KBC Group / Bank

DEBT ROADSHOW

November 2011

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Main strengths of KBC Group

- Well-developed bancassurance strategy and strong cross-selling capabilities
- Strong franchise in Belgium with high and stable return levels (ROAC of 25% in 9M11)
- Access to growth in ‘new Europe’ (most mature markets in the region)
- Core profitability in home markets remains intact, but 3Q11 results were affected by the execution of our strategy (KBL, Fidea), one-off items (Greek government bonds, 5-5-5 bonds, Hungary, Bulgaria) and market-driven items (CDO, Ireland, share portfolio). Good Oct’11 results lead to FY11 guidance for underlying net profit of 1.2bn EUR – 1.4bn EUR
- Intention to reimburse 500m EUR at 15% premium before end 2011 to Federal Government without pari passu, waived by the Flemish Government until end of 2012
- Stable shareholder structure
- Solid liquidity position, with a LTD ratio of 85% 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 9M11: 11.7% and 13.6% respectively. The Belgian regulator confirmed to us that the YES (Yield Enhanced Sec.) will be fully grandfathered as common equity under the current CRD4 proposal

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-Nov 2011): 5bn EUR
  - Total assets: 305bn EUR at the end of 9M11
  - Total equity: 17bn EUR
  - Tier-1 ratio: 13.6% (11.7% core)

- Key data on KBC Bank
  - Total assets: 262bn EUR at the end of 9M11
  - Total equity: 14bn EUR
  - Tier-1 ratio: 12.5% (10.4% core)

- Credit ratings of KBC Bank

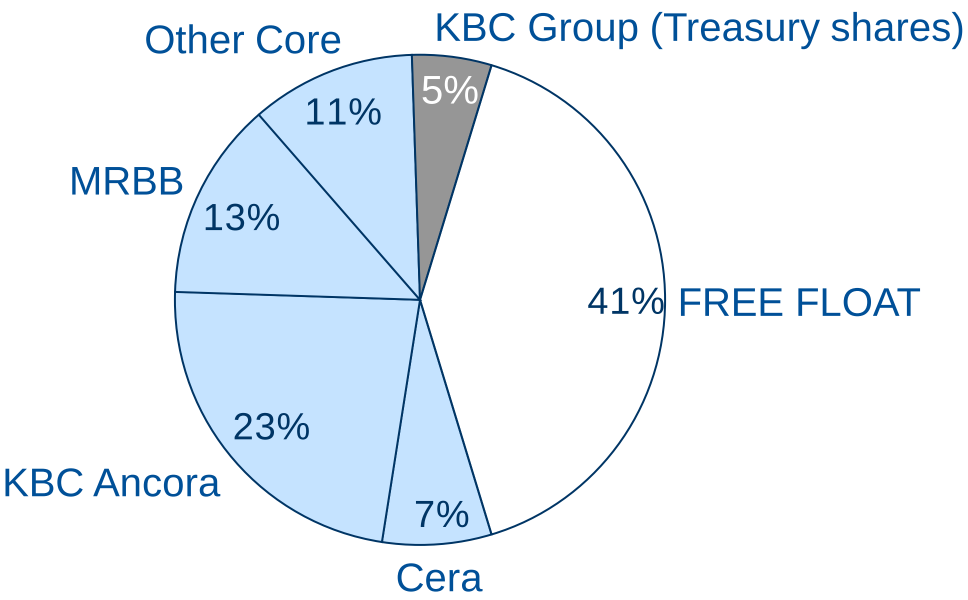
	S&P (Mar 2009)	**Moody's** (Sep 2011)	**Fitch** (Jul 2010)
Long-term	**A / stable**	**A1 / Stable**	**A / Stable**
Short-term	A-1	Prime-1	F1

- Underlying net group profit of KBC Group in 2010: 1,710m EUR
- Underlying net group profit of KBC Group in 9M11: 937m EUR

Stable shareholder structure

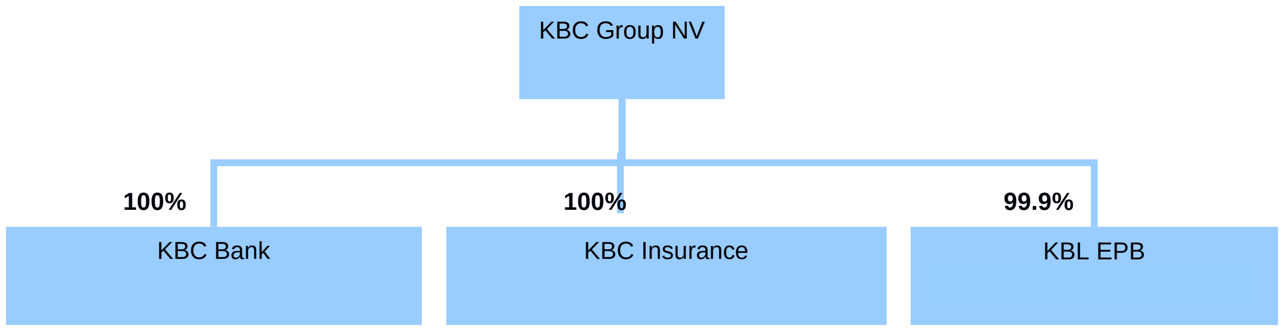
- Over 50% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera / KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of industrialist families

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

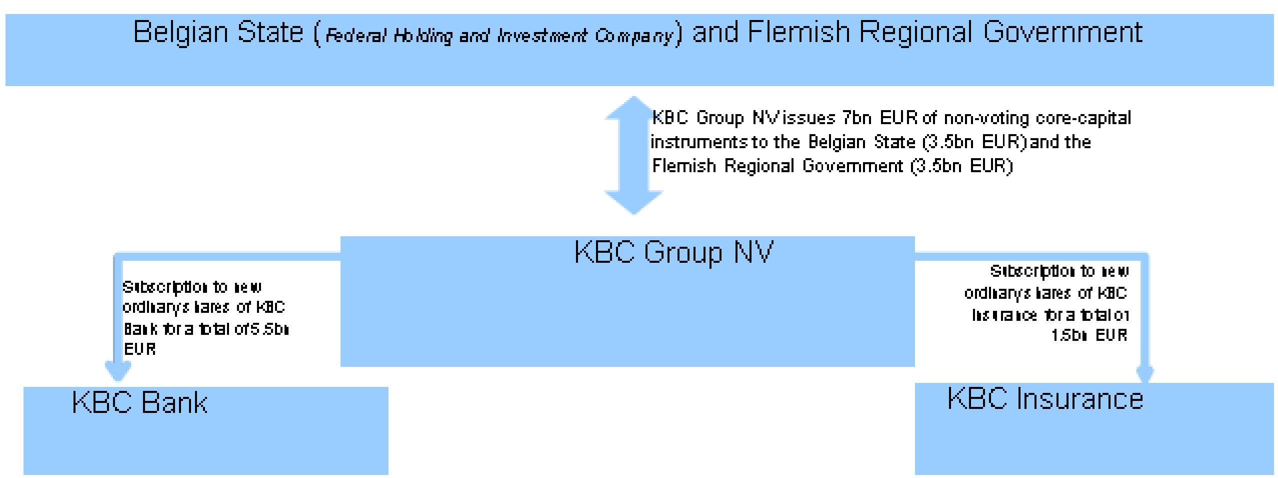


Group's legal structure

- **Group's legal structure**

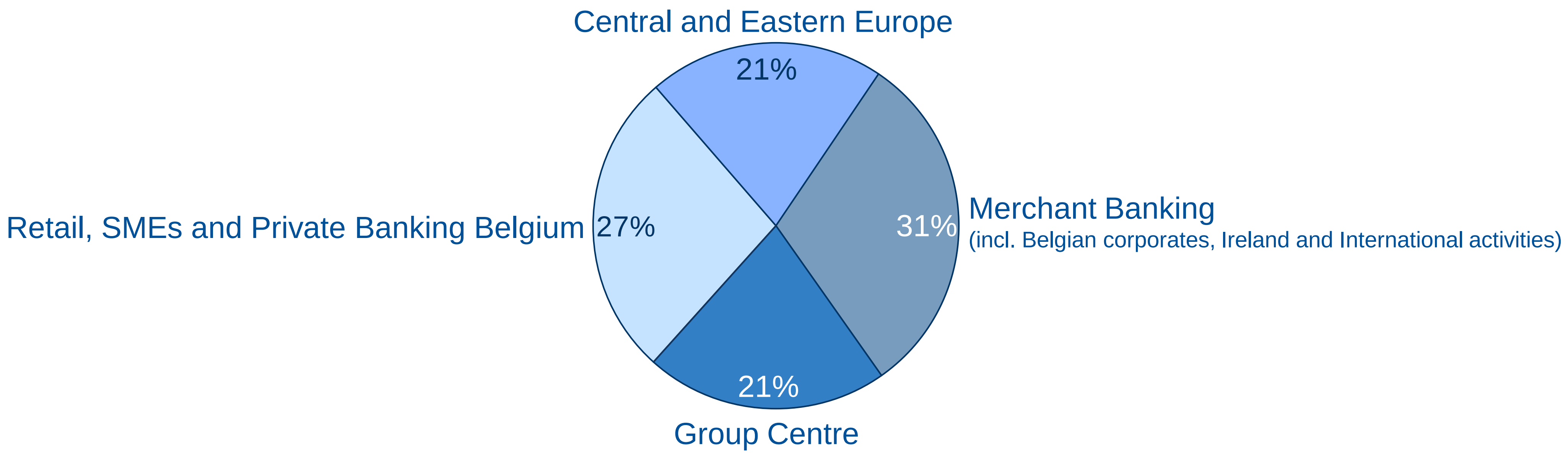


- **Overview of capital transactions with the Belgian State and the Flemish Regional Government**



Business profile of KBC Group

Breakdown of capital allocation as of 30 Sept 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)
- Note that the business unit reporting in 3Q11 has been retroactively adjusted, in line with the updated strategic plan (whereby the CEE BU contains 100% of CSOB Bank CZ, while the Group Centre contains Kredyt Bank and Warta)

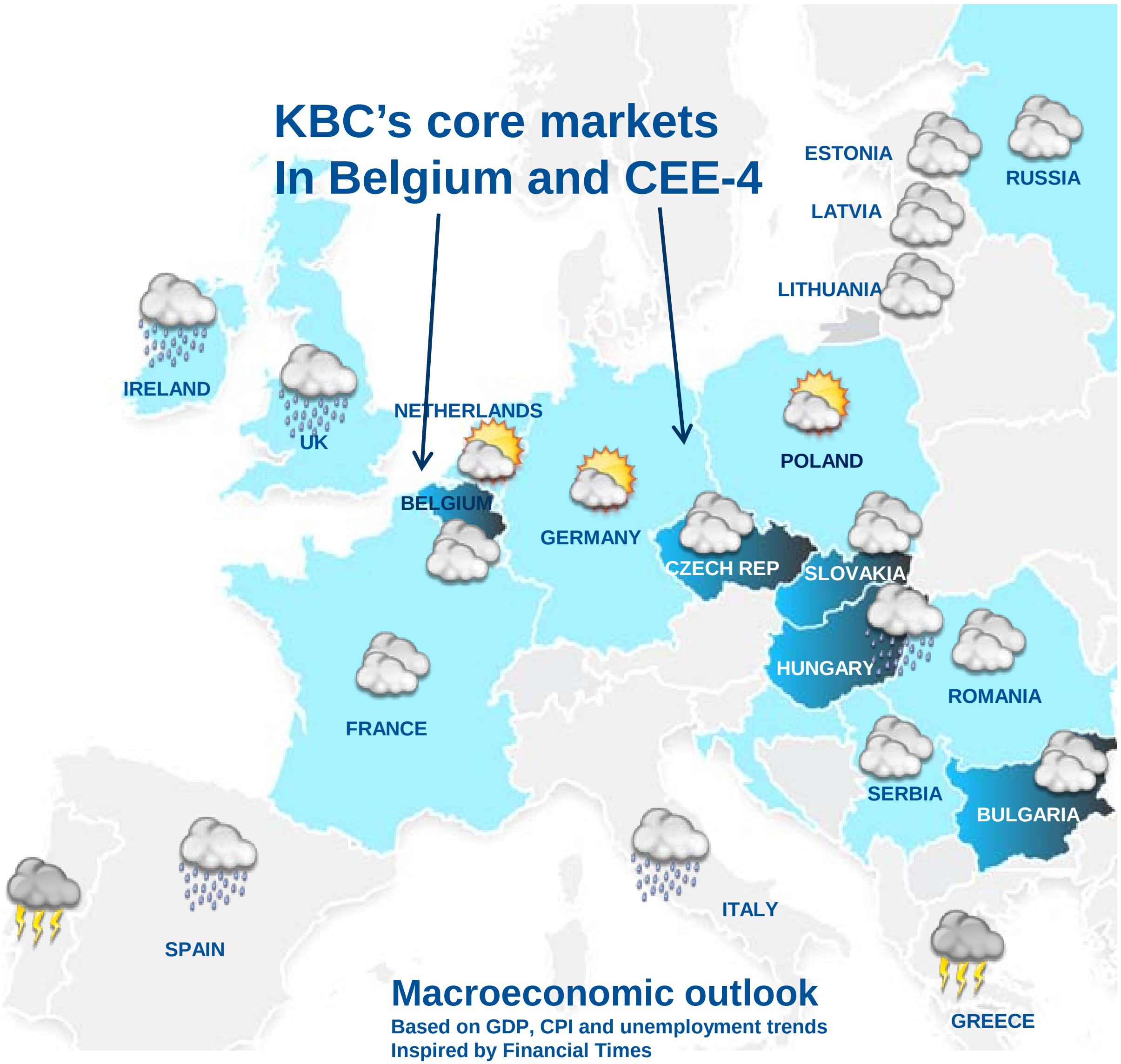
Market shares of KBC Bank in core markets

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: 172bn EUR

Czech Republic (A1)
Total assets: 37bn EUR

Hungary (Baa3)
Total assets: 10bn 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: 12bn 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, November 2011

	% of assets	2010a	2011e	2012e
SK	2%	+4.0%	+3.2%	+2.0%
BE	56%	+2.1%	+2.2%	+1.0%
CZ	12%	+2.2%	+1.8%	+1.1%
BG	1%	+0.2%	+2.0%	+2.4%
HU	3%	+1.1%	+1.5%	+0.5%

Current situation (at end 9M11)

1. Adequate Capital

- Including State core capital securities of 7bn EUR, the core tier-1 ratio for KBC Group was at a comfortable 11.7% level at the end of 9M11. At KBC Bank, the core tier-1 ratio amounted to 10.4% at the end of 9M11

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

- 9M11 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

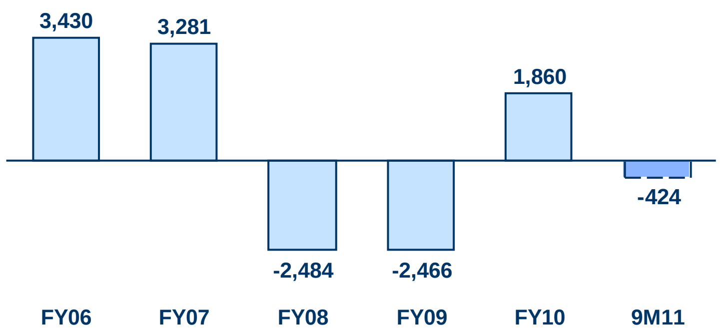
- Strategy and business profile of KBC Group
- Financial performance of KBC Group
- Asset quality of KBC Bank
- Liquidity and solvency of KBC Bank
- Wrap-up

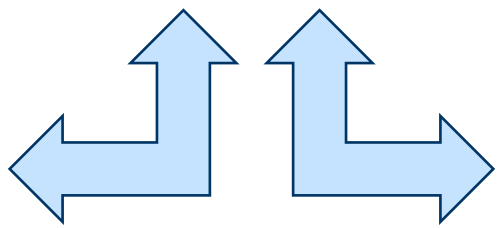
Appendices

Earnings capacity

Amounts in EUR million
for KBC Group

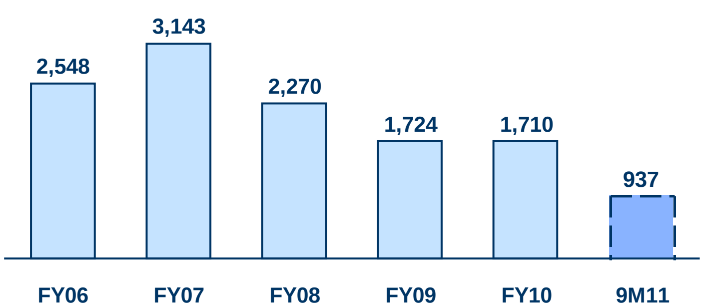
Reported net profit





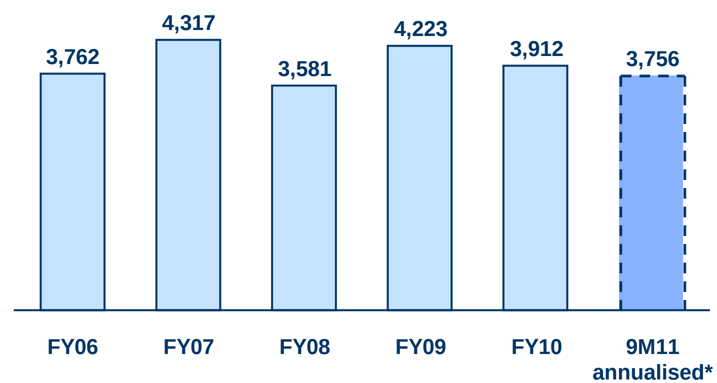
Excl. exceptional items

Underlying net profit



Excl. exceptional items and cyclical effects of credit provisions

Underlying gross operating income (pre-impairments)



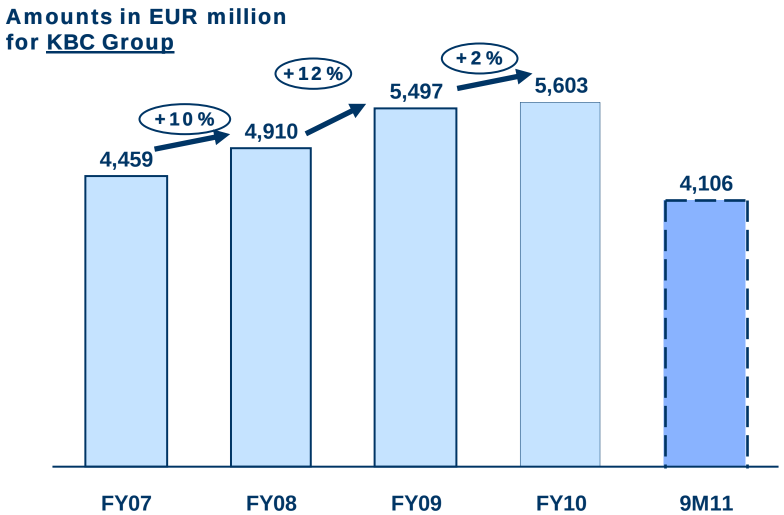
* 9M11 annualised with neutralisation of impact of 5-5-5 bonds

- Core earnings power intact, with a significantly reduced risk profile (trading), despite drastic RWA reduction of 41bn EUR (since the end of 2008)

