**	**-102**

* Transfer from CEE BU to GC BU for 40% of the impairment at CSOB Bank (as the 2Q11 results of the business units are still based on the 'old' restructuring plan)

Exposure to PIIGS

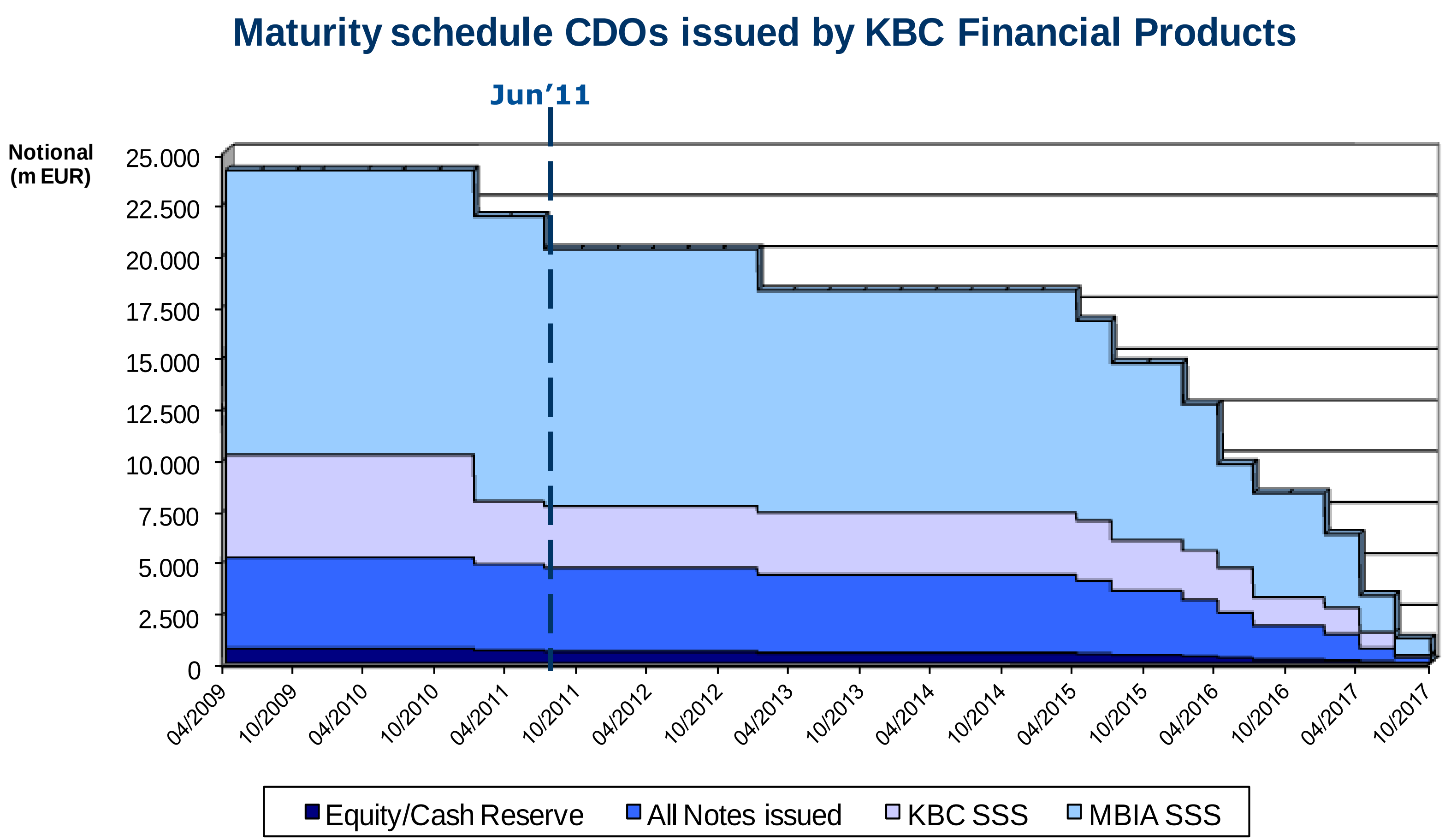
Breakdown of government bond portfolio, banking and insurance, at the end of 1H11 (bn EUR)

	Banking	Insurance	Total
Portugal	0.1	0.2	**0.3**
Ireland	0.3	0.1	**0.4**
Italy	5.3	0.8	**6.1**
Greece	0.3	0.2	**0.5**
Spain	1.5	0.7	**2.2**
TOTAL	**7.6**	**1.9**	**9.6**

Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the 'new future'
- Basel III impact for KBC Group
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

Maturity schedule for CDO portfolio



The total FP CDO exposure includes the 'unhedged' own investment portfolio as well as the 'hedged' portfolio that is insured by MBIA

Summary of government transactions (1)

- State guarantee on 16.0bn* euros' worth of CDO-linked instruments
  - Scope
    - CDO investments that were not yet written down to zero (3.0bn EUR) when the transaction was finalised
    - CDO-linked exposure to MBIA, the US monoline insurer (13.0bn EUR)
  - First and second tranche: 4.1bn EUR, impact on P&L borne in full by KBC, KBC has option to call on equity capital increase up to 1.6bn EUR (90% of 1.8bn EUR) from the Belgian State
  - Third tranche: 11.9bn EUR, 10% of potential impact borne by KBC
  - Instrument by instrument approach

		Potential *P&L* impact for KBC	Potential *capital* impact for KBC
16.0bn - 100% 1st tranche	2.4bn	100%	100%
13.7bn - 85% 2nd tranche	1.8bn	100%	10% (90% compensated by equity guarantee)
11.9bn - 74% 3rd tranche	11.9bn	10% (90% compensated by cash guarantee)	10% (90% compensated by cash guarantee)

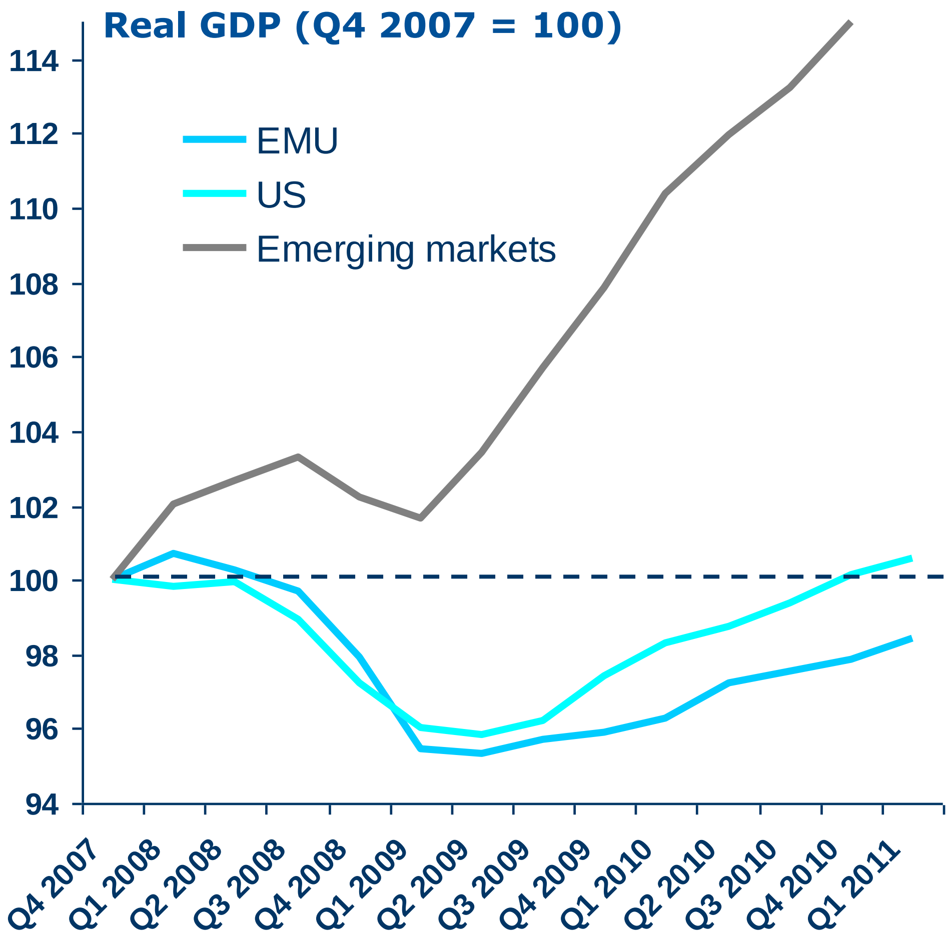
• Excluding Chiswell, as the underlying risk to Chiswell was removed as at the end of June

