KBC Group / Bank

DEBT ROADSHOW

May 2012

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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 37% in 1Q12)
  - Access to growth in 'new Europe' (most mature markets in the region)
- Strongly improved underlying 1Q12 results: 455m EUR, thanks to markedly lower impairments and strong dealing room income. Core profitability in home markets remains intact in difficult conditions. We are sticking to our guidance for loan loss provisions in Ireland of 500-600m EUR for the full year 2012
- Decisive progress on divestments, with capital gains to come in 2H12
- Further reduction of volatile elements:
  - CDO/ABS exposure further reduced by roughly 2.2bn EUR notional in 1Q12
  - PIIGS exposure further down by 42% since the end of 2011
- Strong capital position: pro forma core tier-1 ratio of 13.6% at KBC Group, which is a significant improvement compared to the end of last year. First 500m EUR repayment to the Federal Government in January 2012 at 15% premium. Working towards further repayment(s) in 2012
- Strong liquidity position: Unencumbered assets are double the amount of the net recourse on short-term wholesale funding maturing in 1 year
- Funding needs 2012 covered and additional buffer in place thanks to the issuance of 2.25bn EUR unsecured long-term debt (1.25bn EUR 2y and 1.0bn EUR 5y), strong growth in customer deposits (+4% q-o-q) and additional buffer established with participation in LTRO2

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 (11 May 2012): 5bn EUR
  - Total assets: 291bn EUR at the end of 1Q12
  - Total equity: 18bn EUR
  - Tier-1 ratio: 13.1% (11.4% core)

- Key data on KBC Bank
  - Total assets: 247bn EUR at the end of 1Q12
  - Total equity: 13bn EUR
  - Tier-1 ratio: 12.1% (10.1% core)

- Credit ratings of KBC Bank

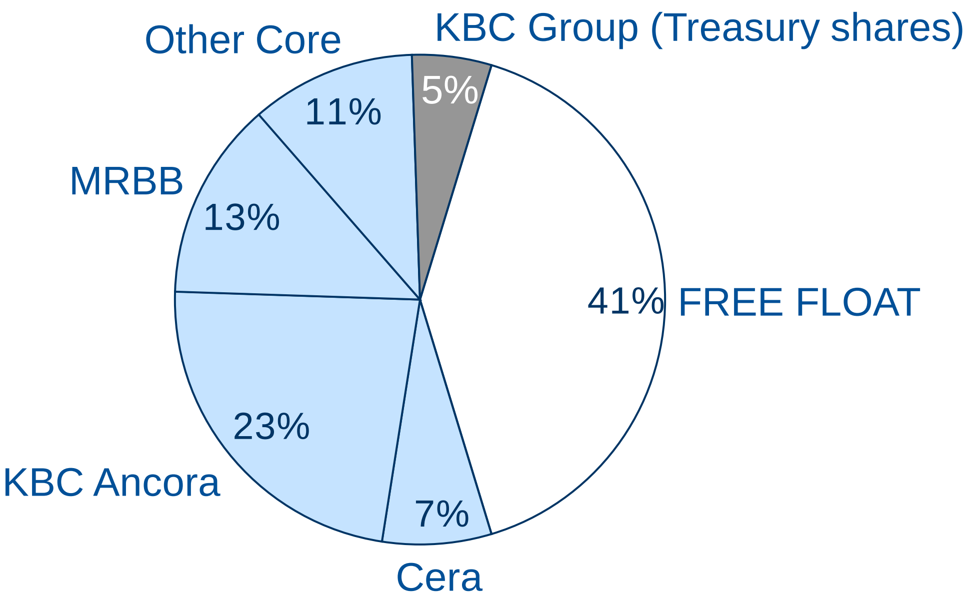
	S&P (Dec 2011)	**Moody's** (Feb 2012)	**Fitch** (Jan 2012)
Long-term	**A- / Stable**	**A1 / under review, down**	**A- / Stable**
Short-term	A-2	Prime-1	F1

- Underlying net group profit of KBC Group in 1Q12: 455m EUR, strongly improved q-o-q thanks to markedly lower impairments and strong dealing room income