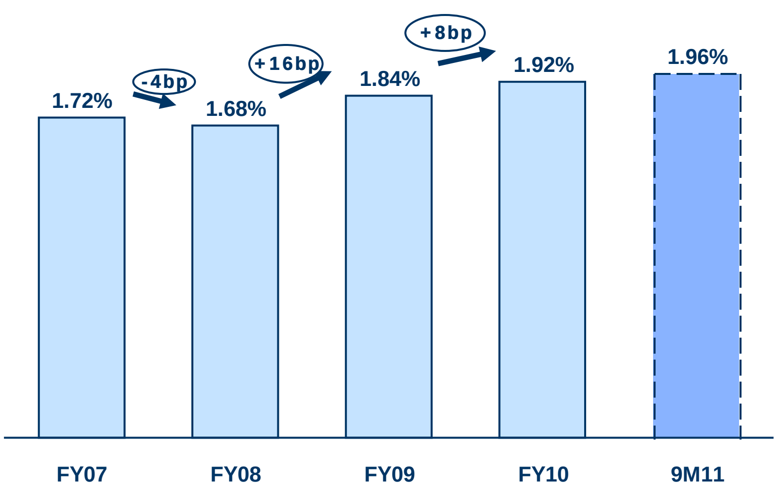
Revenue keeping up well based on healthy margin environment

- 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 9M11 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 9M11 rose by 1% y-o-y. The growth of loan volumes in the Belgium and CEE business units (respectively 5% and 3% y-o-y) was partly offset by a further reduction in the international loan book (Merchant Banking and Russia) in line with strategic focus. Deposit volumes fell by 4% y-o-y mainly due to a decrease in institutional deposits (deposit volumes -17% y-o-y in MEB BU), only partly offset by increased deposit volumes in the BE and CEE BU (resp. +9% and +3% y-o-y)

Underlying net interest income
(worldwide)



Net interest margin
(worldwide)

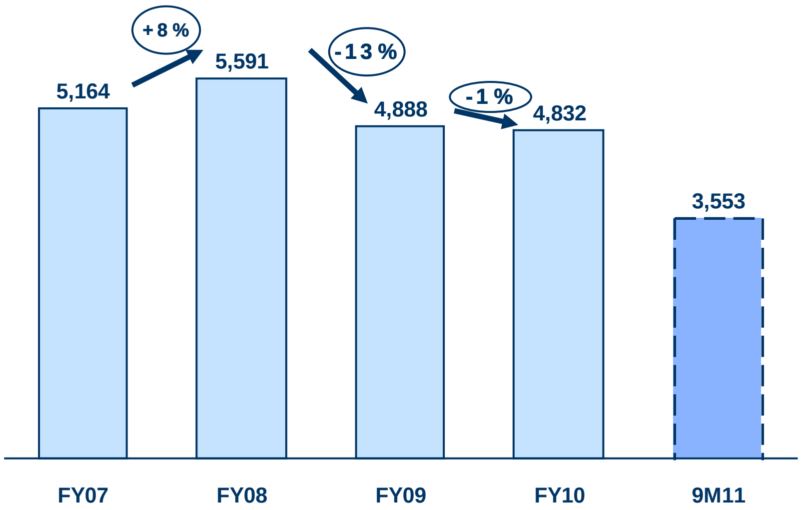


Continued tight cost control, loan loss provisions significantly lower

- 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 9M11 were low, despite high impairment levels at K&H Bank, Bulgaria and KBC Bank Ireland in 3Q11

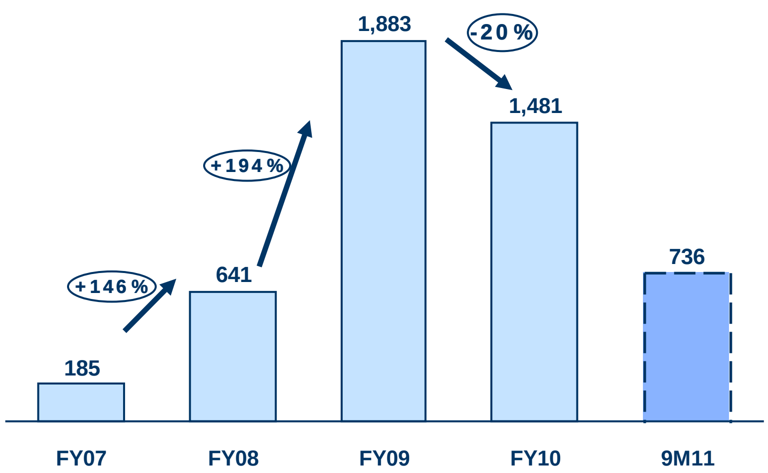
Underlying operating expenses
(worldwide)

Amounts in EUR million for KBC Group



Underlying loan loss provisions
(worldwide)

Amounts in EUR million for KBC Group



Loan loss experience at KBC

	9M 2011 credit cost ratio	FY 2010 credit cost ratio	FY 2009 credit cost ratio	Average '99 –'10	Peak '99 –'10
Belgium	**0.09%**	0.15%	0.15%	0.16%	0.31%
CEE	**1.44%***	1.16%	2.11%	1.05%	2.75%
Merchant	**0.90%**	1.38%**	1.19%	0.55%	1.38%**
Group Centre	**0.09%**	1.17%	1.58%		
Total	**0.61%*****	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 level at CEE is fully attributable to due to Bulgaria (very illiquid domestic Real Estate marketplace) and K&H Bank (impact of new law on FX mortgages) in 3Q11

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

*** Credit cost ratio fell to 0.61% YTD (from 0.91% in FY10). Excluding several impairment releases in 1Q11 and excluding the 3Q11 'one-off 'impairments booked for Bulgaria, K&H Bank (due to new FX measure) and KBC Bank Ireland, the credit cost ratio was 0.32% YTD

Contents

Balance sheet risks?
(KBC Bank consolidated at end 9M11)

Total Assets: 262bn EUR

Tangible & intangible fixed assets (incl. Investment property): 4bn EUR

Loan book: 144bn EUR
(Loans and advances to customers)

1. Credit quality

Trading assets: 28bn EUR

2. Trading exposure

3. 'Toxic' assets

Investment portfolio: 46bn EUR

4. Sovereign bonds

Other (incl. interbank loans): 40bn EUR

Total Liabilities & Equity: 262bn EUR

Parent shareholders' equity: 13bn EUR

Capital adequacy

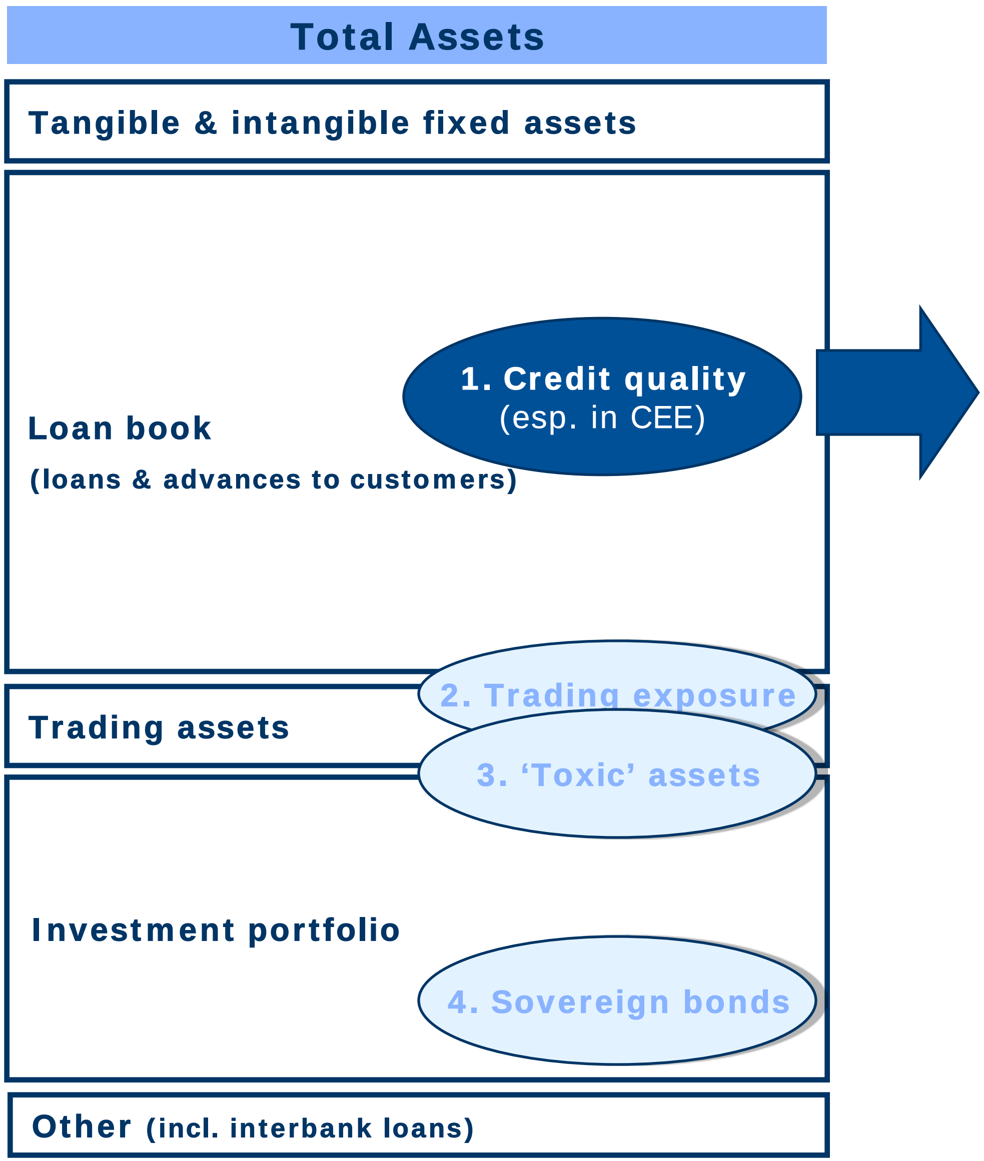
Liquidity position

Funding and deposit base: 189bn EUR

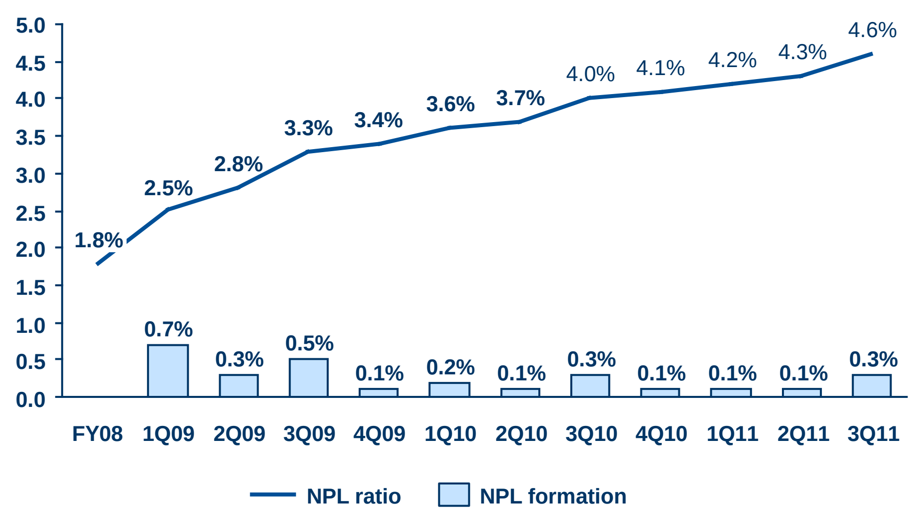
Trading liabilities: 26bn EUR

Other (incl. interbank deposits): 34bn EUR

Credit quality



- Customer loan book: 144bn EUR at end 9M11
  - 39% residential mortgages
  - 3% consumer finance
  - 11% other retail loans
  - 47% SME/corporate loans
- Largely sold through own branches
- Total NPL at 4.6% at end 9M11 (5.7% in CEE)
- NPL cover ratio at 68% at end 9M11 (75% in CEE)



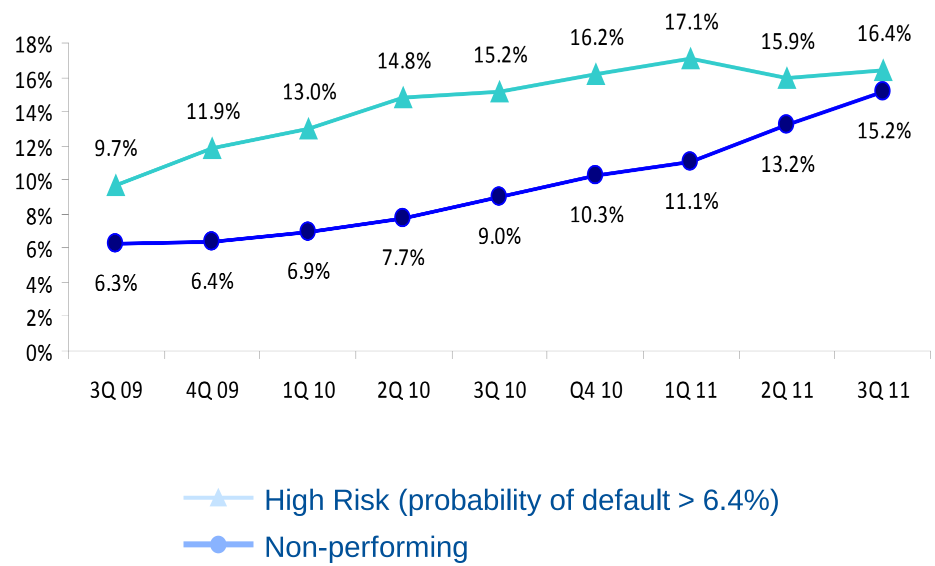
Ireland

- Ireland's implementation of severe austerity measures led to a 13% decline in average household income from peak to current. This resulted in intensifying mortgage arrears and NPL in 3Q11. Retail mortgage loss provisions for 3Q11 were 62m EUR compared to a run rate of 25m EUR per quarter in 1H11
- The weak domestic economy and virtual absence of new transactional activity led to further downward valuations of collateral supporting the commercial portfolio. Commercial loan loss provisions for 3Q11 were 125m EUR compared to 22.5m EUR per quarter in 1H11
- The NPL coverage ratio for the mortgage portfolio when compared on a like for like basis is in line with the Bank's Irish mortgage peer group
- Considering the continued deterioration in the loan portfolio during 3Q11, we anticipate a continuing high level of loan loss provisions in the next couple of quarters of 200m EUR (pre-tax)
- Net income before loan provisions for the 9 months was 172m EUR with a loss after provisions of 110m EUR (post-tax)
- The core tier-1 ratio amounted to 9.24% at the end of 3Q11

Irish loan book – key figures September 2011

Loan portfolio	Outstanding	NPL	NPL coverage	
Owner occupied mortgages	9.6bn	10.5%	27%	29%
Buy to let mortgages	3.2bn	16.2%	33%	
SME /corporate	2.1bn	16.1%	43%	
Real estate investment	1.4bn	23.3%	42%	63%
Real estate development	0.5bn	67.4%	81%	
	16.8bn	15.2%	40%	

Proportion of High Risk and NPLs



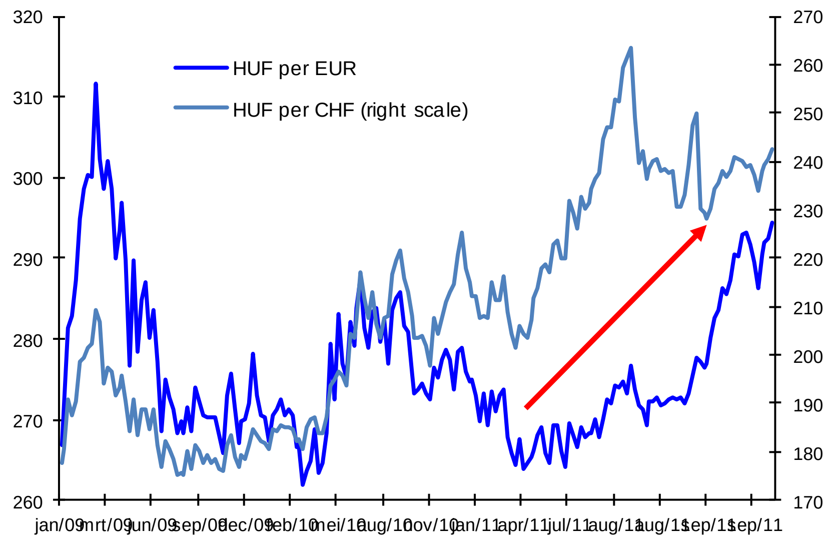
Hungary (1)

- The negative underlying result of K&H Group (-26m EUR YTD) is due to the recognition of the Hungarian bank tax for the full year 2011 in 1Q11 (62m EUR before tax / 51m post-tax) and impairment for the expected impact of the new law on FX mortgage repayment in 3Q11 (92m EUR before tax)
- Loan loss provisions in 3Q11 amounted to 126 m EUR, 92m EUR of which is for the expected impact of the new law on FX mortgage repayment (see details on the next slide). The CCR came to 3.38% YTD (and 1.66% YTD excluding the loan loss provision of 92m EUR)
- NPL rose to 9.4% in 3Q11 (9.1% in 2Q11), an increase attributable mainly to retail lending
- New law on FX mortgage repayment: 20% participation rate expected (see details on the next slide)
- As a result, NPL ratio for the mortgage loans (private) is expected to increase to roughly 15% by the end of the year, partly due to technical reasons

Hungary (2): new law on FX mortgages

- Newly implemented measure: possibility for a full repayment of FX mortgage loans at a fixed exchange rate (for CHF it is a HUF/CHF of 180, which represents a discount of approx. 25% on the prevailing market FX rates). The possibility is open until year-end 2011 for customers to announce their intention to repay with a deadline of end of February 2012 to actually settle

- Impact on K&H: still difficult to define given the uncertainty about the participation rate
  - The eligible FX mortgage portfolio is approximately 2.0bn EUR (denominated largely in CHF)
  - Impairment estimation: Q3 financial statement includes impairment of 92m EUR for the expected impact of FX mortgage repayment assuming a 20% participation rate (i.e. approx. 17,000 K&H customers repaying)