Appendices

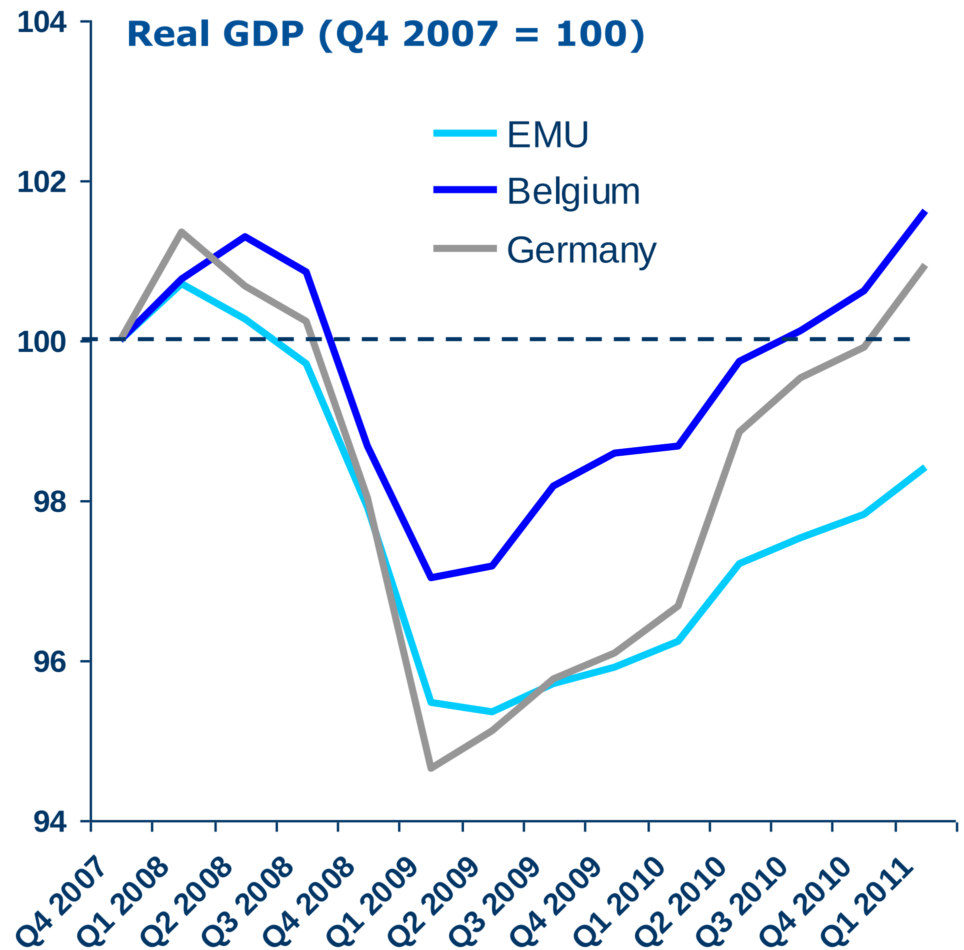
- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Strategic review/divestment programme and the ‘new future’
- Basel III impact for KBC Group
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

Solid global recovery till spring 2011 ...