Stable shareholder structure

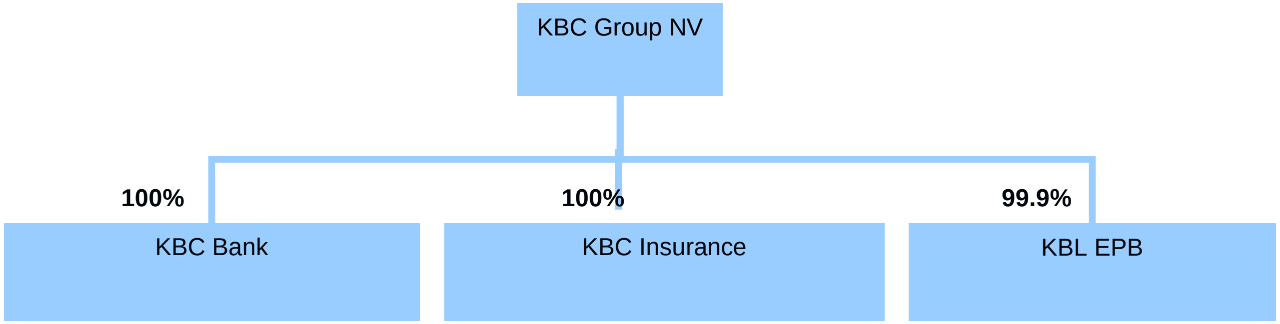
- Over 50% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera / KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of industrialist families