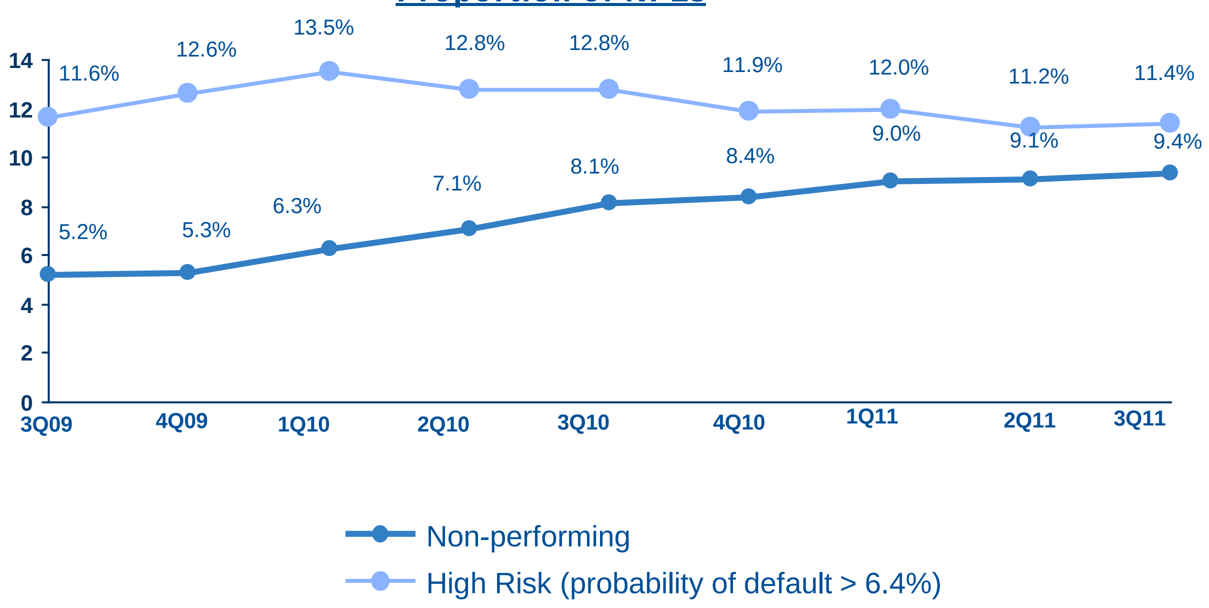
Hungary (3)

Hungarian loan book – key figures September 2011

Loan portfolio	Outstanding	NPL	NPL coverage
SME/Corporate	2.8bn	7.7%	69%
Retail	3.4bn	10.8%	94%
o/w private	3.0bn	10.8%	96%*
o/w companies	0.3bn	10.3%	76%
	6.2bn	9.4%	84%**

* Includes the loan loss provisions of 92m EUR for the expected impact of the new law on FX mortgage repayment.
** Excluding the loan loss provisions of 92m EUR, the NPL coverage ratio for Hungary would have been 68%

Proportion of NPLs



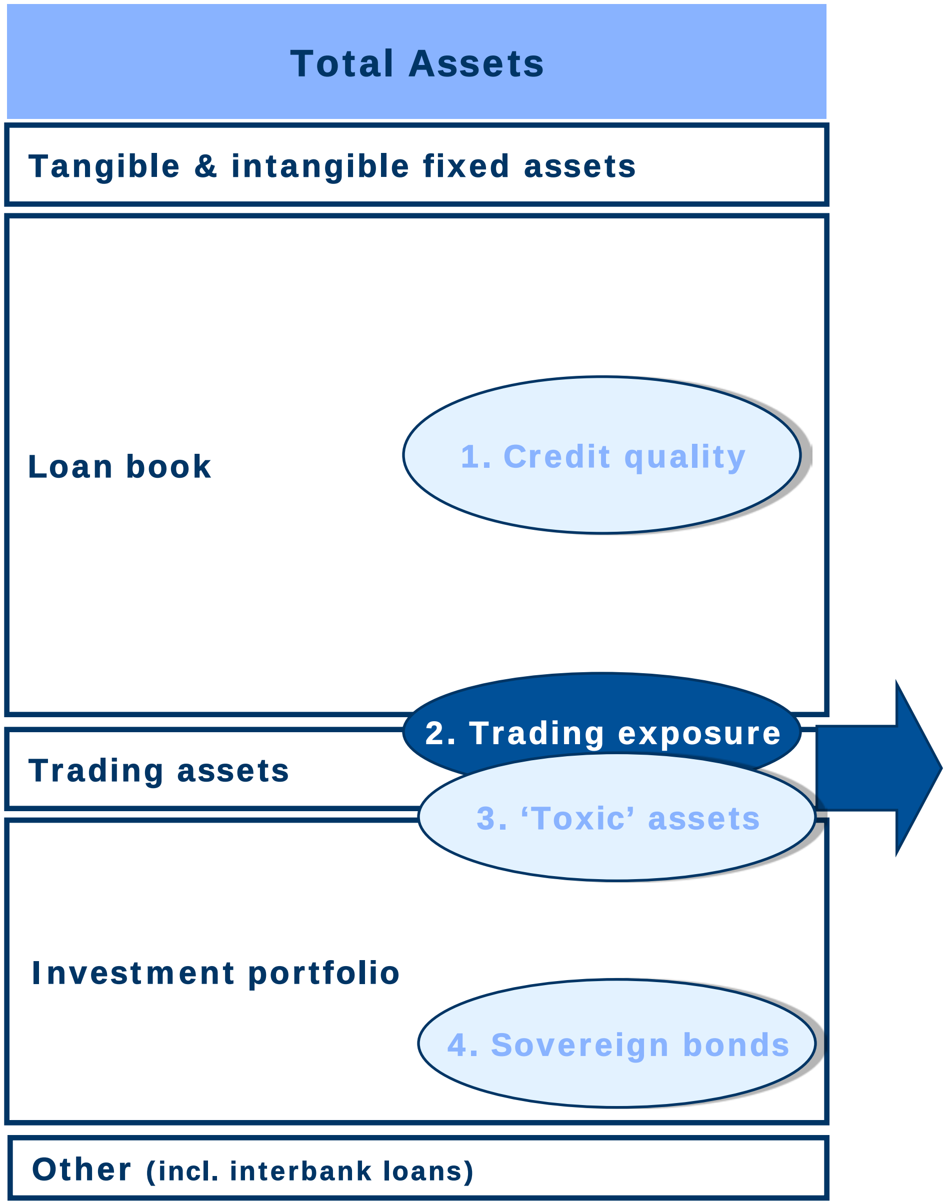
Bulgaria

- The Bulgarian credit portfolio contains a part of loans granted before the acquisition by KBC, which is primarily linked to the Commercial Real Estate sector. It is monitored separately from the core SME and retail business

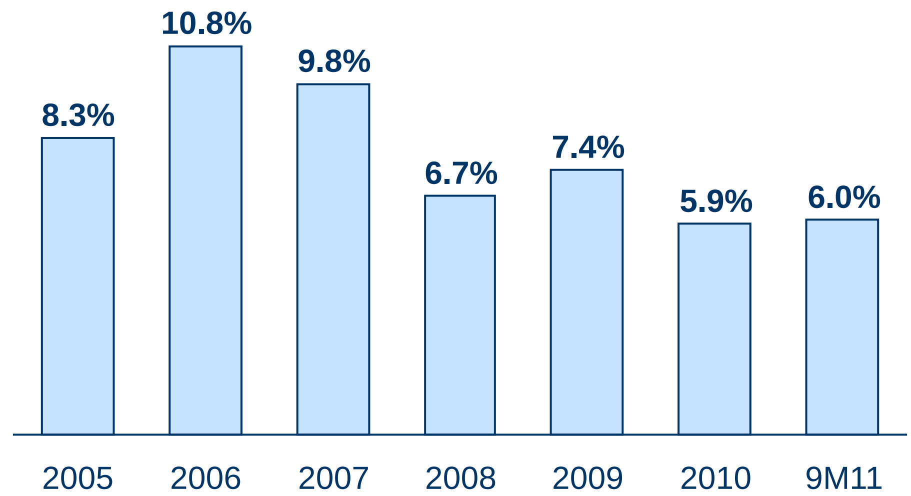
- Given the domestic Real Estate market has not improved, KBC reassessed its required provisioning levels in 3Q11. This led to additional loan loss provisions totaling 96m EUR in 3Q11, which the Group will book resulting in a NPL coverage ratio of 57%

- Due to the more difficult macroeconomic environment, KBC also decided to impair goodwill in the amount of 53m EUR

Trading activities



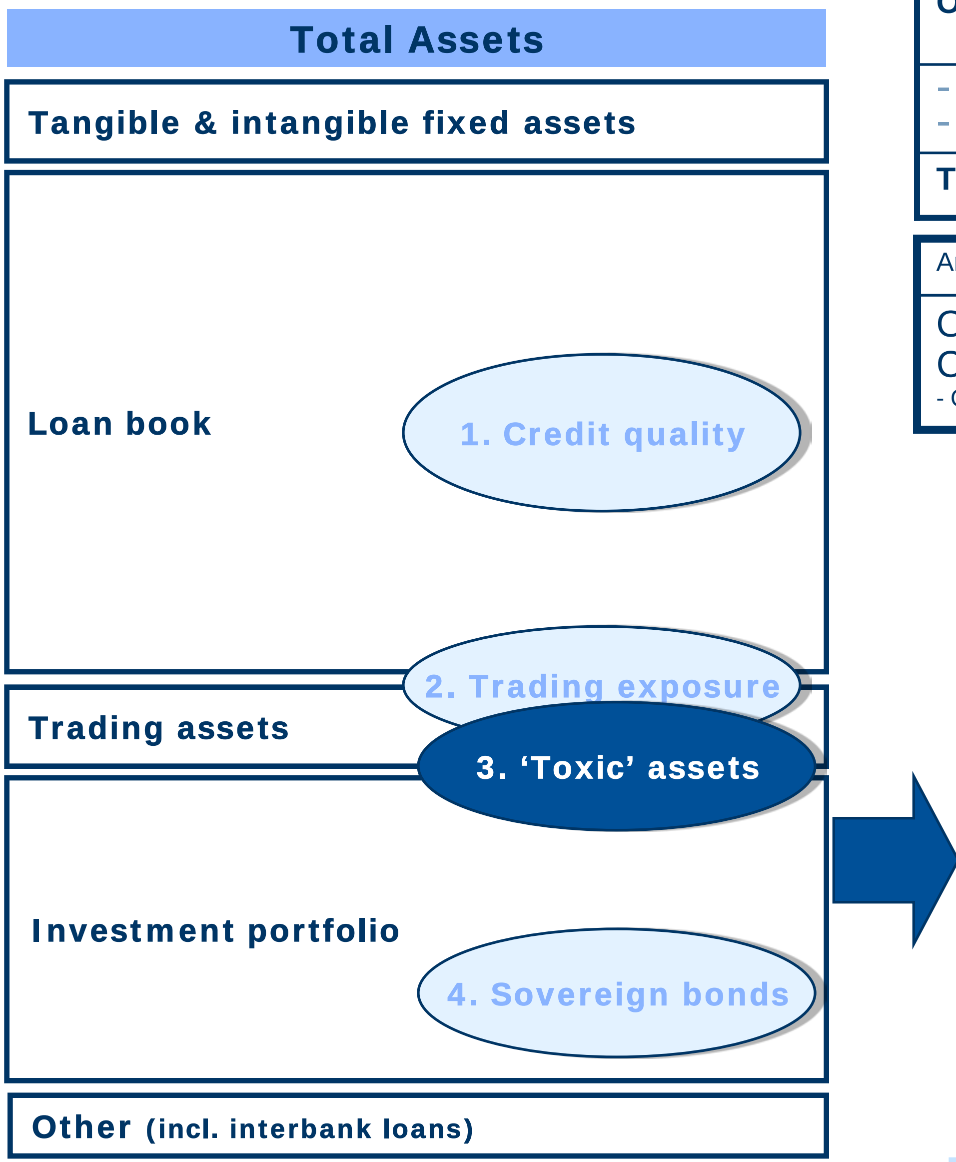
Net (un)realised gains from FIFV within the 'Market Activities' sub-unit, 2005-9M11 (on a pro forma basis)



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



Outstanding CDO exposure* (bn EUR)	Notional	Outstanding markdowns
- Hedged portfolio	10.9	-1.1
- Unhedged portfolio	6.4	-4.2
TOTAL	**17.3**	**-5.3**

Amounts in bn EUR	Total
Outstanding value adjustments	-5.3
Claimed and settled losses	-2.1
- Of which impact of settled credit events	-1.7

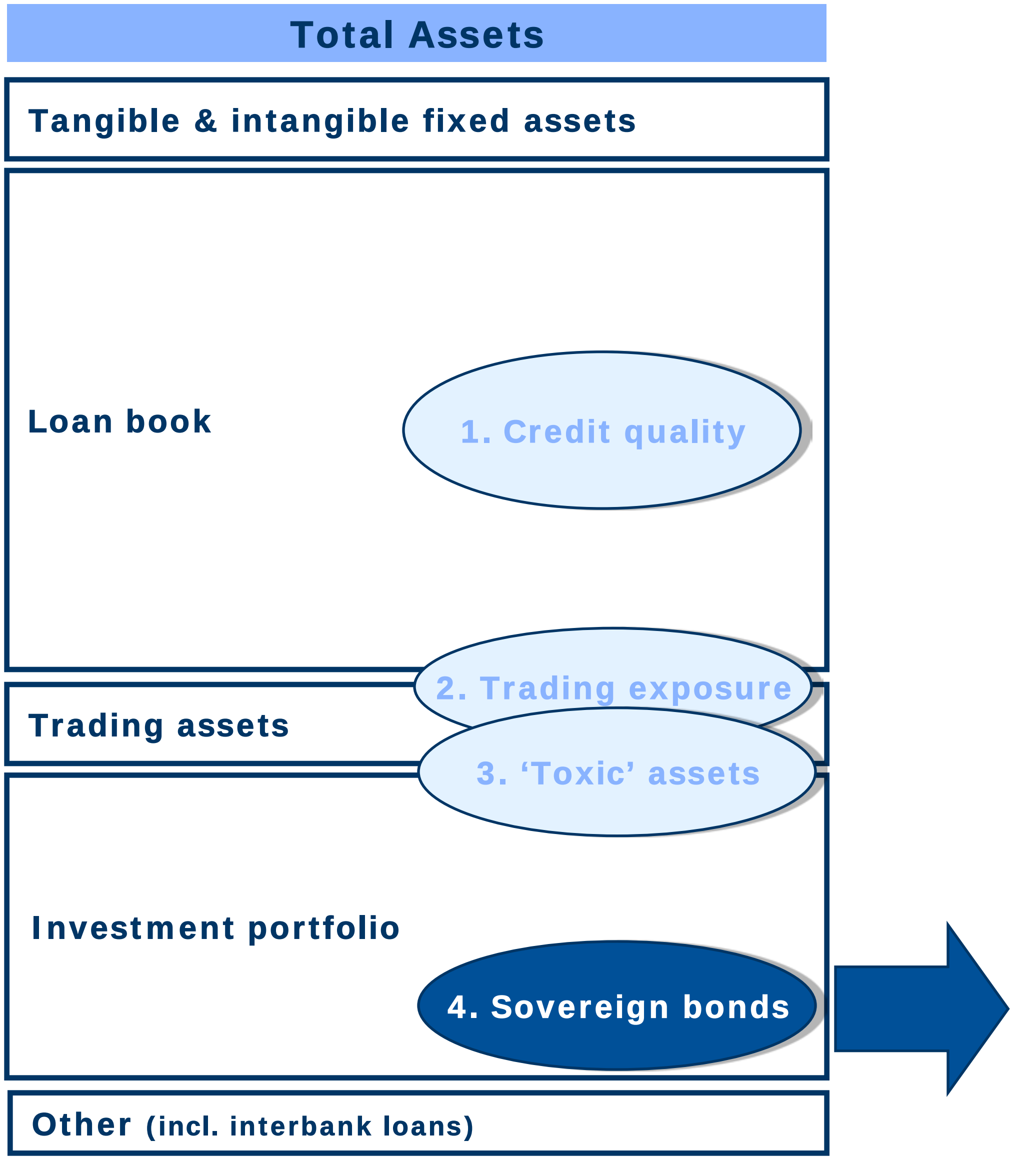
- The total notional amount decreased by roughly 2.5bn EUR, mainly as a result of the early termination of the Fulham CDO (roughly -2.0 bn EUR) and the sale of the position in the Wadsworth CDO (roughly -0.5 bn EUR)
- Outstanding value adjustments amounted to 5.3bn EUR at the end of 3Q11
- Claimed and settled losses amounted to 2.1bn EUR
- Within the scope of the sensitivity tests, the value adjustments reflect a 17% cumulative loss in the underlying corporate risk (approx. 86% of the underlying collateral consists of corporate reference names)
- Reminder: CDO exposure largely written down or covered by a State guarantee

P&L impact of a shift in corporate and ABS credit spreads (reflecting credit risk)**

	10%	20%	50%
Spread tightening	+0.2bn	+0.3bn	+0.8bn
Spread widening	-0.0bn	-0.1bn	-0.4bn

* Figures exclude all expired, unwound or terminated CDOs
** Taking into account the guarantee transacted with the Belgian State and a provision rate for MBIA at 70%
*** See appendices for more details

Investment portfolio (cont'd)



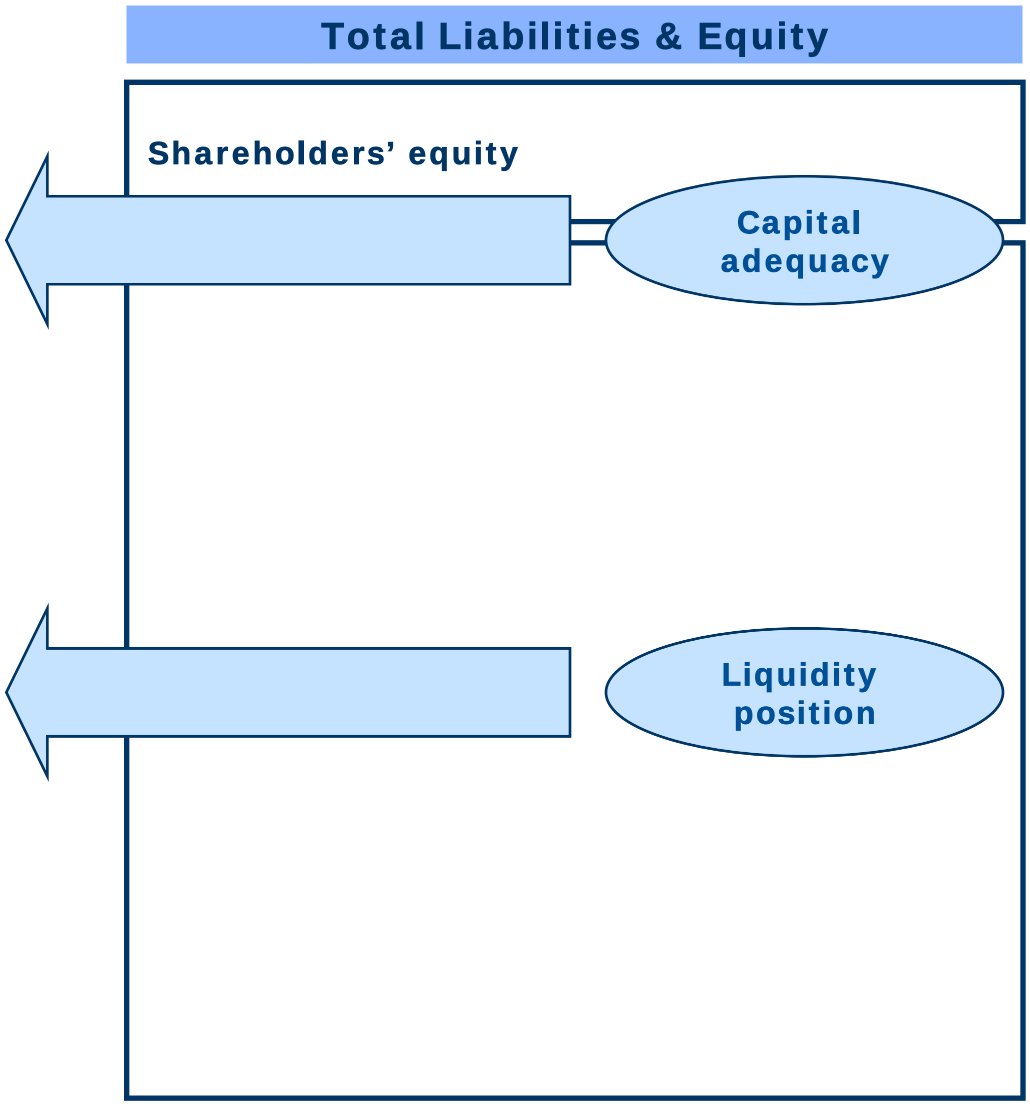
- Government bond investment portfolio at KBC Bank of 51bn EUR (at end of 2010)
- Geographical composition:
  - Almost all European (99.2%)
  - Belgium (AA+/Aa1): 42%
  - CEE (mainly locally held portfolios): 35%
  - Italy: 11%
  - Spain: 3%
  - Greece, Portugal and Ireland: 2%
  - Other Europe: 6%