Developed versus emerging markets

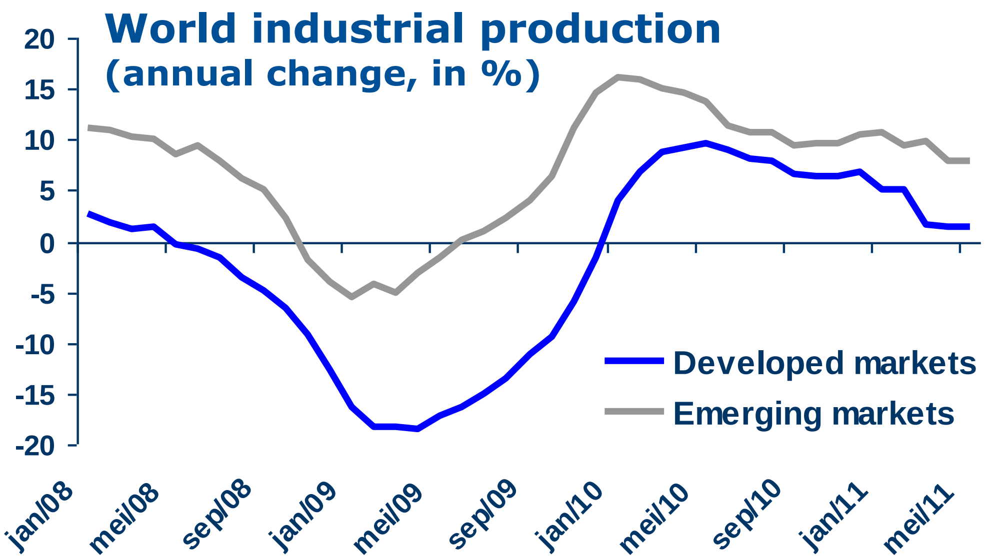


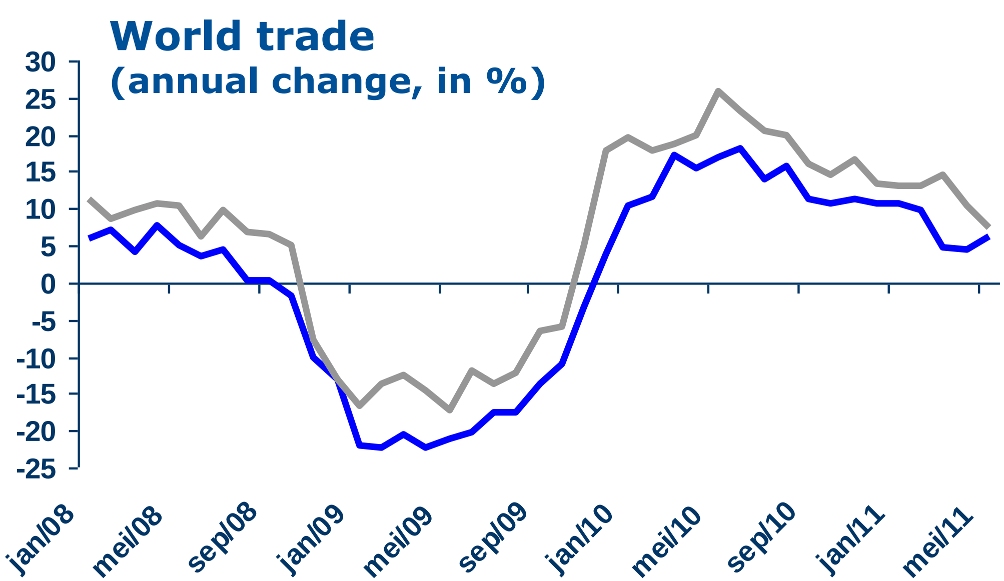
Belgium outperforming the euro area