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

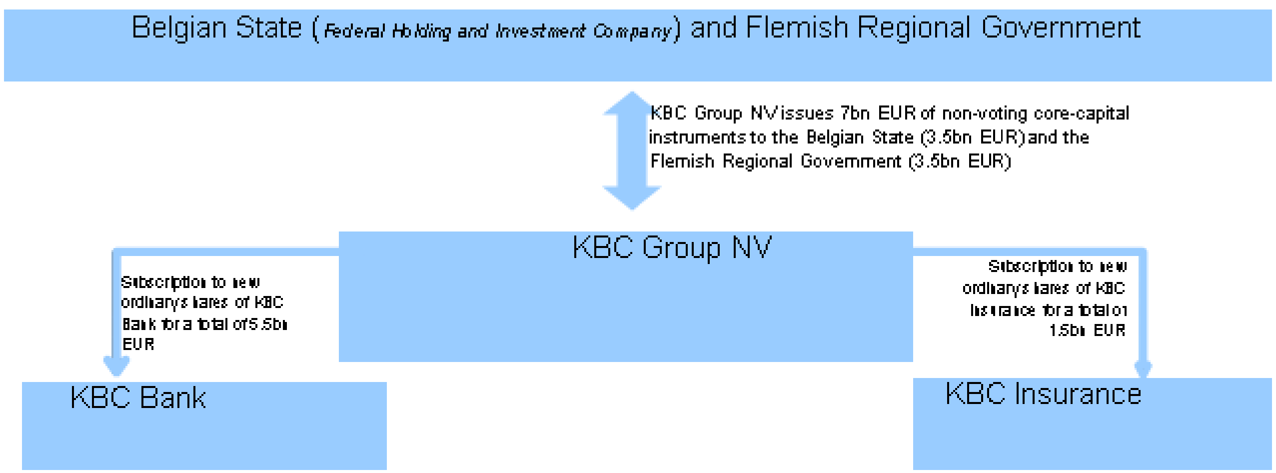


Group's legal structure

- <u>Group</u>'s legal structure

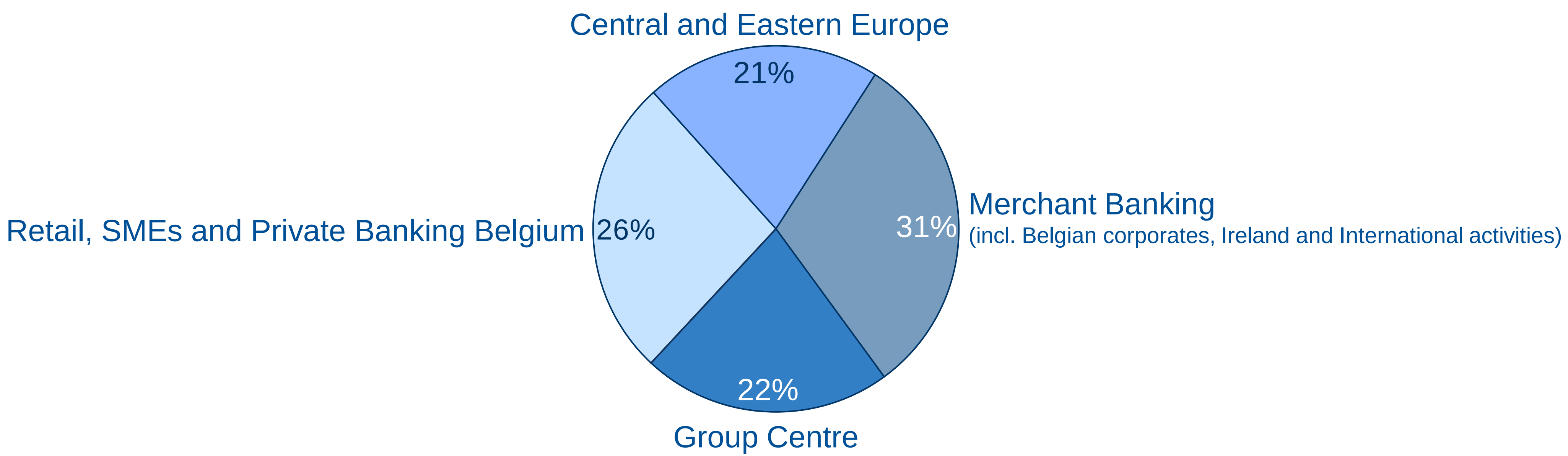


- Overview of capital transactions with the Belgian State and the Flemish Regional Government



Business profile of KBC Group

Breakdown of capital allocation as of 31 March 2012 per business unit



- KBC is a leading player (retail and SME bancassurance, private banking, commercial and local investment banking) in Belgium and our 4 core countries in CEE