Contents

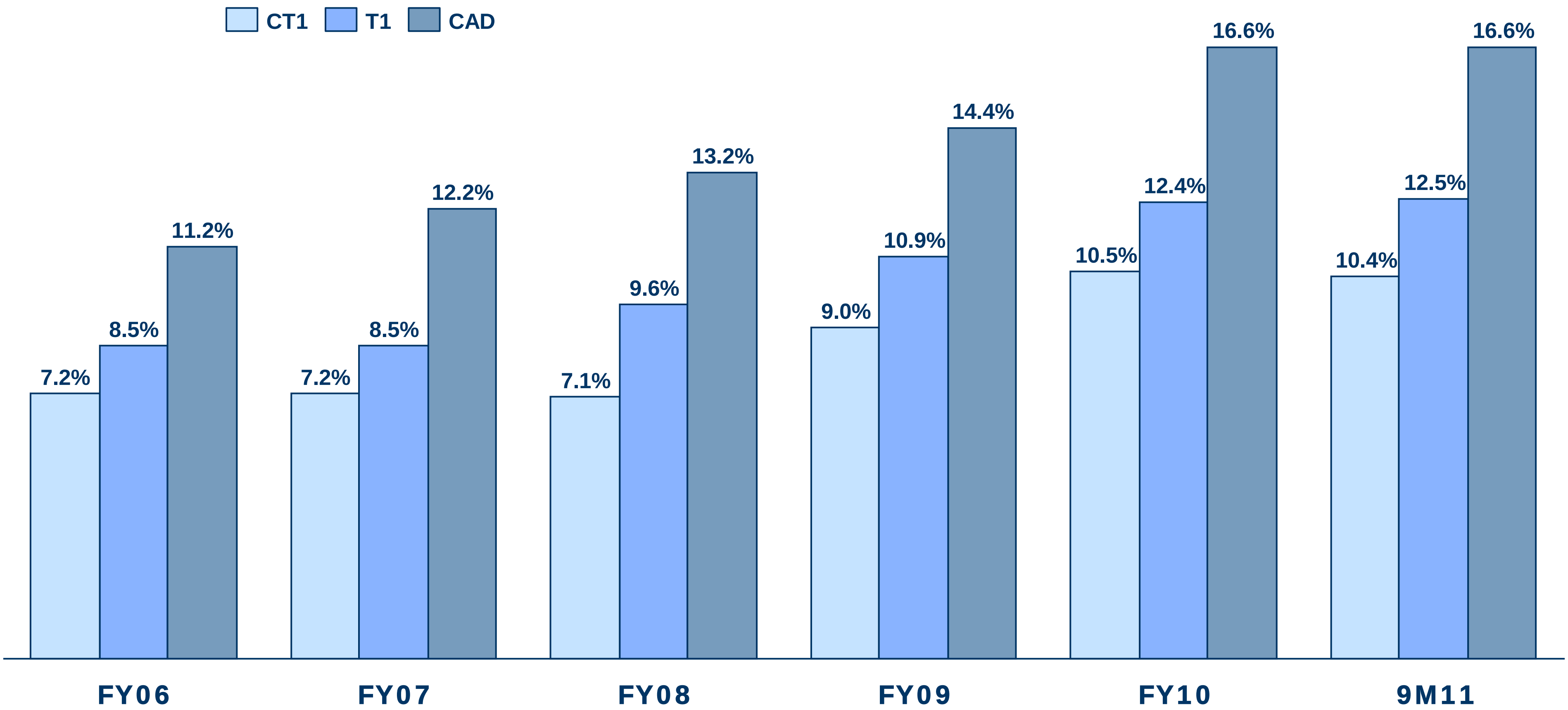
Solvency and liquidity position

- With core tier-1 ratio of 10.4% at KBC Bank (excl. KBL *epb*) and 11.7% at KBC Group, KBC is well positioned to pursue organic growth

- With loan-to-deposit ratio at 85%, 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

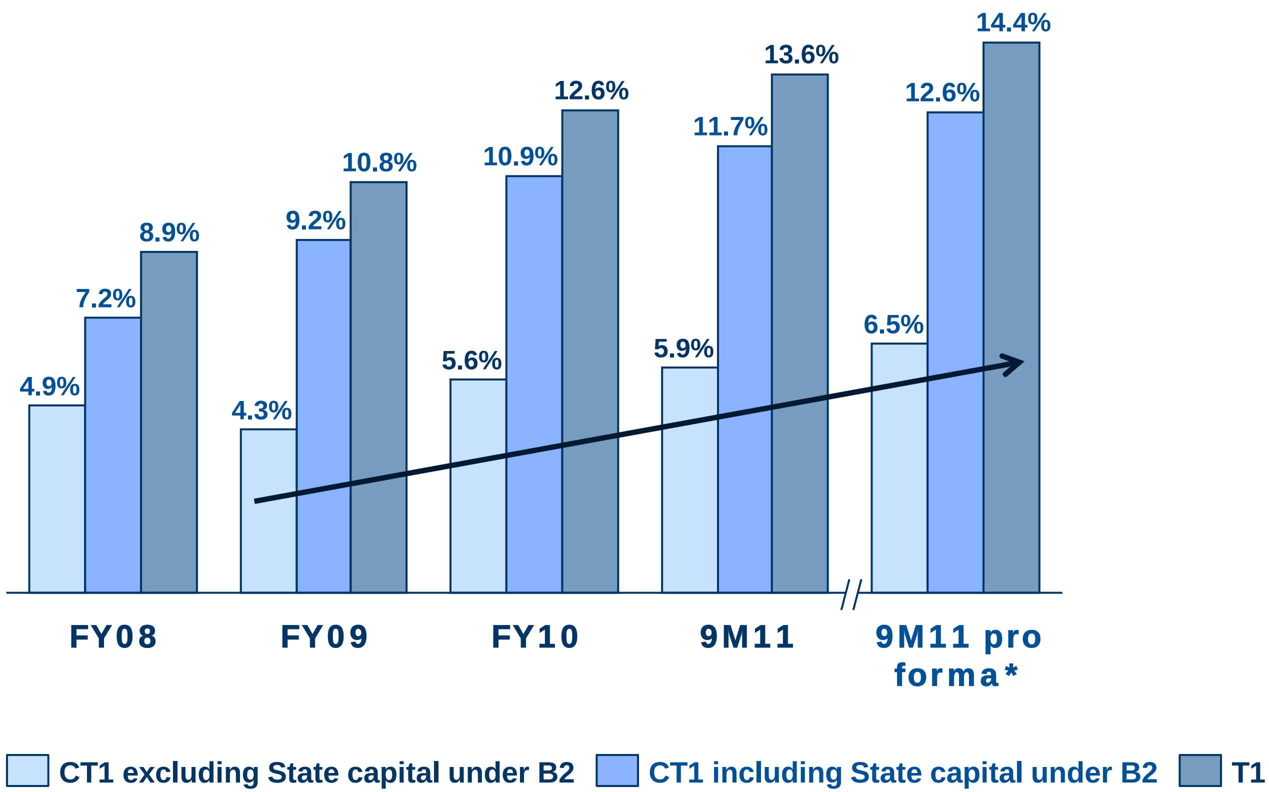


Improved capital ratios at KBC Bank (excl. KBL)



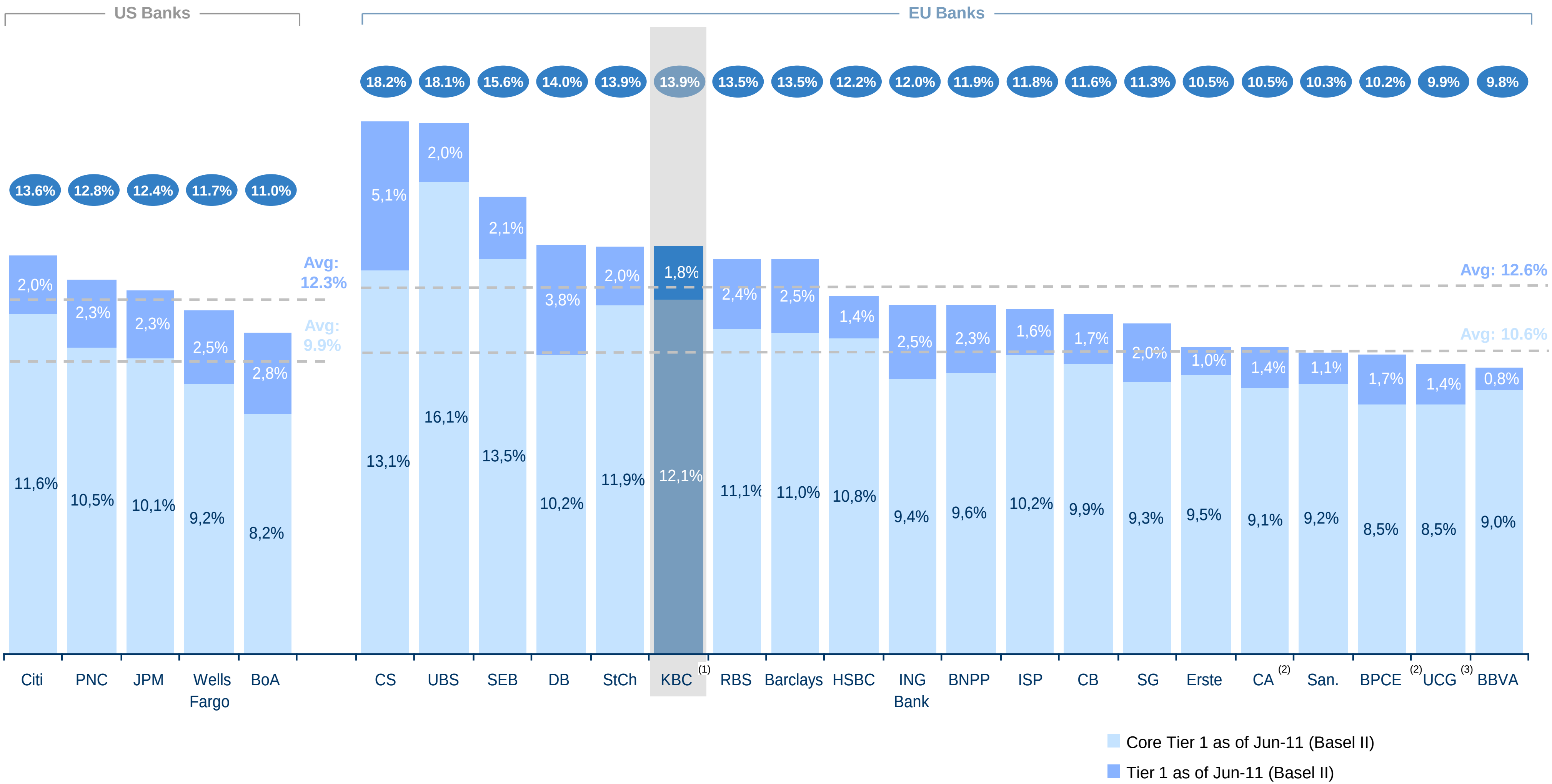
Comfortable capital position at KBC Group

- Strong core tier-1 ratio of 11.7% at KBC Group as at 30 September 2011
- Pro forma core tier-1 ratio – including the effect of divestments for which a sale agreement has been signed to date – of 12.6% at KBC Group



* 9M11 pro forma CT1 includes the impact of divestments already signed

Favourable peer group comparison



Source: Company filings, BoAML, SNL as of June 2011
(1) Pro forma Tier 1 ratio of 14.3% if taking into account effect of divestments for which a sale agreement has been signed to date (i.e. 9th August 2011)
(2) Group solvency
(3) Excluding cashes

Comfortable capital position

- Strong tier-1 ratio of 13.6% (14.4% pro forma) at KBC group as at 30 September 2011 comfortably meets the minimum required tier-1 ratio of 11% (under Basel 2)

- Both KBC Group and KBC Bank meet the 9% core tier-1 threshold under the EBA definition (capital position as per 30 June 2011 according to B2.5 and adjusted to take account of the sovereign exposures marked down (at 30 June 2011)). The preliminary capital buffer as identified at the end of June is sufficient to cover 3Q11 results

- The Belgian regulator confirmed to us that the YES (Yield Enhanced Securities) will be fully grandfathered as common equity under the current CRD4 proposal

- KBC continues to strive to reimburse 7bn EUR to the state by the end of 2013, in line with the European plan

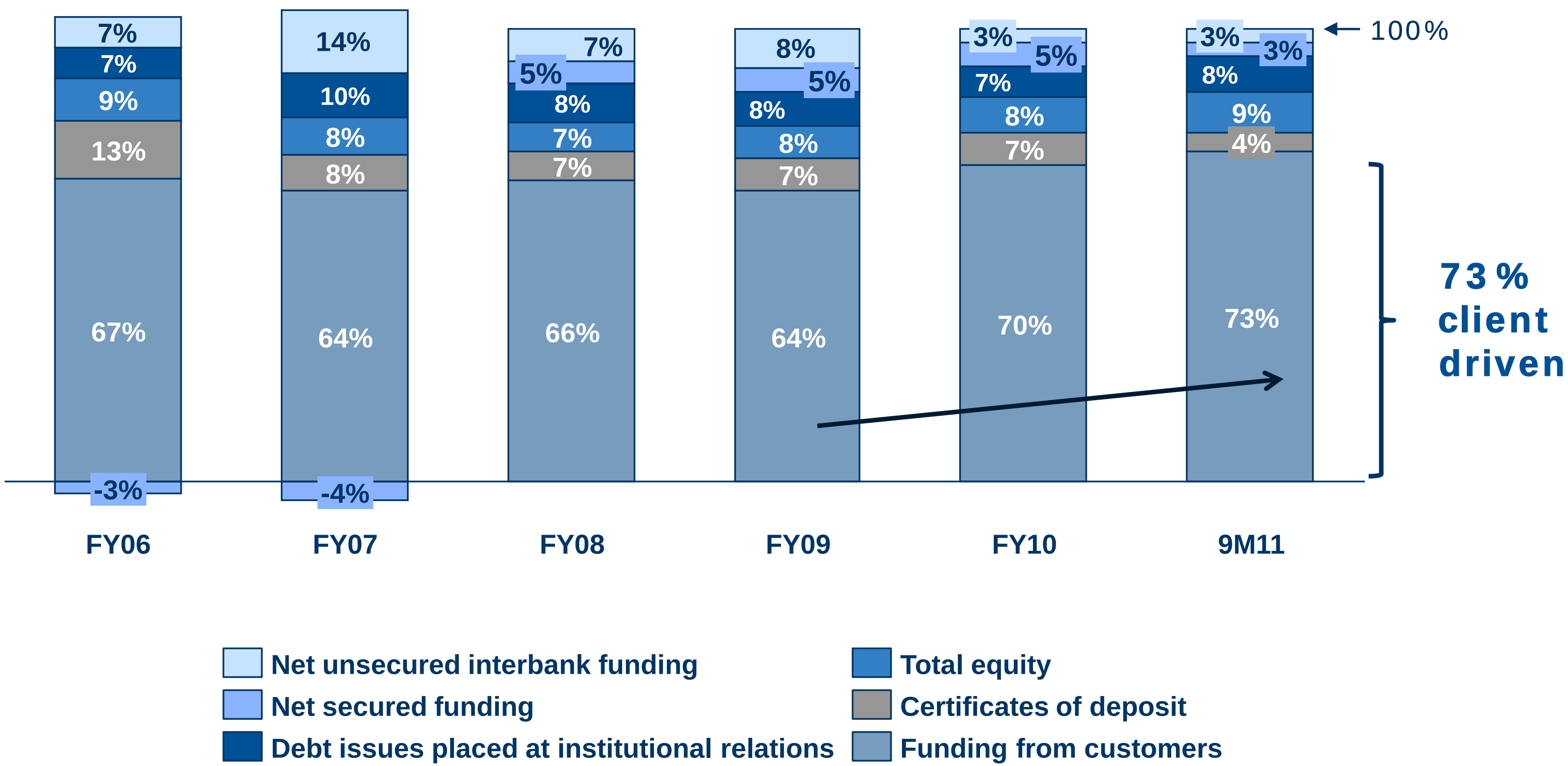
- As of 19 December 2011, conversion of all or part of the federal YES into ordinary shares (1 for 1) may be requested by KBC Group. If KBC Group seeks such conversion, the Belgian State may choose to receive a cash payment with redemption at 15% premium until mid-December 2012. Intention to reimburse 500m EUR at 15% premium before end 2011 to Federal Government without pari passu, waived by the Flemish Government until end of 2012

RWA at end 2013 substantially lower than initially communicated

- Taking into account the sale of our Polish entities, the lower-than-initially-estimated impact on RWA of CRD3, B3 and Solvency2, the reduction in RWA due to the shift from IRB Foundation to IRB Advanced and lower-than-expected organic growth, we estimate that RWA will amount to110bn EUR at the end of 2013 (instead of the 151bn EUR previously estimated)

A solid liquidity position (1)

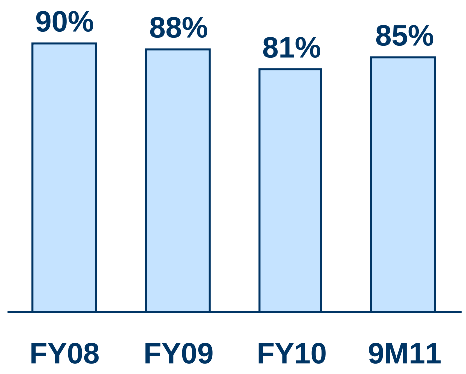
- KBC Bank further improved its already excellent funding profile, as reflected by the increased part of stable funding from customers. This underlines our retail, SME, mid-cap bancassurance model with a relatively low risk profile