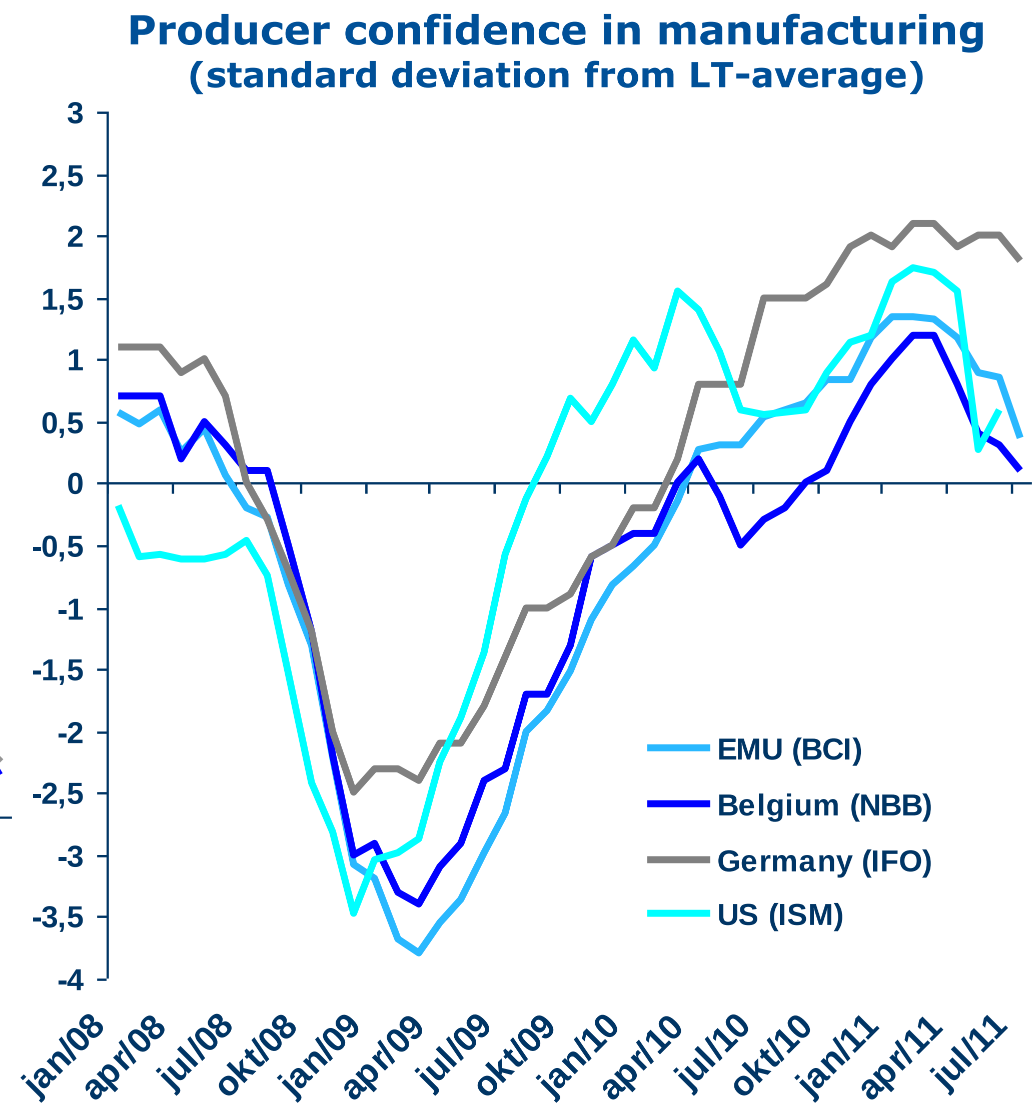


Source: KBC, Group Chief Economist Department

... but indicators pointing to a growth moderation

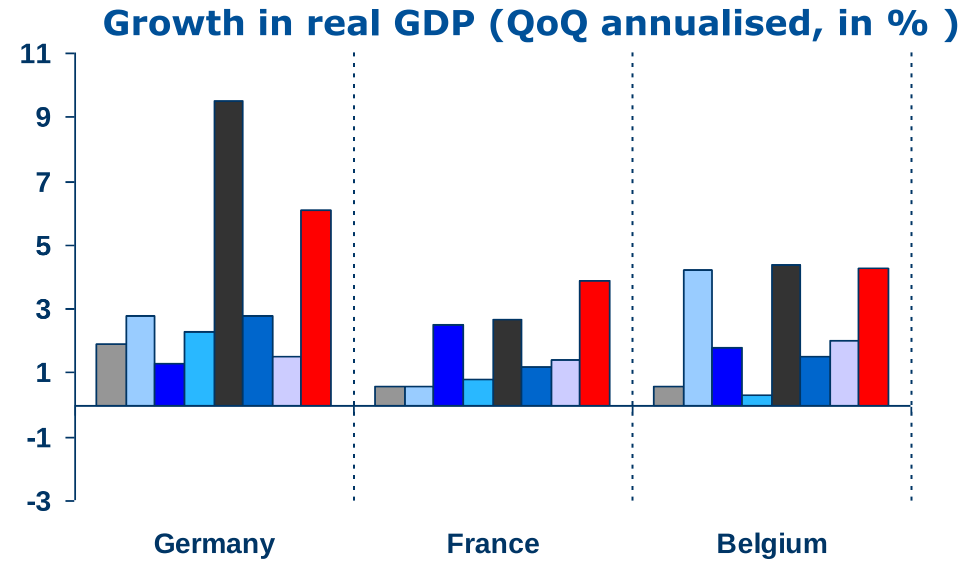