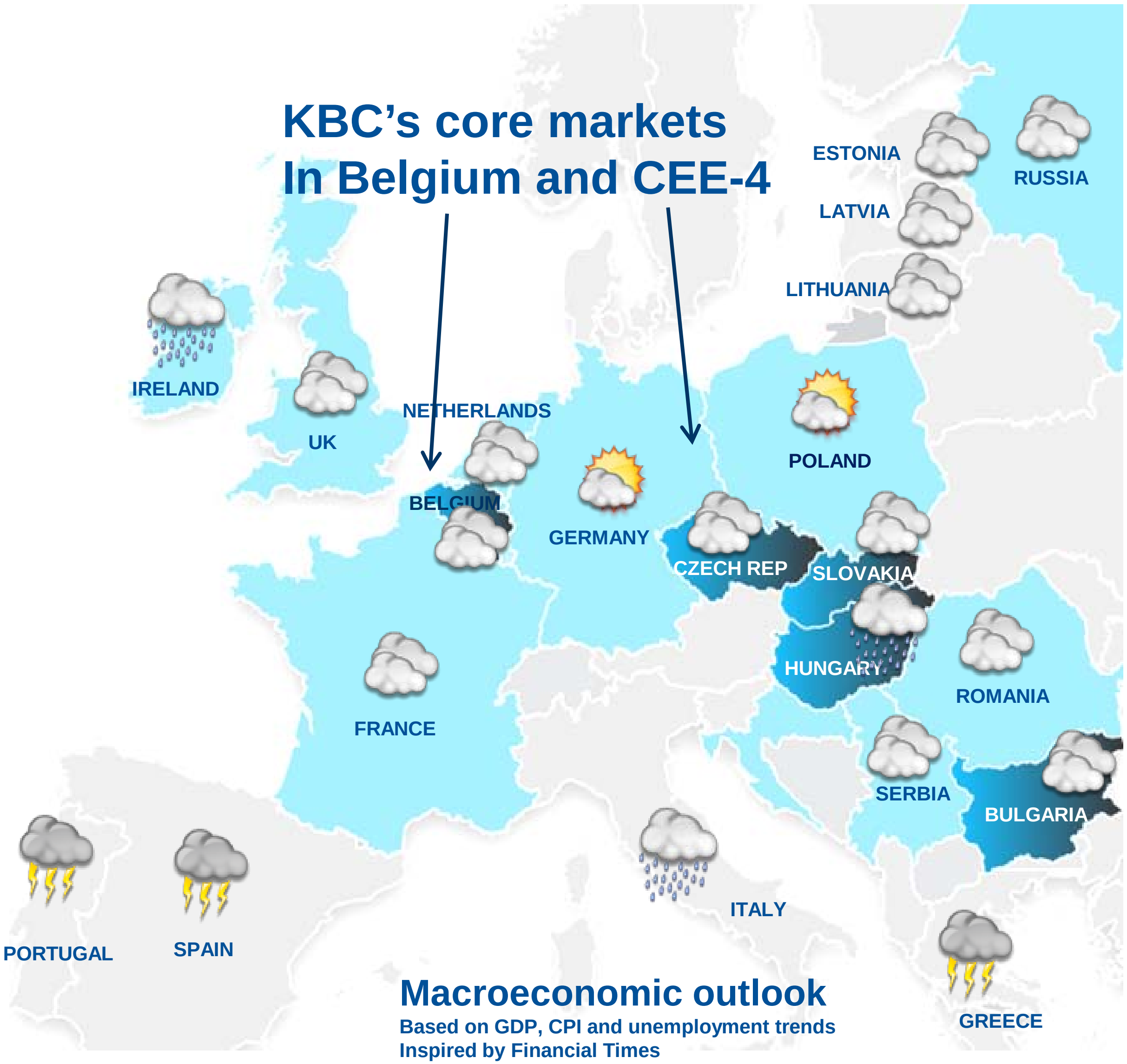
Market shares of KBC Bank in core markets

Market shares, as of end 2011***

	Belgium*	Czech Republic	Slovakia	Hungary	Bulgaria
(Inhabitants)	(10 million)	(10 million)	(5 million)	(10 million)	(8 million)
Loans and deposits	19%	20%**	10%	9%	3%
Investment funds	41%	31%	10%	20%	-

* Excluding Centea and Fidea
** Including 55% of the joint venture with CMSS
*** Market shares are based on preliminary figures

KBC's geographical presence



KBC'S CORE MARKETS

Belgium (Moody's Aa3)
Total assets: 167bn EUR

Czech Republic (A1)
Total assets: 39bn EUR

Hungary (Ba1)
Total assets: 9bn EUR

Slovakia (A2)
Total assets: 6bn EUR

Bulgaria (Baa2)
Total assets: 1bn EUR

KBC'S NON-CORE MARKETS

Ireland (Moody's Ba1)
Total assets: 19bn EUR

Poland (A2)
Total assets: 12bn EUR

Russia (Baa1)
Total assets: 2.3bn EUR

Serbia (not rated)
Total assets: 0.3bn EUR

Romania (Baa3)
Total assets: 0.03bn EUR

Real GDP growth outlook for core markets
Source: KBC data, May 2012

	% of assets	2011a	2012e	2013e
SK	2%	+3.3%	+1.5%	+2.2%
BE	57%	+1.9%	+0.2%	+1.4%
CZ	13%	+1.7%	0.0%	+2.0%
BG	1%	+2.1%	+1.2%	+2.5%
HU	3%	+1.7%	-0.3%	+1.0%

Current situation (at end 1Q12)

1. Adequate Capital

- Including State core capital securities of 6.5bn EUR, the core tier-1 ratio for KBC Group was at a comfortable 11.4% level at the end of 1Q12. At KBC Bank, the core tier-1 ratio amounted to 10.1% at the end of 1Q12