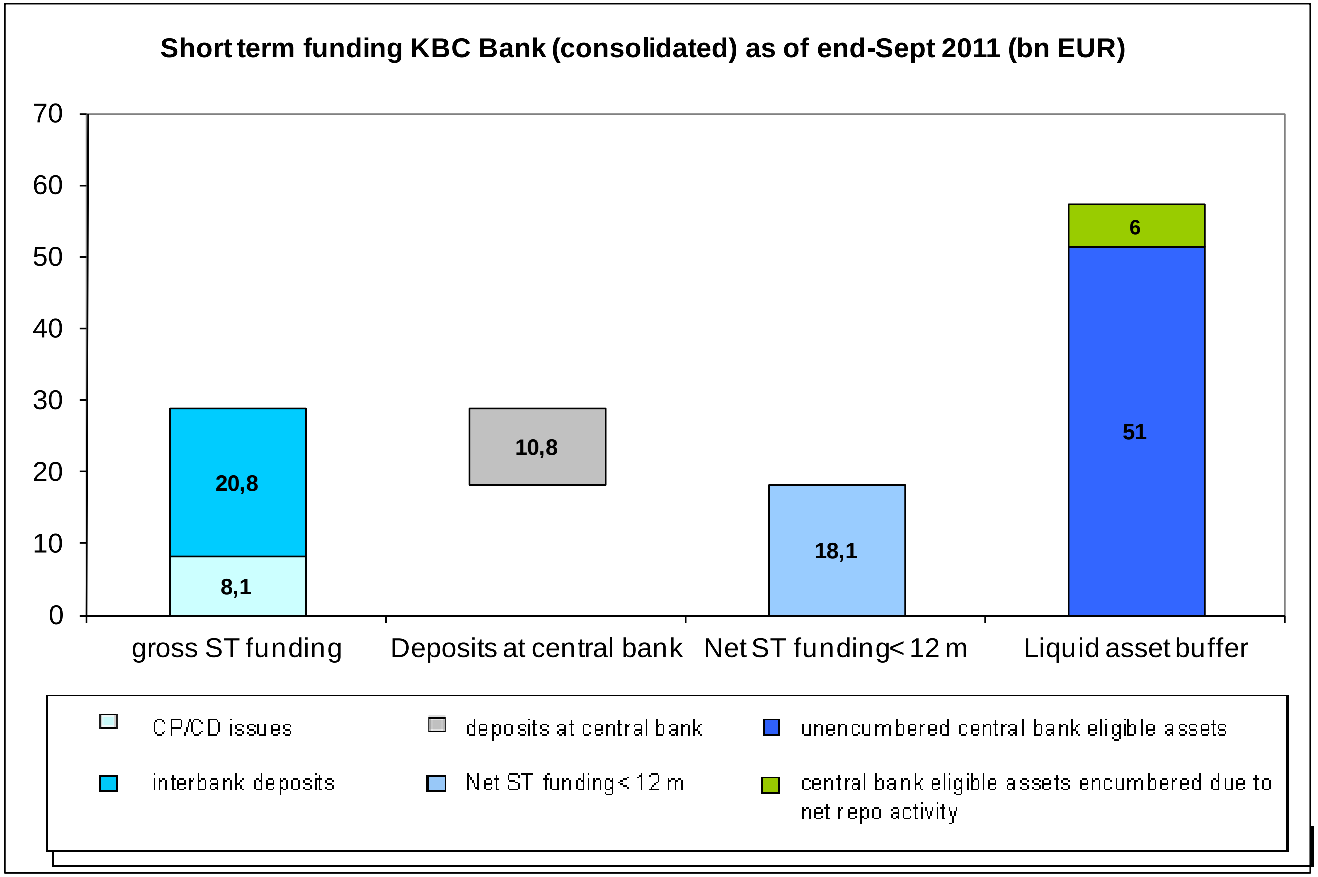
A solid liquidity position (2)

- No need to issue new benchmarks/term debt in the next quarters given that
  - Our total mid/long-term funding (22bn EUR) only represents 7%-8% of total assets/funding (which is relatively limited) – with only limited amounts maturing each year
  - Long-term funding needs decrease as actions to reduce RWA continue
  - KBC has increased the amount of mid-term/long-term funding attracted from its retail customer base. As such, we have already attracted 5.7bn EUR LT funding YTD from our retail clients (funding with term > 1 year apart from other stable retail funding)
- A regulation for the issuance of covered bonds is expected to be approved soon in Belgium
- LTD ratio of 85% at KBC Bank at the end of September 2011

LTD ratio KBC Bank

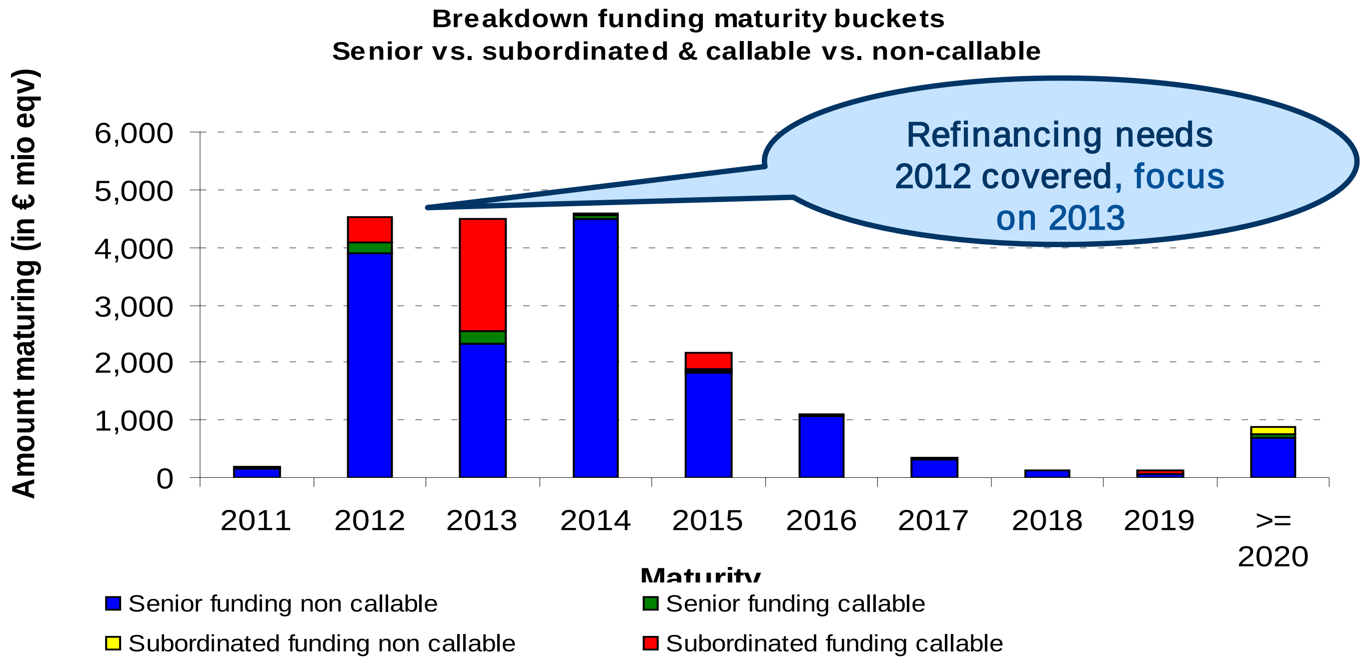


A solid liquidity position (3)



The recourse on net short-term funding is limited, and this latter is three times covered by a buffer consisting of central banks eligible assets

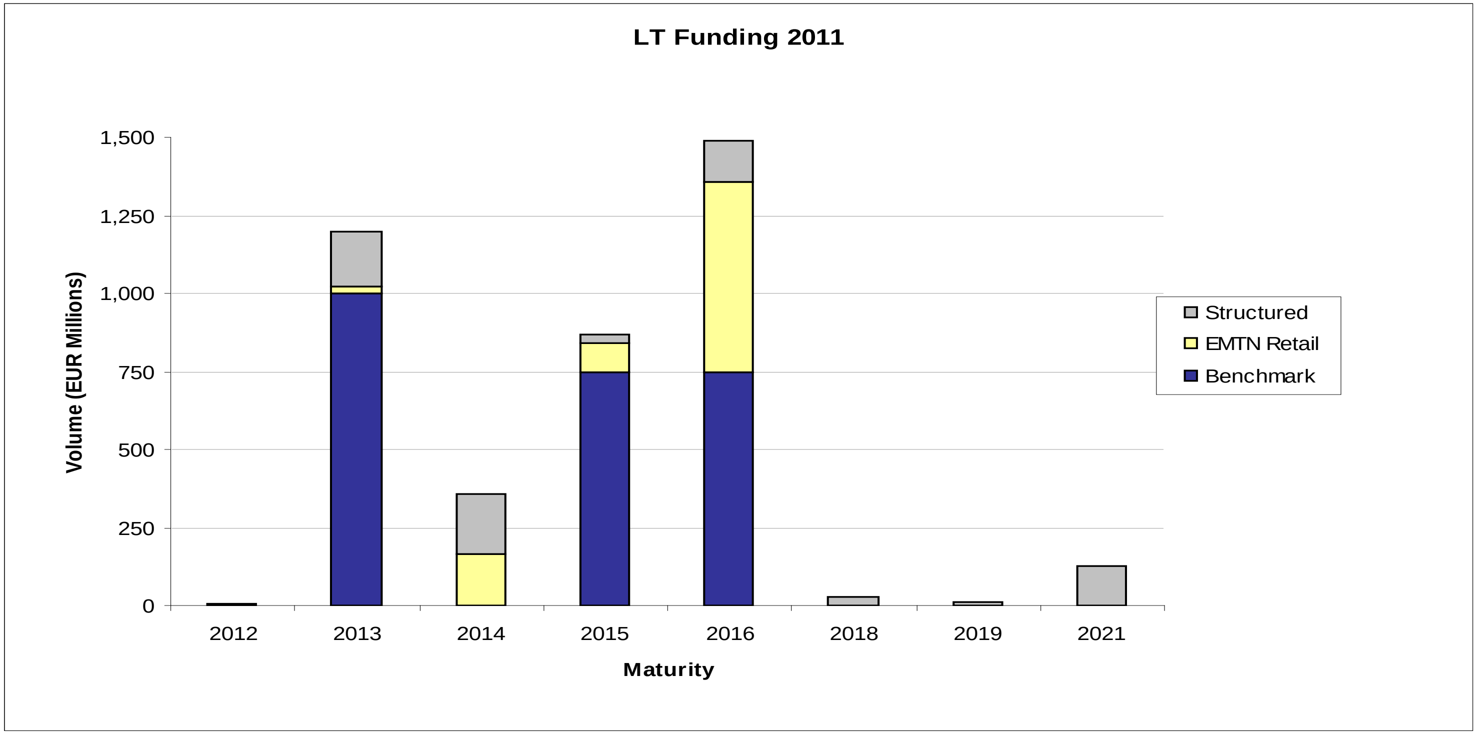
Upcoming mid-term funding maturities in 2011



KBC Bank NV has 3 solid sources of EMTN Funding:

- Public Benchmark transactions
- Structured Notes using the Private Placement format
- Retail EMTN

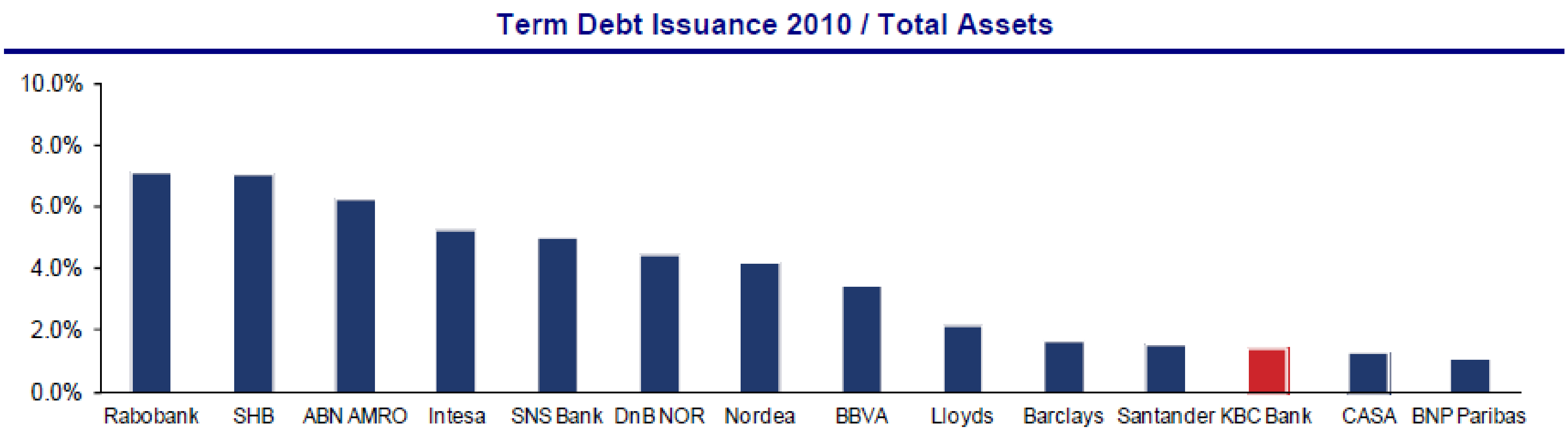
Overview of LT EMTN funding attracted in 2011 in wholesale and Belgian Retail market through KBC Ifima N.V.



- KBC Bank NV (through KBC Ifima N.V.) using its EMTN programme (40bn EUR)) has raised 4.1bn EUR LT in 2011 (YTD 03/11/2011). This debt programme was updated on 13 July 2011
- KBC Bank NV also has a US MTN programme (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
- Strong franchise in Belgium with high and stable return levels (ROAC of 25% in 9M11)
- Access to growth in ‘new Europe’ (most mature markets in the region)
- Core profitability in home markets remains intact, but 3Q11 results were affected by the execution of our strategy (KBL, Fidea), one-off items (Greek government bonds, 5-5-5 bonds, Hungary, Bulgaria) and market-driven items (CDO, Ireland, share portfolio). Good Oct’11 results lead to FY11 guidance for underlying net profit of 1.2bn EUR – 1.4bn EUR
- Intention to reimburse 500m EUR at 15% premium before end 2011 to Federal Government without pari passu, waived by the Flemish Government until end of 2012
- Stable shareholder structure
- Solid liquidity position, with a LTD ratio of 85% 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 9M11: 11.7% and 13.6% respectively. The Belgian regulator confirmed to us that the YES (Yield Enhanced Sec.) will be fully grandfathered as common equity under the current CRD4 proposal

Appendices

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- KBC 2011 benchmarks + overview of outstanding benchmarks
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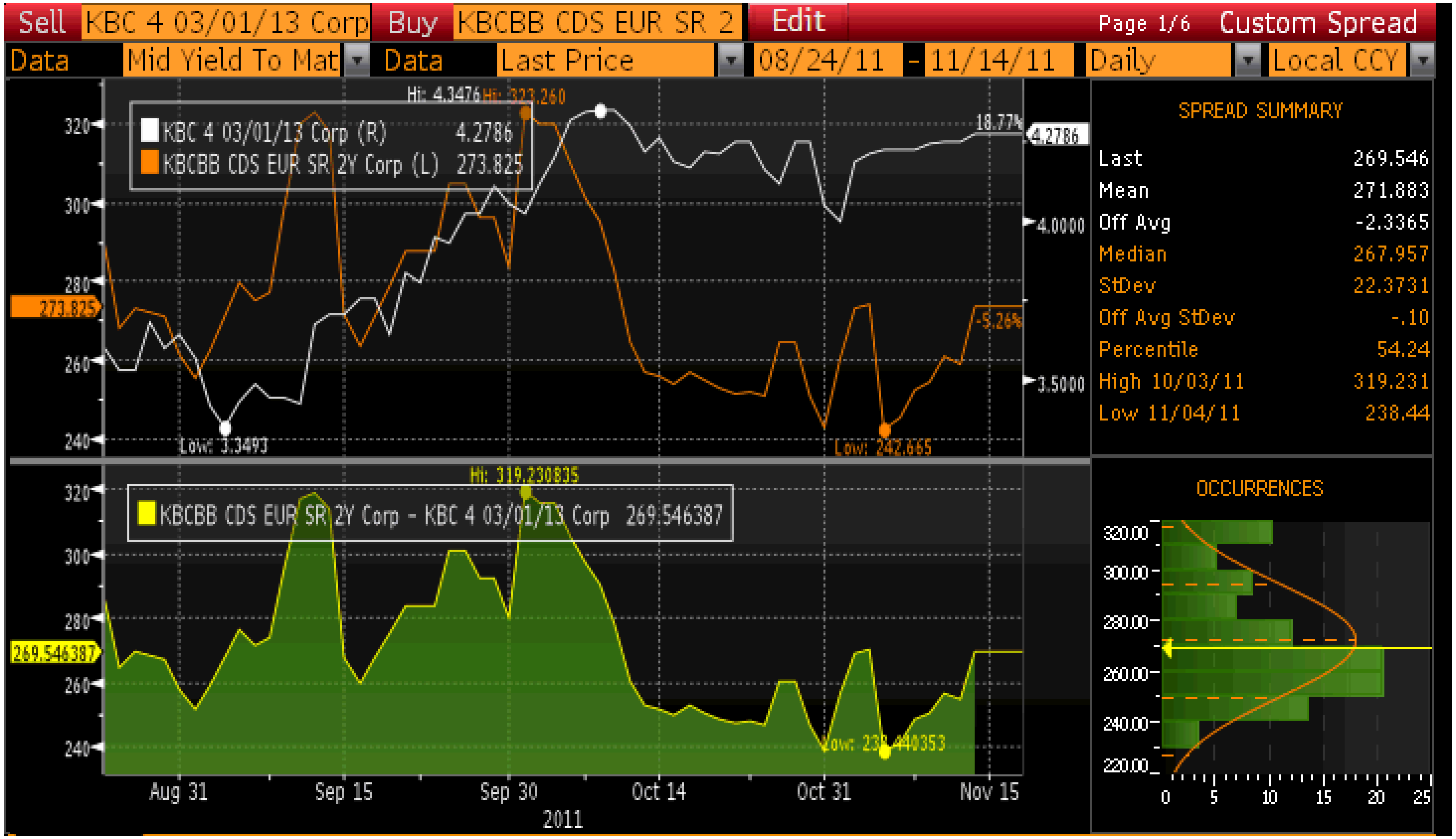
KBC 2011 Benchmarks