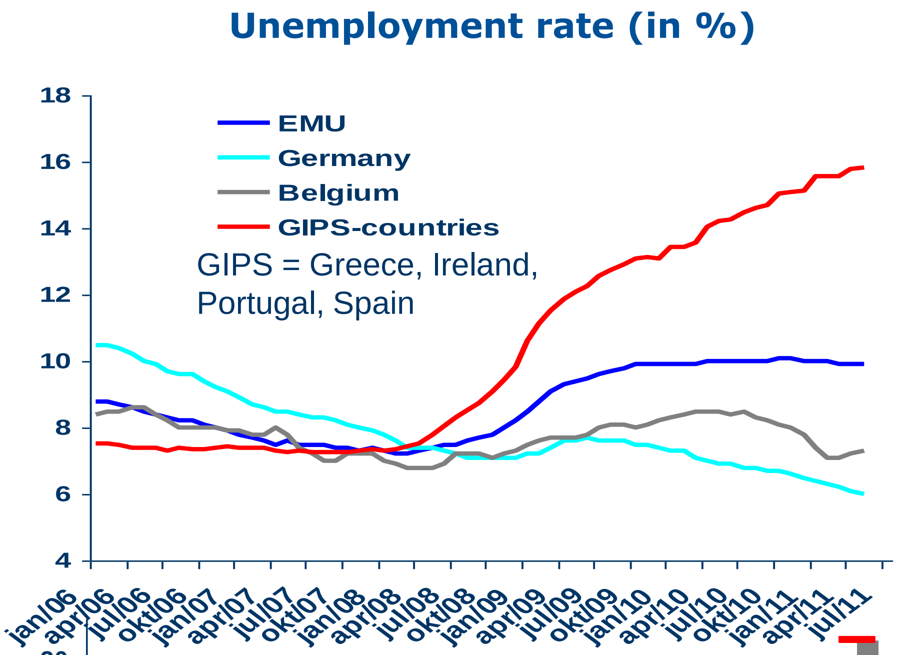


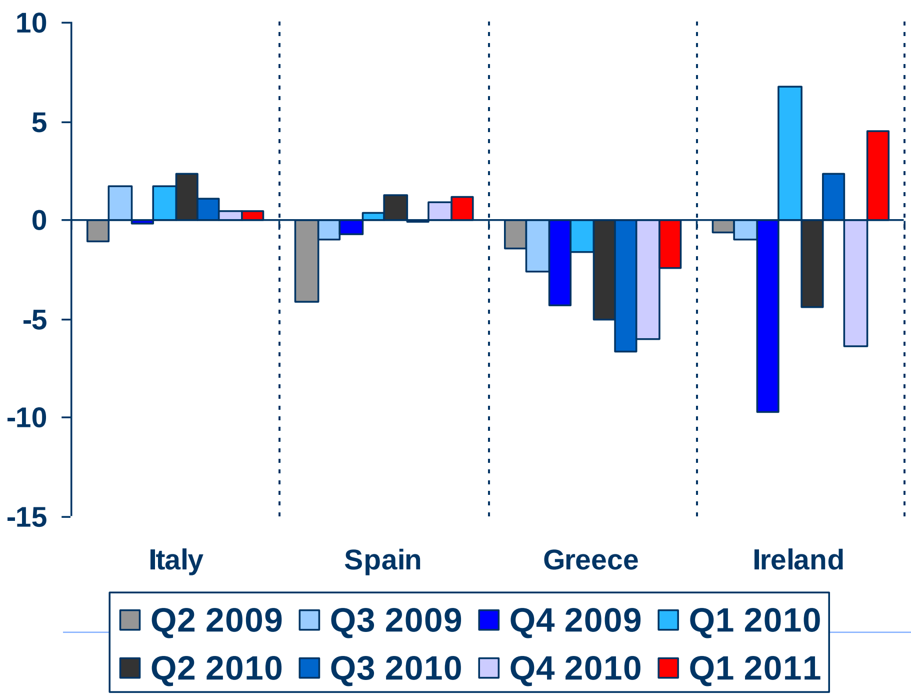


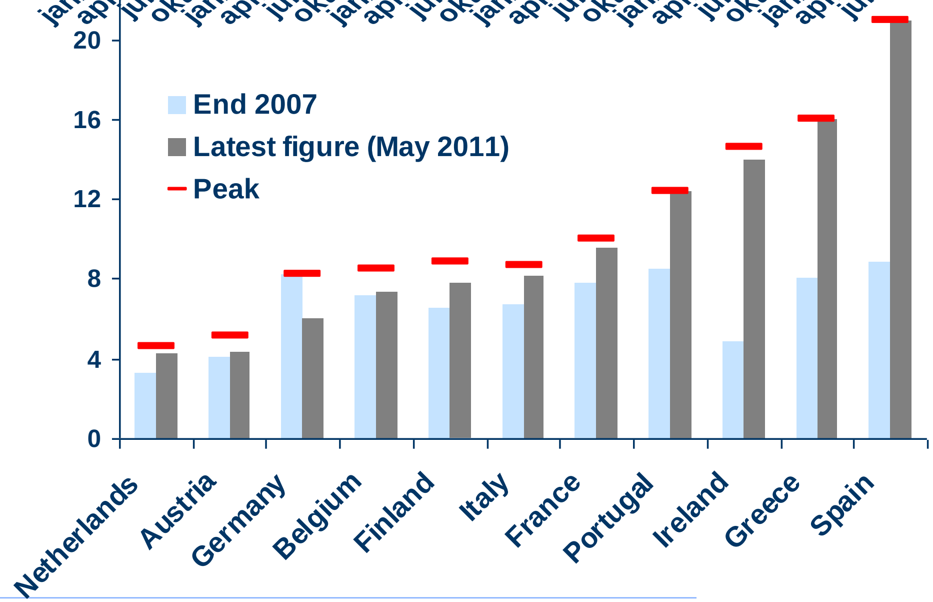
Source: KBC, Group Chief Economist Department