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

- 2011 and 2010 loan losses were significantly lower than in 2009
- We are sticking to our guidance for loan loss provisions in Ireland of 500-600m EUR for the full year 2012

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

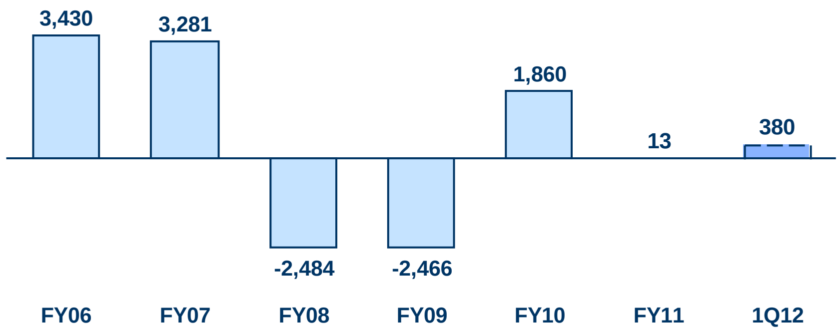
- Strategy and business profile of KBC Group
- Financial performance of KBC Group
- Asset quality of KBC Bank
- Liquidity and solvency of KBC Bank
- Wrap-up

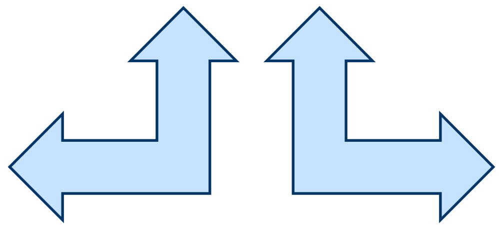
Appendices

Earnings capacity

Reported net profit

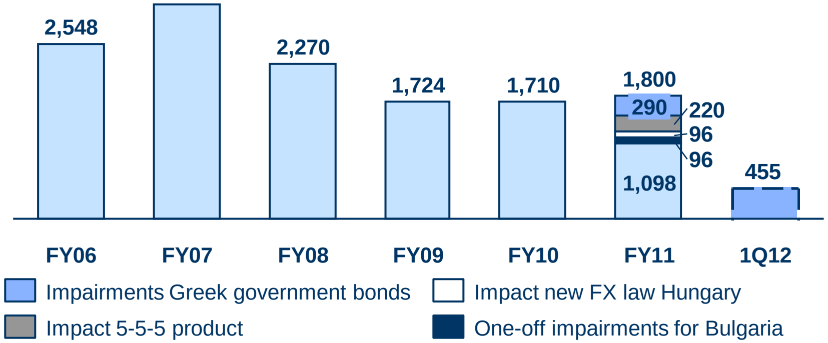
Amounts in EUR million
for KBC Group





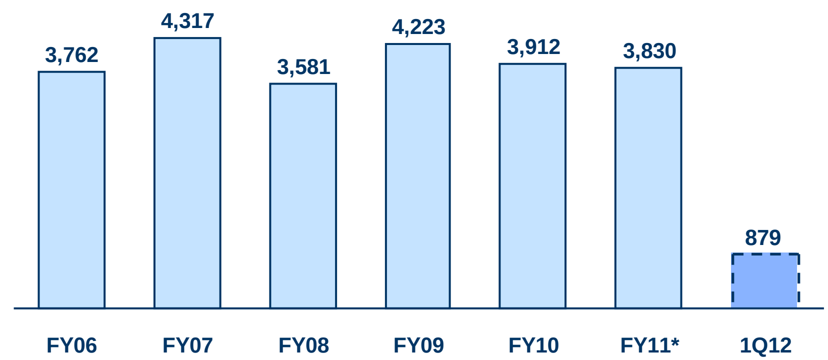
Excl. exceptional items

Underlying net profit



Excl. exceptional items and cyclical effects of credit provisions

Underlying gross operating income (pre-impairments)