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

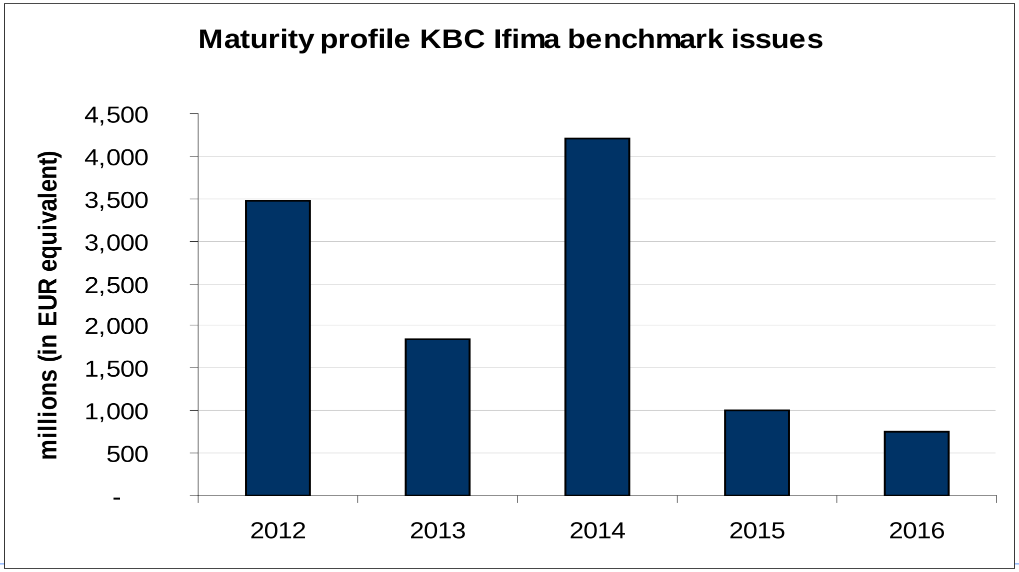
KBC 4.5Y Fixed - XS0630375912

- 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	EUR Equivalent	Amount issued	Coupon	Settlement Date	Maturity Date	ISIN
KBC Ifima N.V.	GBP	595,238,095	500,000,000	3-mth Libor +7.5bp	18-Jan-07	18-Jan-12	XS0281641810
KBC Ifima N.V.	EUR	500,000,000	500,000,000	3-mth Euribor +7bp	23-Jan-07	23-Jan-12	XS0282215259
KBC Ifima N.V.	GBP	476,190,476	400,000,000	3-mth Libor +7.5bp	08-Feb-07	08-Feb-12	XS0285159363
KBC Ifima N.V.	EUR	355,000,000	355,000,000	4.05	16-Jan-07	16-Jan-14	XS0279518640
KBC Ifima N.V.	EUR	1,000,000,000	1,000,000,000	3-mth Euribor +35bp	26 Oct 2007	26 Oct 2012	XS0327159074
KBC Ifima N.V.	EUR	1,602,615,000	1,602,615,000	6-mth Euribor -60bp	31 Mar 2008	31 Mar 2014	XS0340282739
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3-mth Euribor +85bp	04 Mar 2008	04 Mar 2013	XS0350935671
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3-mth Euribor +85bp	06 Mar 2008	06 Mar 2013	XS0351341150
KBC Ifima N.V.	EUR	300,000,000	300,000,000	3-mth Euribor +80bp	14 Mar 2008	14 Mar 2012	XS0353131419
KBC Ifima N.V.	EUR	743,968,000	743,968,000		16 May 2008	16 May 2014	XS0352674682
KBC Ifima N.V.	EUR	250,000,000	250,000,000	4.75	26-Jan-09	26-Jan-14	XS0406774538
KBC Ifima N.V.	EUR	1,250,000,000	1,250,000,000	4.5	17-Sep-09	17-Sep-14	XS0452462723
KBC Ifima N.V.	EUR	600,000,000	600,000,000	3-mth Euribor +75bp	20-Jan-10	20-Jan-12	XS0479870916
KBC Ifima N.V.	EUR	750,000,000	750,000,000	3.875	31 Mar 2010	31 Mar 2015	XS0498962124
KBC Ifima N.V.	EUR	350,000,000	350,000,000	3-mth Euribor +165bp	19-Jul-10	19-Jul-13	XS0527072937
KBC Ifima N.V.	EUR	1,000,000,000	1,000,000,000	4	01-Mar-11	01-Mar-13	XS0597921724
KBC Ifima N.V.	EUR	750,000,000	750,000,000	5	16-Mar-11	16-Mar-16	XS0605440345
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3.875	14/04/2011	31/03/2015	XS0498962124



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 161,700,000	USD 431,400,000	EUR 179,200,000	GBP 480,500,000		
Net Amount	EUR 118,300,000	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	2/11/2009	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	31/12/2011	2/05/2012	10/11/2012	19/06/2019	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

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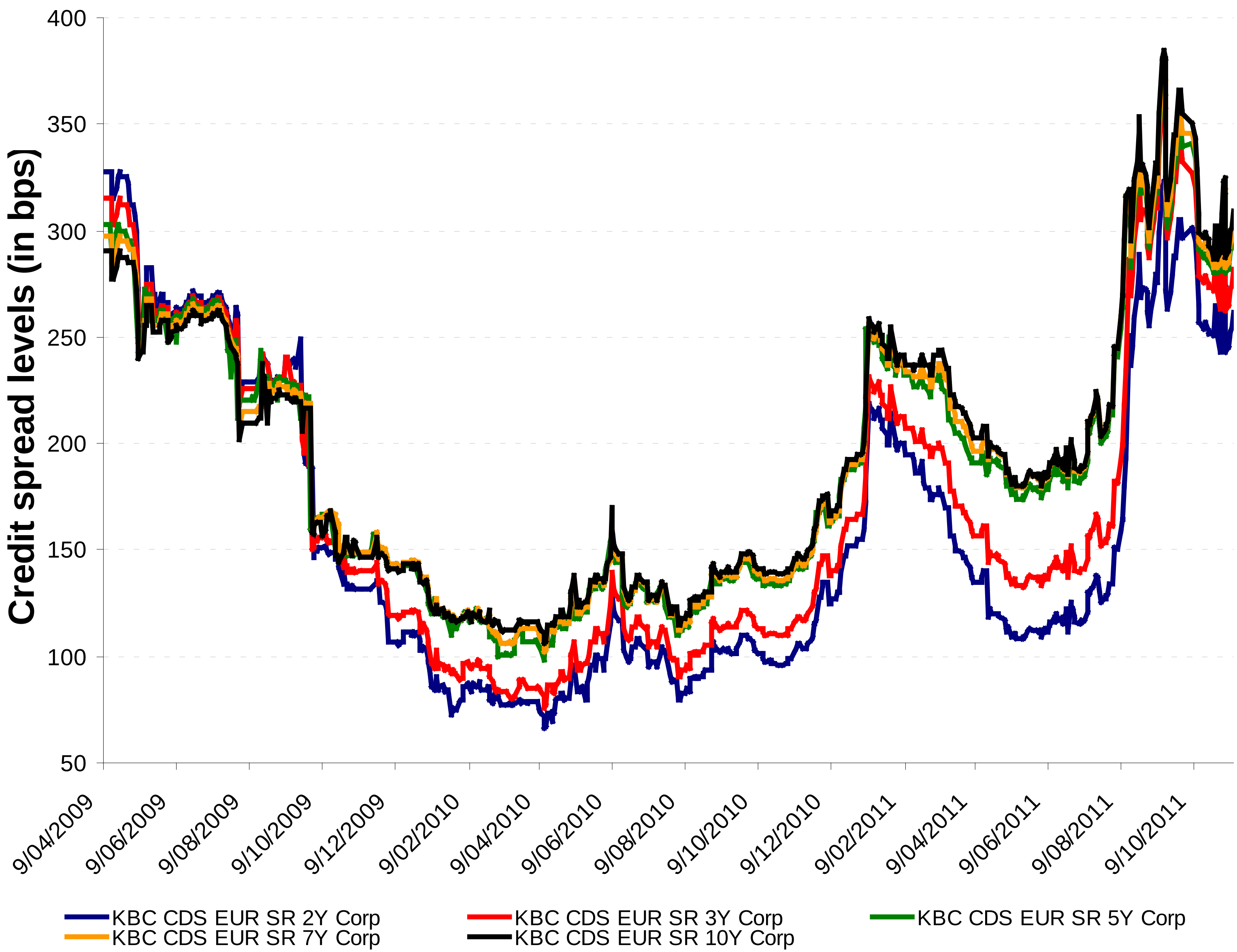
KBC Bank CDS levels since January 2009



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Overview of divestment programme

Finalised:	
KBC FP Convertible Bonds	✓
KBC FP Asian Equity Derivatives	✓
KBC FP Insurance Derivatives	✓
KBC FP Reverse Mortgages	✓
KBC Peel Hunt	✓
KBC AM in the UK	✓
KBC AM in Ireland	✓
KBC Securities BIC	✓
KBC Business Capital	✓
Secura	✓
KBC Concord Taiwan	✓
KBC Securities Romania	✓
KBC Securities Serbia	✓
Organic wind-down of international MEB loan book outside home markets	✓
Centea	✓
Signed:	
KBL *European Private Bankers*	✓
Fidea	✓

In preparation / work-in-progress for 2011/2012/2013
Kredyt Bank
Warta
Absolut Bank
KBC Banka
NLB
Zagiel
Antwerp Diamond Bank
KBC Germany
Global Project Finance
International leasing outside home markets
KBC Real Estate Development

Strategic plan progress
Execution risk sharply reduced

Where are we mid-November 2011, in terms of execution?

Stream 1: We have signed an agreement to sell KBL *epb*

Stream 2: We have completed the sale of Centea + signed an agreement to sell Fidea

Stream 3: The divestment process of Warta and Kredyt Bank is on track, with a sufficient number of interested candidates, given the strategic importance

Stream 4: PIIGS exposure down by 47% between end 2Q11 and end October 2011, impairment on Greek government bonds fully booked at 58% on notional amount

Stream 5: CDO/ABS exposure reduced by 3.6bn EUR, projected capital relief (0.5bn EUR) already reached target

Stream 6: RWA at 115bn EUR (pro forma), reduction better than initially planned

Stream 1: Divestment of KBL *epb*

KBC branded private banking in Belgium maintained

KBL *epb*: Pure play private banking with network of local brands

Key data at KBC consolidated level <u>at end 9M11</u>:

- AuM: 44bn EUR
- RWA: 4.2bn EUR
- Book value: 0.9bn EUR (incl. 0.2bn EUR goodwill at sublevel)
- Goodwill at parent level: 0bn EUR (fully impaired)
- Underlying net profit YTD: 47m EUR

- Transaction immediately restarted in March 2011
- Beginning of October: agreement with Precision Capital (Qatar) signed
  - Transaction price: 1.05bn EUR
    - 2.4% of AuM
    - 1.5x KBL's Tangible Book Value
  - Capital contribution of 0.8bn EUR (incl. impact reduced RWAs in meantime) was still within the targeted capital relief range of 0.8bn – 1.5bn EUR

⇨ **KBC's tier-1 ratio will rise by 0.6% (at closing)**

- Closing expected in 1Q12

Stream 2: Divestment of Belgian complementary distribution channels

	centea 1H11
Total assets	10.3bn EUR
RWA	4.2bn EUR
Market share	1%-2%
Agents	approx. 700
Book value	
Goodwill	
Underlying net profit YTD	+23m EUR

centea

- 4 March: agreement with Crédit Agricole Group (Belgium) announced
- 1 July: Sale of Centea to Crédit Agricole Group (Belgium) finalised
- Transaction price: 0.53bn EUR + 0.07bn EUR dividend ≈ 1x BV
- Total capital relief of 0.4bn EUR

=> KBC's tier-1 ratio rose by 0.4%

	FIDEA VERZEKERINGEN 9M11
Total assets	3.4bn EUR
RWA	1.8bn EUR
Market share	1%-2%
Agents	approx. 4200
Book value (after 'impairment on other' of 0.1bn EUR)	231m EUR
Goodwill	0
Underlying net profit YTD	+8m EUR

FIDEA VERZEKERINGEN

- 17 October: agreement with J.C. Flowers & Co. announced
- Transaction price: 0.24bn EUR + 0.02bn EUR dividend ≈ 0.65x BV
- Total capital relief of 0.1bn EUR
- Closing expected in 1Q12

=> KBC's tier-1 ratio will rise by 0.1% (at closing)

Stream 3: Divestment of Kredyt Bank and Warta

9M11	Kredyt Bank	&	WARTA
Total assets		12bn EUR	
RWA		8.4bn EUR	
Market share	4%		8%-9%
Book value…		1.1bn EUR	
..of which GW		0.2bn EUR	
Underlying 2010 net profit	36m EUR (80%)		0m EUR (100%)
Underlying 9M11 net profit	56m EUR (80%)		40m EUR (100%)

- 12 July : KBC Group proposed an amendment to its strategic review plan announced in November 2009: replacing the IPO of a minority stake of CSOB Bank and K&H Bank + the sale & lease back of the headquarter offices by the divestment of Kredyt Bank and Warta + the accelerated sale or unwind of selected ABS and CDO assets

- 27 July : Amendment approved by European Commission

- **We are sticking to our previous guided range in terms of expected capital relief** expected from the divestments (i.e. **1.8bn EUR - 2.4bn EUR**), including the increase in earnings power

Stream 4: PIIGS exposure down by 47%

Breakdown of government bond portfolio, banking and insurance (carrying value in bn EUR)

	End 2010	End 1Q11	End 2Q11	End 3Q11	End Oct'11
Portugal	0.3	0.3	0.3	0.1	0.1
Ireland	0.5	0.4	0.4	0.4	0.4
Italy	6.4	6.2	6.1	3.8	2.2
Greece	0.6	0.6	0.5	0.3	0.3
Spain	2.2	2.2	2.2	2.1	2.1
TOTAL	**10.0**	**9.7**	**9.6**	**6.7**	**5.1**

Between end 2Q11 and end October 2011, KBC reduced its PIIGS exposure (carrying amount) by 47%:

- Italy: reduction of 3.9bn EUR
- Portugal: reduction of 0.2bn EUR
- Greece: reduction of 0.2bn EUR
- Spain: reduction of 0.1bn EUR

•TOTAL reduction of 4.5bn EUR

Stream 5: CDO / ABS exposure reduced

- 12 July: KBC Group proposed an amendment to its strategic review plan announced in November 2009

- 27 July: Amendment approved by European Commission

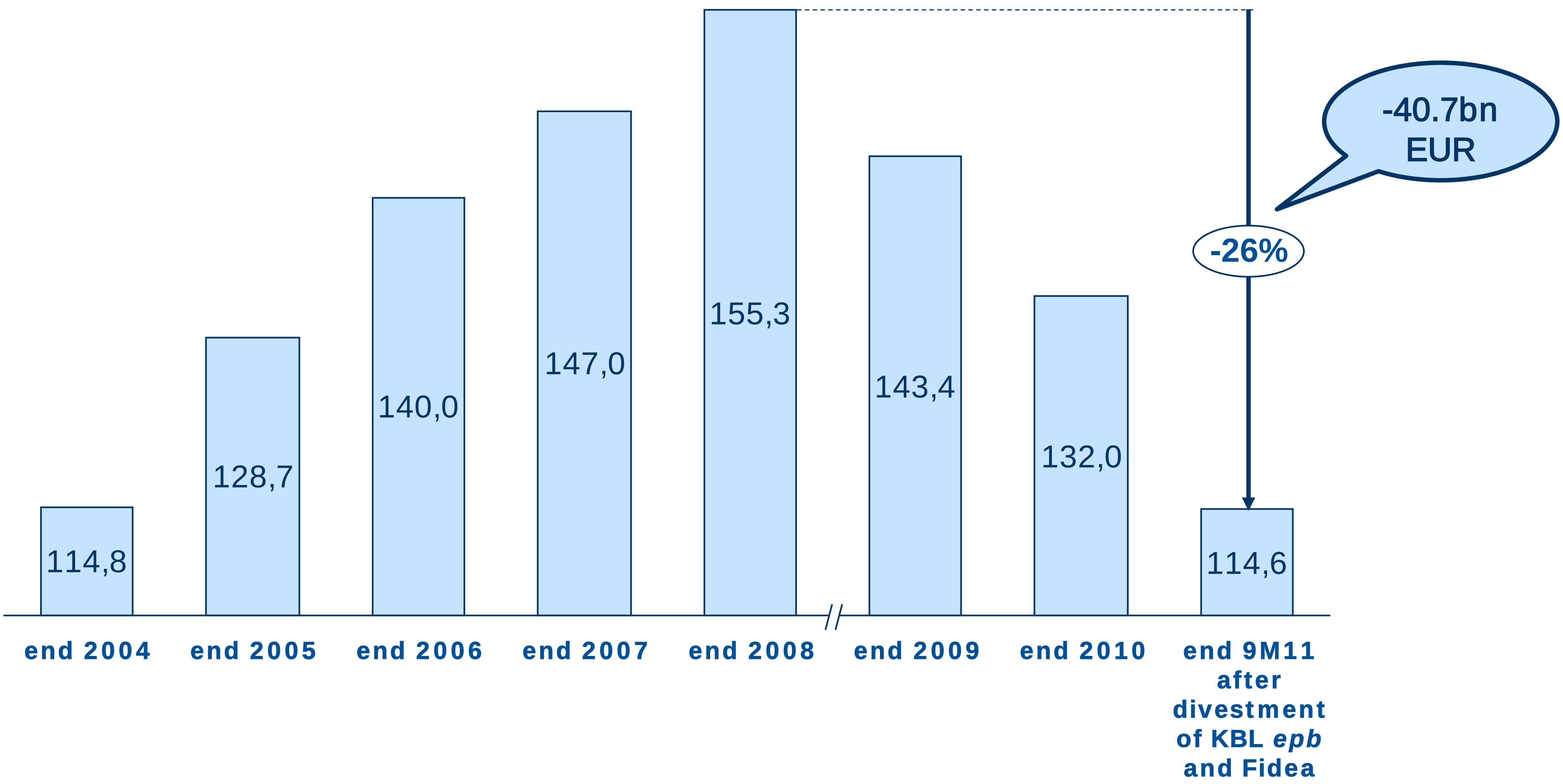
- **Projected capital range of 0.3-0.4bn EUR from the sale of selected ABS assets and unwinding of CDO assets has already been exceeded, without any substantial impact on P&L:**
  - ✓Sold 0.7bn EUR in notional amount of US ABS assets to the market
  - ✓Unwound 3 CDOs, reducing the outstanding notional amount of CDOs by 2.9bn EUR (of which 2.5bn EUR in 3Q11)
  - ✓Total capital relief: 0.5bn EUR

=> KBC's tier-1 ratio rose by 0.7%

- We will continue to look at reducing our ABS and CDO exposure, which will lead to additional capital relief and lower P&L volatility

Stream 6: RWA reduction better than initially planned

KBC Group risk weighted assets (in bn EUR)



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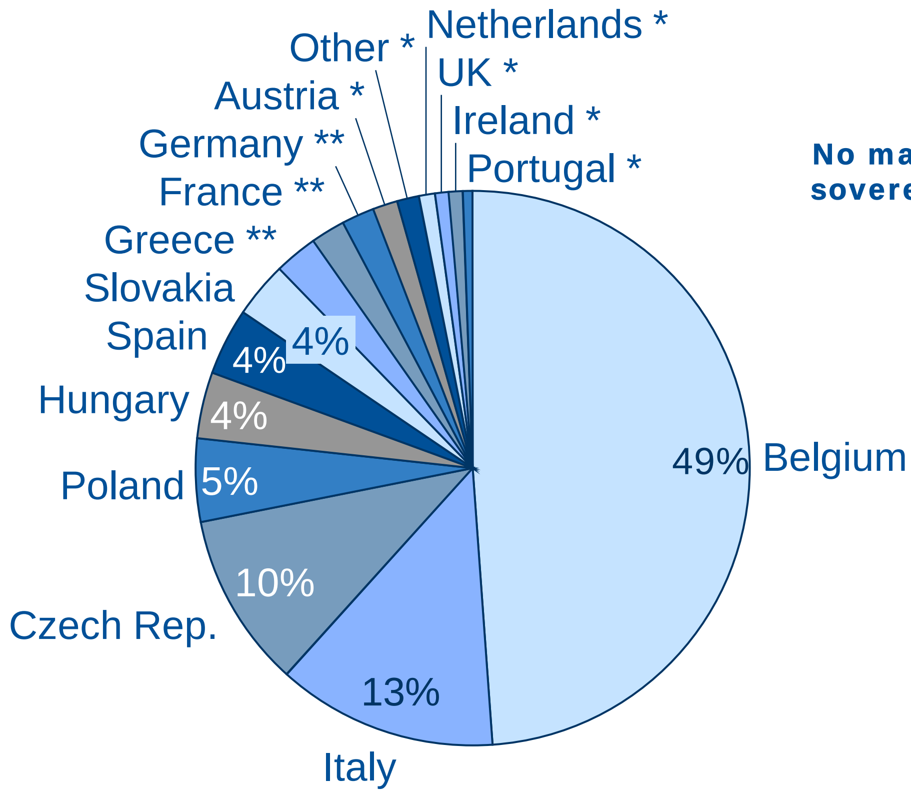
Government bond portfolio