Intra-EMU growth divergence continues









Economic outlook (KBC base case scenario)

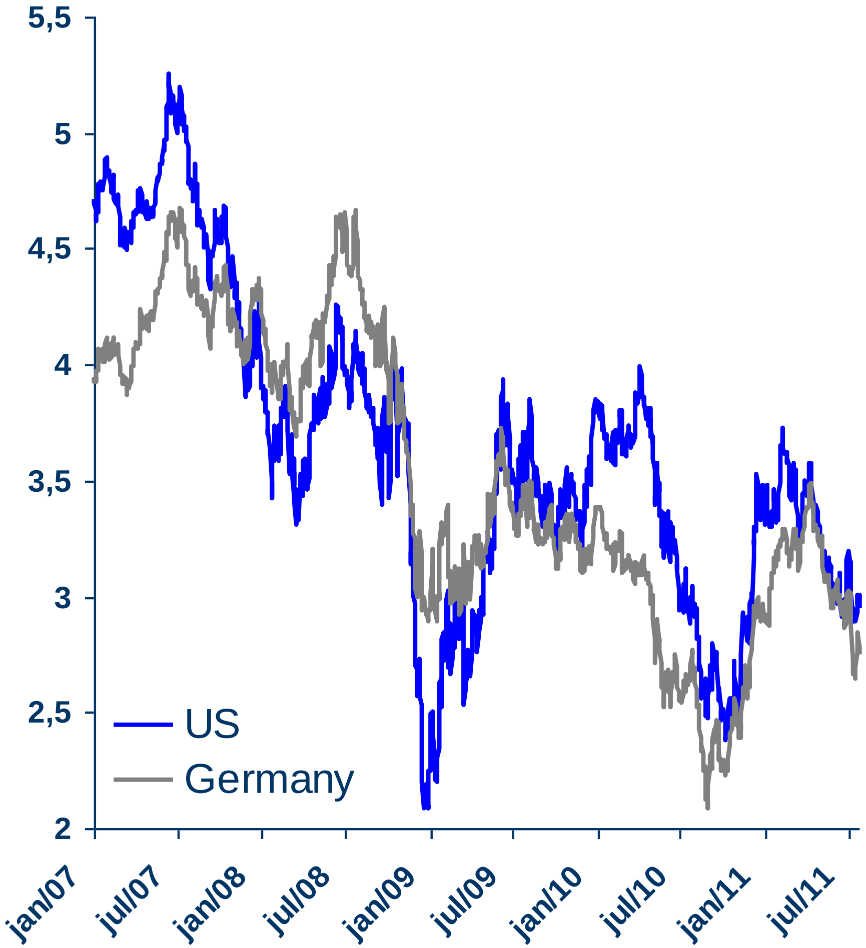
	Real GDP growth (in %)	
	2011	*2012*
US	1.7	1.7
EMU	1.7	1.2
Belgium	2.2	1.5
Czech Rep.	2.1	2.0
Slovakia	2.9	2.0
Hungary	2.3	1.8
Poland	3.8	3.0

	Inflation (in %)	
	2011	*2012*
US	2.9	1.8
EMU	2.6	1.8
Belgium	3.7	2.2
Czech Rep.	2.2	2.4
Slovakia	4.1	3.4
Hungary	4.4	3.8
Poland	4.0	2.9