* FY11 with neutralisation of impact of 5-5-5 bonds

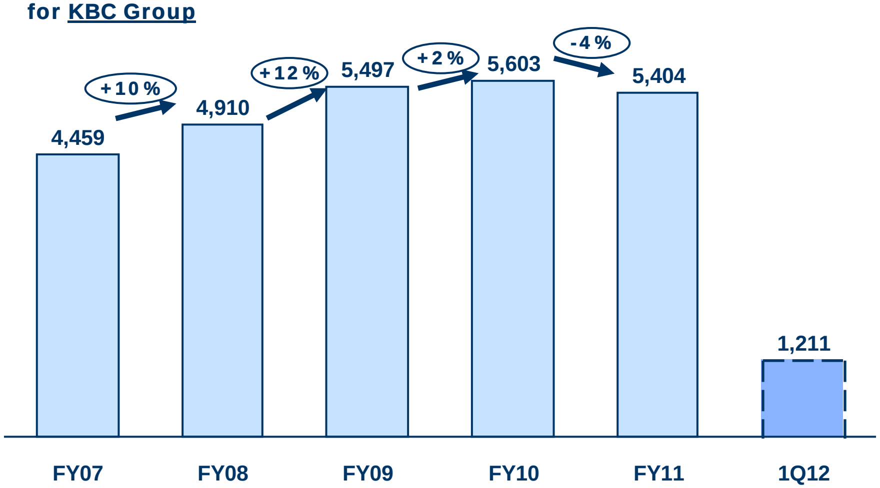
- Core earnings power intact, with a significantly reduced risk profile (trading), despite drastic RWA reduction (including B2.5 impact) since the end of 2008: 36.2bn EUR per end 2011 and 44.5bn per end 1Q12

Good level of net interest income

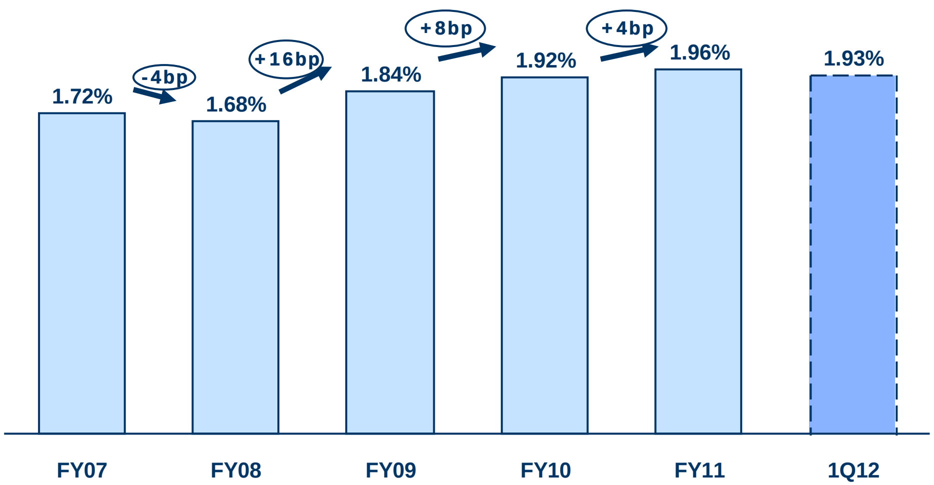
- Net interest income from lending and deposit-taking fell by 4% y-o-y in 2011, largely due to divestments (Centea and Secura) and the reduced government bond portfolio. Excluding Centea and Secura, net interest income fell by 2% y-o-y in 2011. The NIM increased 4bps y-o-y to 1.96% at the end of 2011, partly thanks to some technical items. The NIM in 1Q12 amounted to 1.93%
- Higher loan volumes in 2011 compared to year-earlier level (+2%). Increase in volume of Belgian and CEE retail loans (+6% y-o-y) partly offset by intentional scaling down in Russia and international corporate loan book. In 1Q12, loan volumes rose by 3% y-o-y on a comparable basis. In 2011, customer deposits were down by 14% y-o-y for the group due to outflows of corporate and institutional investors outside core markets linked to EUR-zone and Belgium risk aversion (fully situated in Merchant Banking), with Belgium posting a 5% growth and CEE 4%. Note that deposit volumes in the Merchant Banking BU recovered 18% q-o-q in 1Q12