- 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

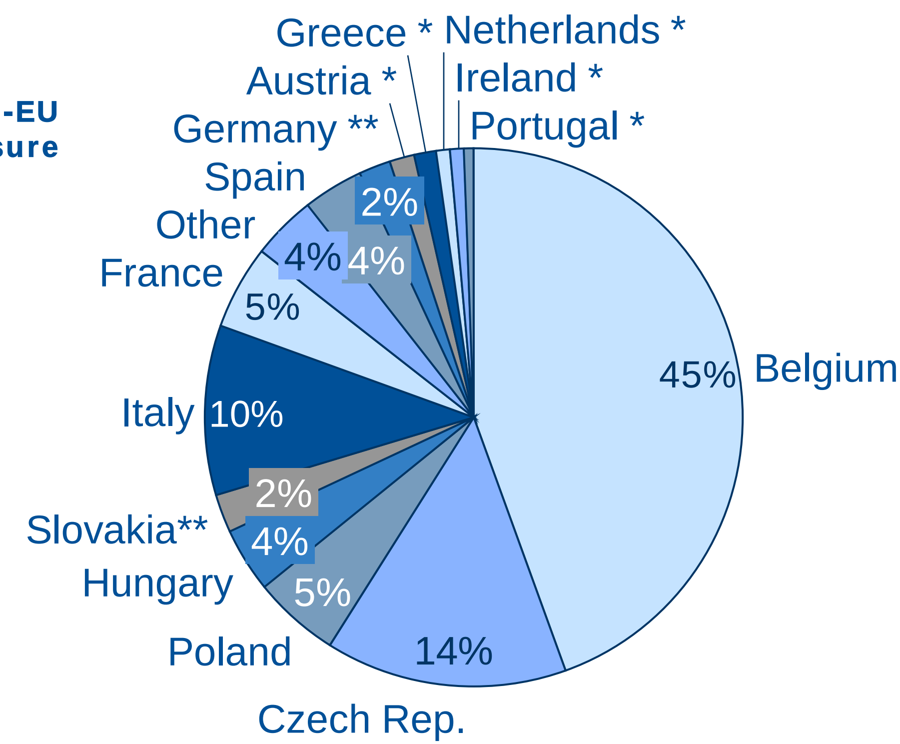
End 2009



(*) 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): 2.1% and 2.2% real GDP growth in resp. 2010 and 2011
- 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, 3.6% and 2.8% expected in resp. 2011 and 2012
  - 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 all Greek sovereign bonds it holds (also those maturing after 2020), KBC recorded impairments amounting to an additional 176m EUR pre-tax / 126m post-tax at *underlying* level in 3Q11 (on top op the 139m EUR pre-tax / 102m post-tax already recognised in 2Q11)

- *Calculation* method:
  - Both the AFS and HTM bonds are impaired to their fair value (market prices) as at 30 September 2011
  - **As a result, the carrying amount of Greek government bonds on 30 September 2011 forms on average 42% of the nominal amount of these bonds and KBC has impaired 58%, fully booked**

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

(m EUR)	Impairments on AFS	Impairments on HTM	Total pre-tax impairments	Total post-tax impairments
Belgium BU	-66	-13	-79	-52
CEE BU	-45	0	-45	-37
MEB BU	-1	-7	-9	-7
GC BU	-28	-16	-43	-29
TOTAL	**-140**	**-36**	**-176**	**-126**

Amounts in m EUR

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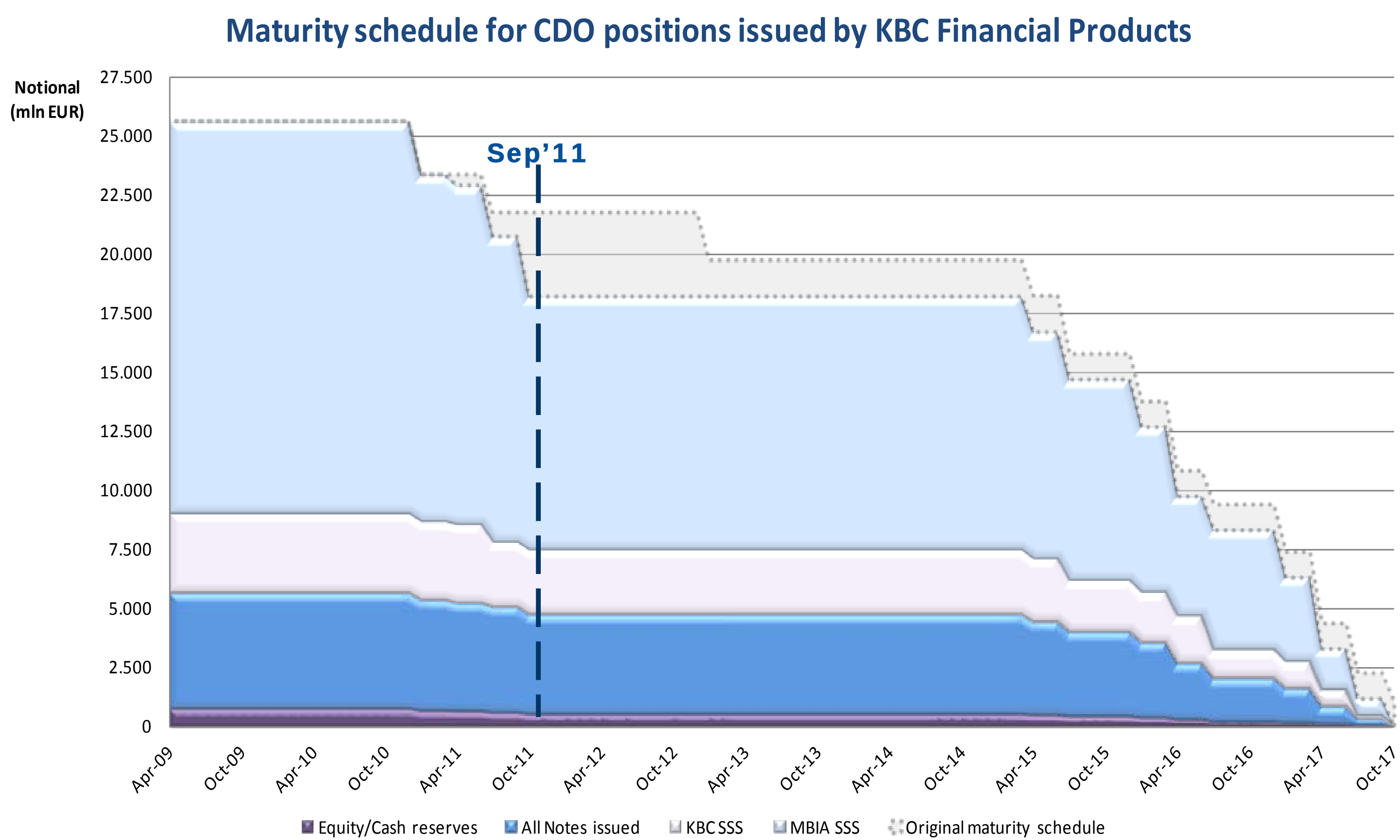
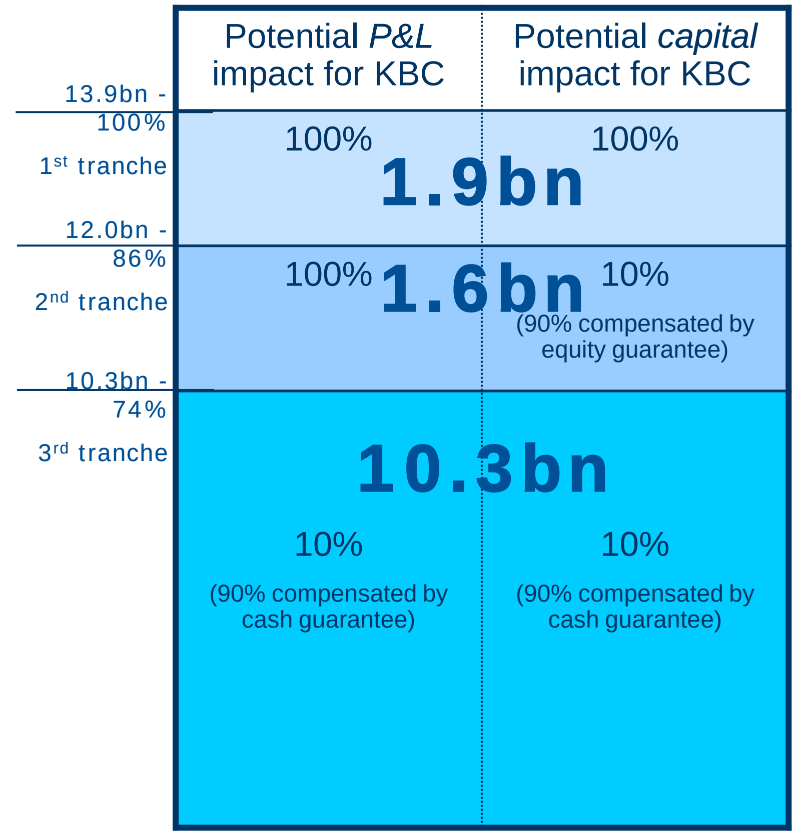
Maturity schedule for CDO portfolio



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 13.9bn* 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 (10.9bn EUR)
  - First and second tranche: 3.6bn EUR, impact on P&L borne in full by KBC, KBC has option to call on equity capital increase up to 1.5bn EUR (90% of 1.6bn EUR) from the Belgian State
  - Third tranche: 10.3bn EUR, 10% of potential impact borne by KBC
  - Instrument by instrument approach



• Excluding all cover for expired, unwound or terminated CDOs

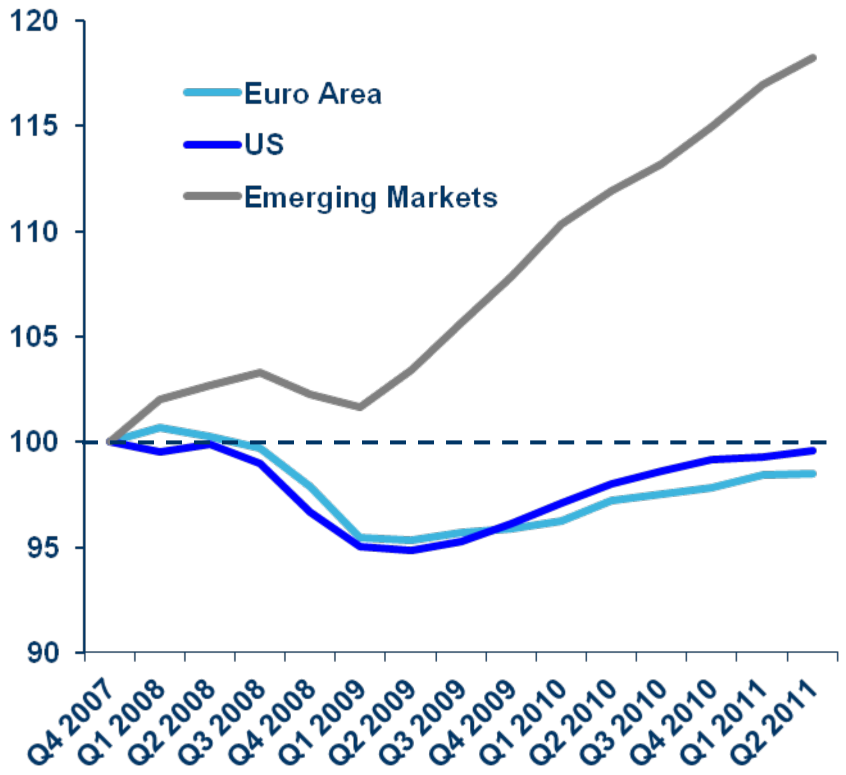
Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Refocused KBC taking shape
- 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

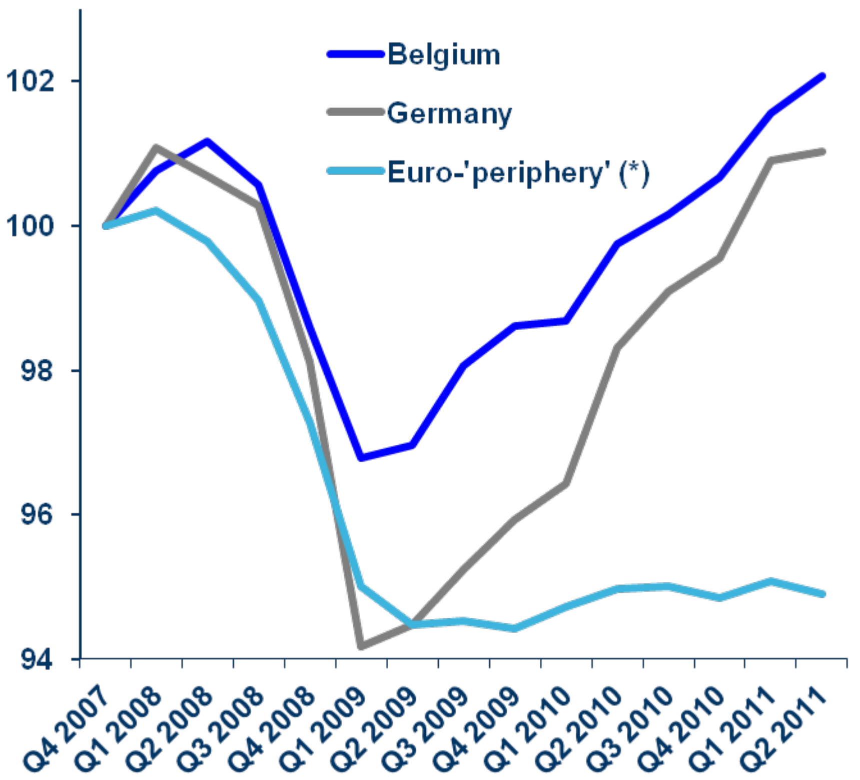
Developed versus emerging markets

Real GDP (Q4 2007 = 100)



Belgium outperforming the Euro Area

Real GDP (Q4 2007 = 100)

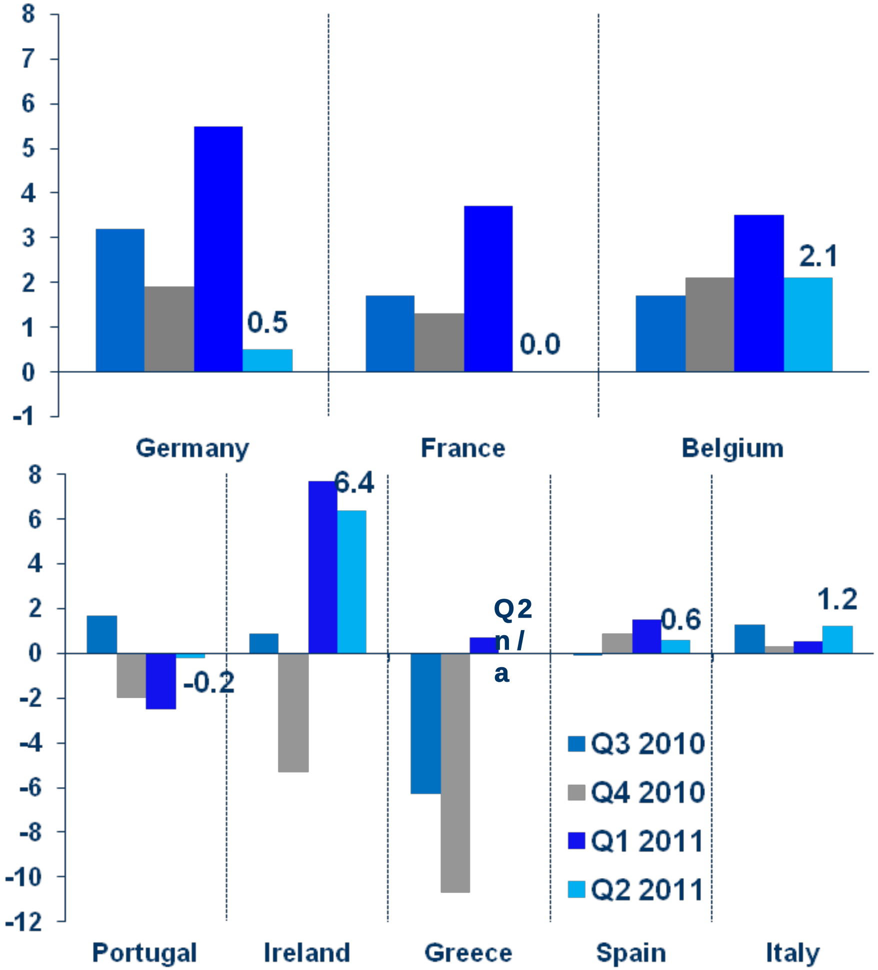


(*) Euro-'periphery' = Portugal, Ireland, Italy, Greece & Spain

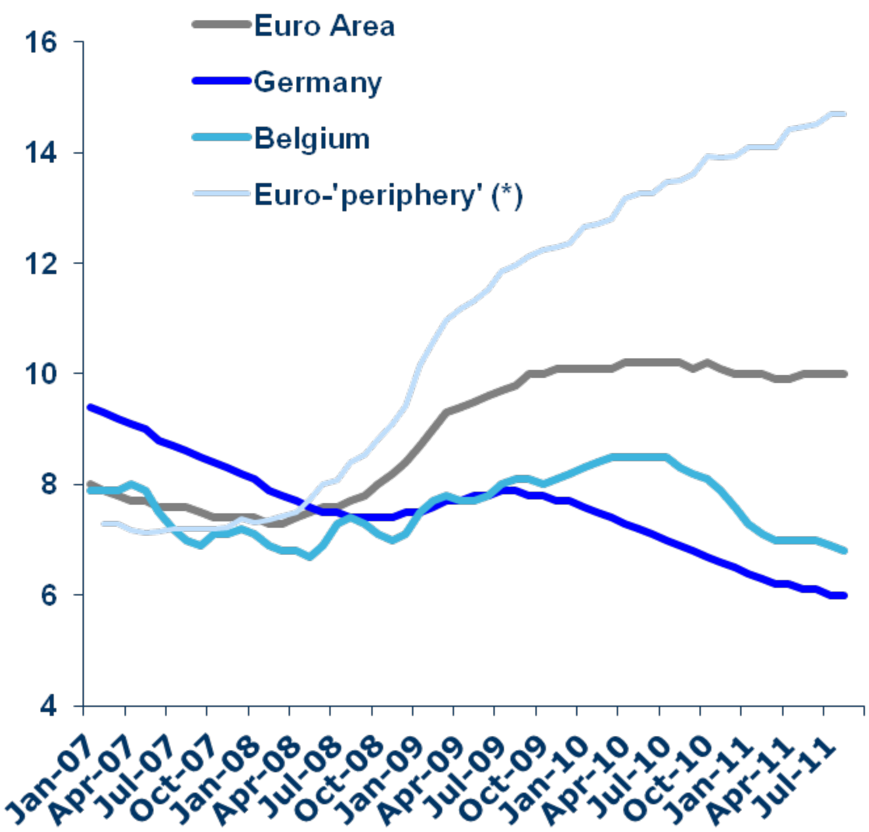
Source: KBC, Group Chief Economist Department