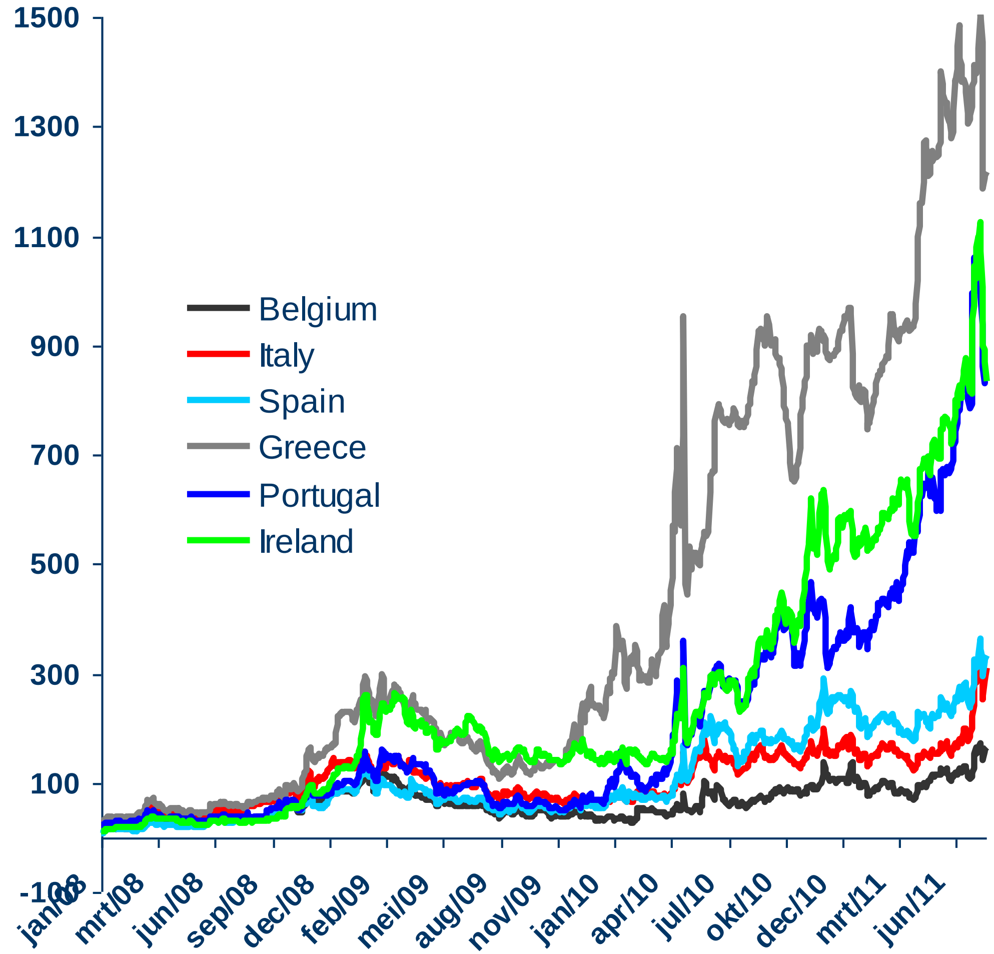
Source: KBC, Group Chief Economist Department

Bond markets anticipating weaker growth, with intra-EMU spreads persistently high

Long-term interest rates
(10-year gov., in %)



Interest rate spreads intra EMU
(difference with 10-year Bund, in bps)



Source: KBC, Group Chief Economist Department

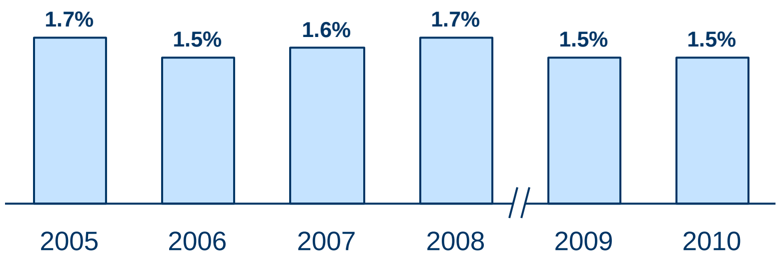
Housing market in Belgium

Belgian housing market not a threat

- In several markets house prices dropped significantly during 2007-2010 whereas in Belgium house prices dropped by (only) 0.3% in 2009 and increased again (+5.9%) in 2010
- Over the past decade, house prices have developed in line with structural factors such as demographics, interest rates and disposable income
- KBC has adopted a disciplined approach to mortgage product offerings: mortgages with ‘high LTV’, ‘interest-only’, ‘no-income-verification’ or similar features are not commonly used
- The financial situation of Belgian households remains sound with debt to income levels well below those in the most affected countries

Decrease in house prices, peak to trough (in period Q1 2007 – Q4 2010)	
UK	-19%
IRL	-38%
ESP	-15%
BEL	-3.4%

KBC, share of non-performing loans, Belgian retail business*



Source: KBC, Group Chief Economist Department