Underlying net interest income
(worldwide)

Amounts in EUR million
for KBC Group



Net interest margin
(worldwide)

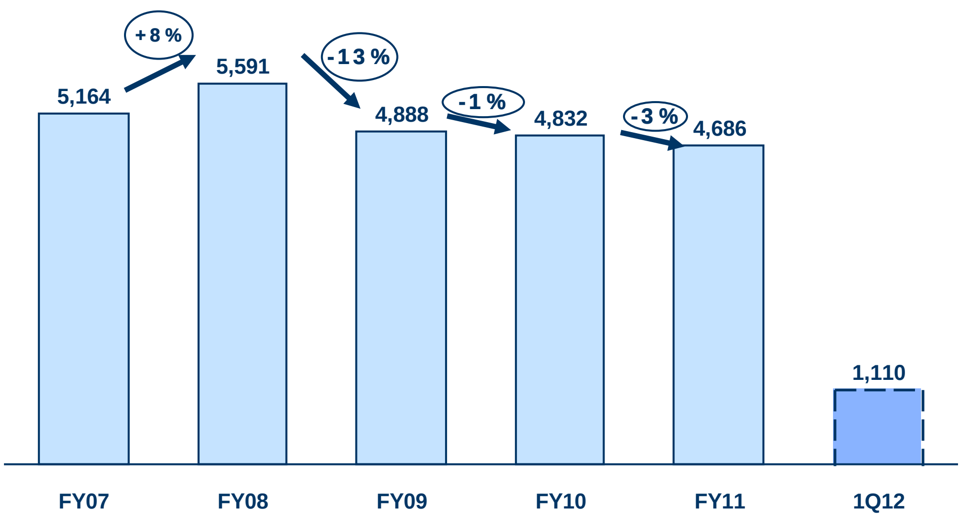


Continued tight cost control, loan loss provisions significantly lower

- Lower operating expenses (-3% y-o-y) in 2011, reflecting divestments and deduction from the Hungarian banking tax related to the FX mortgage impairments. Excluding all these and other one-off items, operating expenses rose by 3% y-o-y due to inflation-linked expenses. In 1Q12, operating expenses also rose by 3% y-o-y, excluding one-offs
- In 2011, loan loss provisions were significantly lower (-10% y-o-y): consistently low in the Belgium BU and substantially lower in Group Centre. Sharply higher loan losses in CEE (-137m EUR y-o-y), driven mainly by Bulgaria and Hungary (FX measures in 2H11). Loan losses in Merchant Banking remained at a high level in 2011, mainly attributable to KBC Bank Ireland. In 1Q12, substantially lower impairments were recorded, despite the 195m EUR loan losses booked at KBC Bank Ireland (in line with guidance)

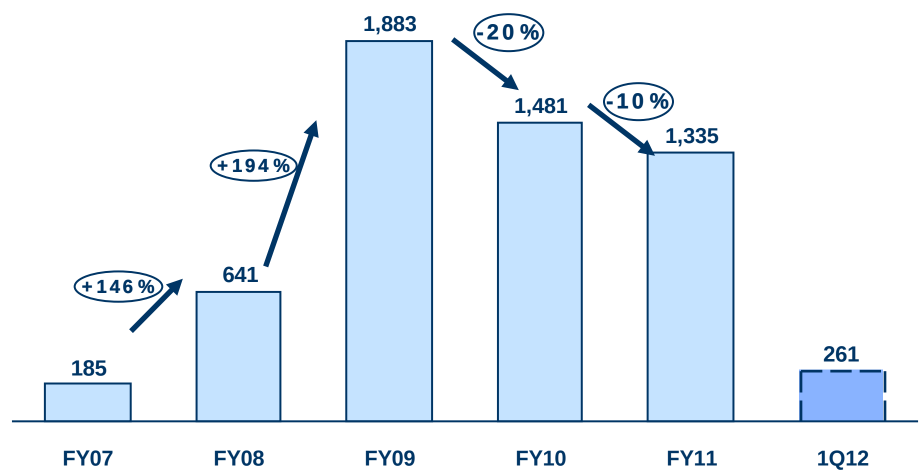
Underlying operating expenses (worldwide)