Intra-EMU growth divergence continues

Growth in real GDP (QoQ annualised, in %)



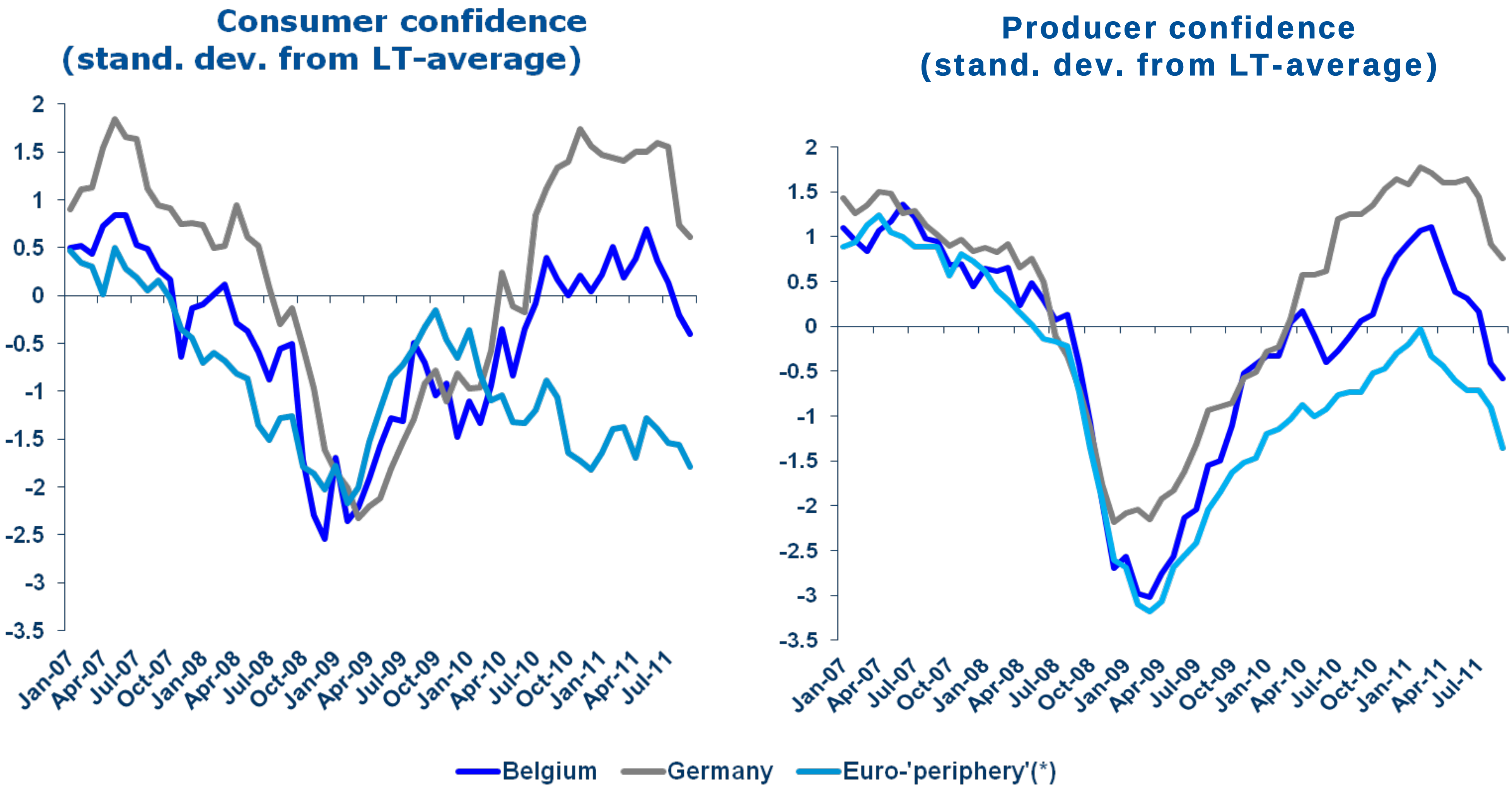
Unemployment rate (in %)



(*) Euro-'periphery' = Portugal, Ireland, Italy, Greece & Spain

Source: KBC, Group Chief Economist Department

Confidence declining rapidly in the past months

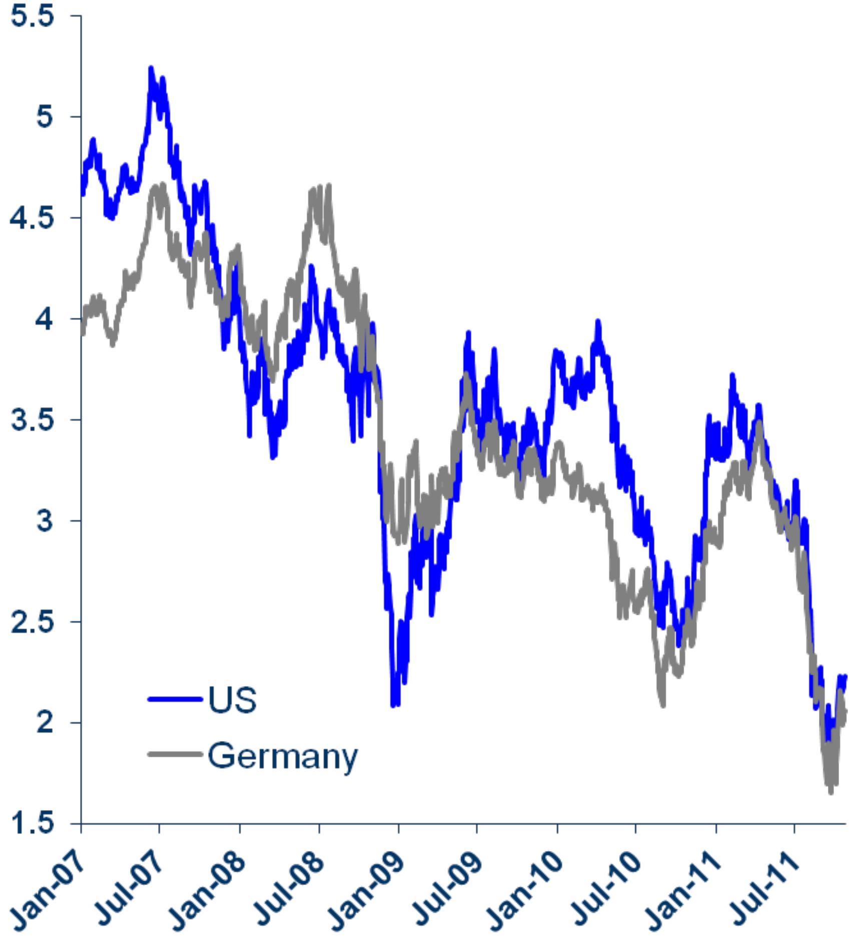


(*) Euro-'periphery' = Portugal, Ireland, Italy, Greece & Spain

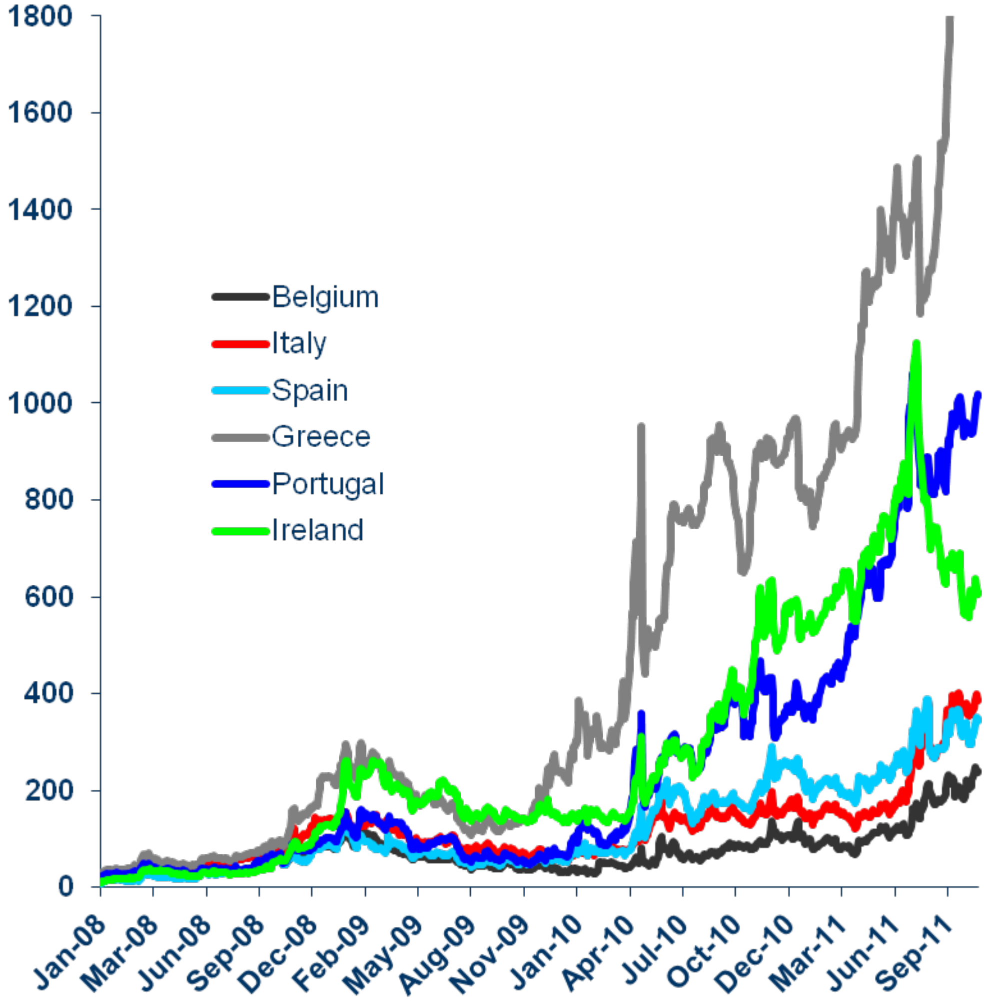
Source: KBC, Group Chief Economist Department

Bond markets anticipating weaker growth, 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)



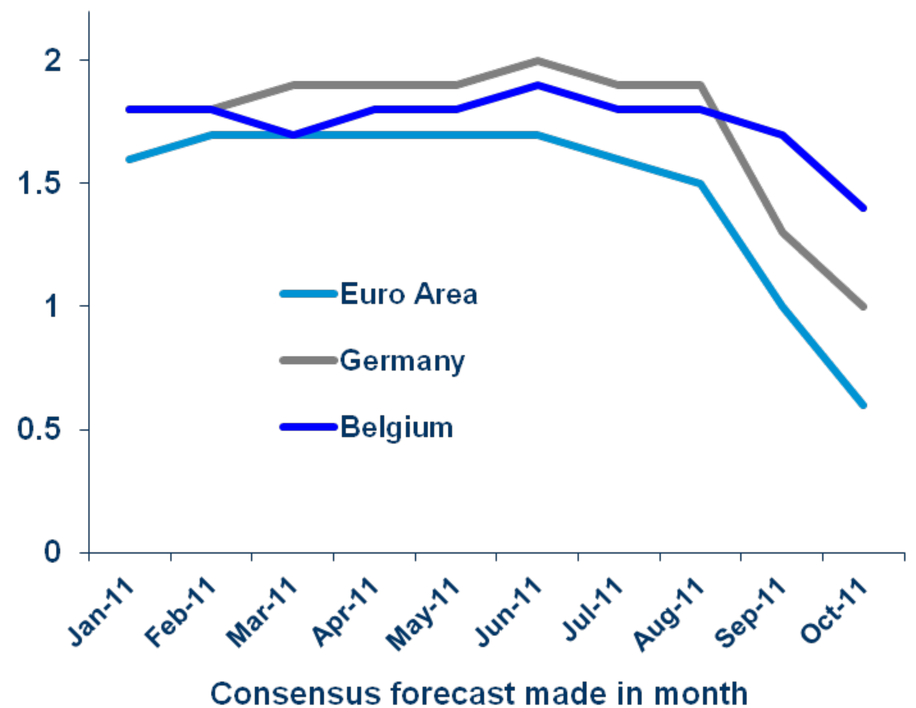
Source: KBC, Group Chief Economist Department

Economic outlook (KBC base case scenario)

Sharply weaker growth, but not another 'Great Recession'

	Real GDP growth (in %)	
	2011	*2012*
US	1.6	1.1
EMU	1.5	0.5
Belgium	2.2	1.0
Czech Rep.	1.8	1.1
Slovakia	3.2	2.0
Hungary	1.5	0.5
Poland	4.0	3.0

Evolution of consensus forecasts of real GDP growth 2012 (in %)



Source: KBC, Group Chief Economist Department

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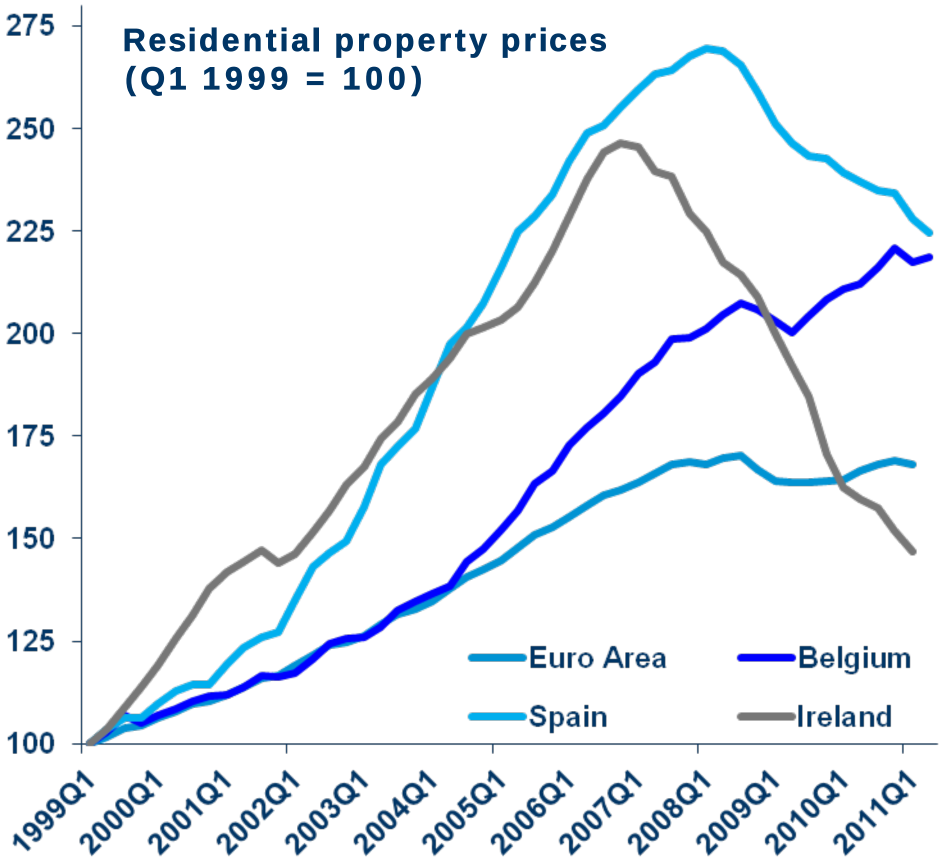
Hungary	1.5	0.5
Poland	4.0	3.0

	Inflation (in %)	
	2011	*2012*
US	3.1	1.2
EMU	2.6	1.3
Belgium	3.6	1.9
Czech Rep.	1.8	3.4
Slovakia	3.8	3.0
Hungary	4.0	3.5
Poland	4.0	3.0

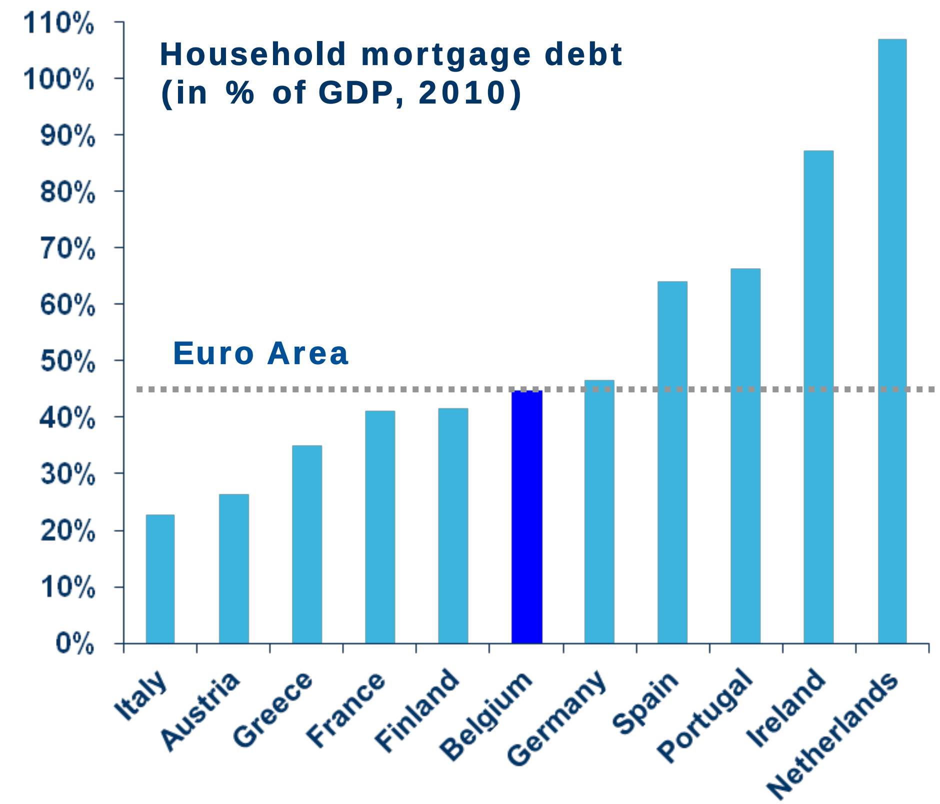
Source: KBC, Group Chief Economist Department

Housing market in Belgium

Not strongly affected by declining house prices ...



... not excessively leveraged



Source: European Mortgage Federation

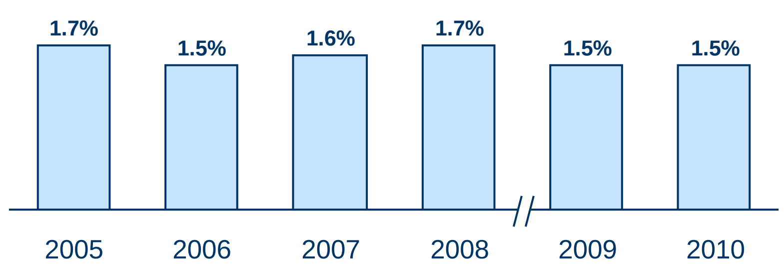
Source: KBC, Group Chief Economist Department

Housing market in Belgium

- 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 decades, 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