Amounts in EUR million for KBC Group



Underlying loan loss provisions (worldwide)

Amounts in EUR million for KBC Group



Loan loss experience at KBC

	1Q12 credit cost ratio	FY 2011 credit cost ratio	FY 2010 credit cost ratio	FY 2009 credit cost ratio	Average '99 –'10	Peak '99 –'10
Belgium	**-0.02%**	**0.10%**	0.15%	0.15%	0.16%	0.31%
CEE	**0.60%**	**1.59%***	1.16%	2.11%	1.05%	2.75%
Merchant	**1.57%****	**1.36%****	1.38%**	1.19%	0.55%	1.38%**
Group Centre	**0.34%**	**0.32%**	1.17%	1.58%		
Total	**0.66%*****	**0.82%**	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

* The high credit cost ratio at CEE is attributable entirely to Bulgaria (very illiquid domestic real estate market) and K&H Bank (impact of new law on FX mortgages) in 2H11

** The high credit cost ratio at Merchant Banking is due in full to KBC Bank Ireland

*** Credit cost ratio fell to 0.66% in 1Q12 (from 0.82% in FY11). Excluding KBC Bank Ireland, the credit cost ratio stood at a very low 0.18% in 1Q12

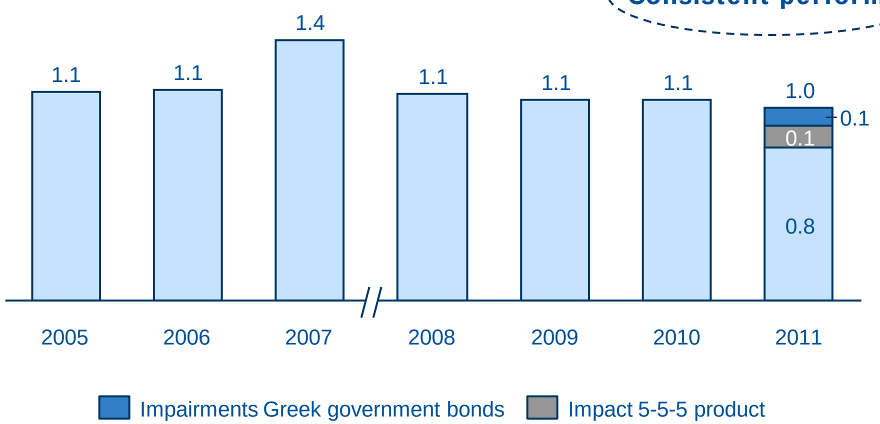
Satisfying FY results in home markets

Underlying performance

Underlying net profit Belgium (retail)

2011 ROAC: 27%

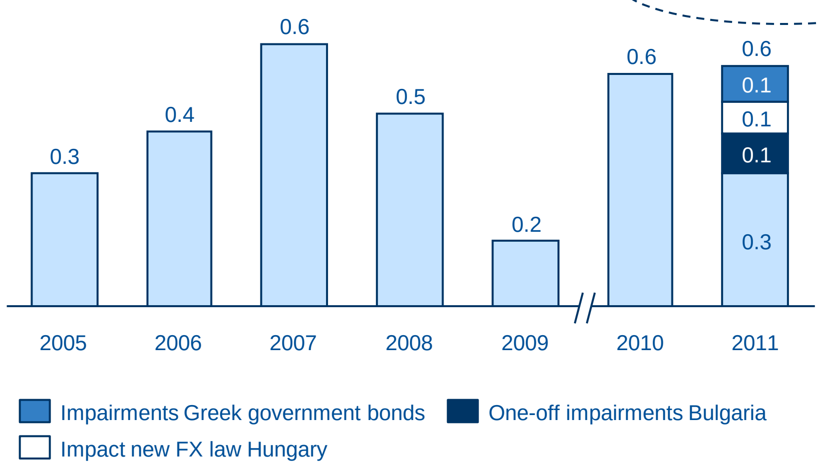
Consistent performer



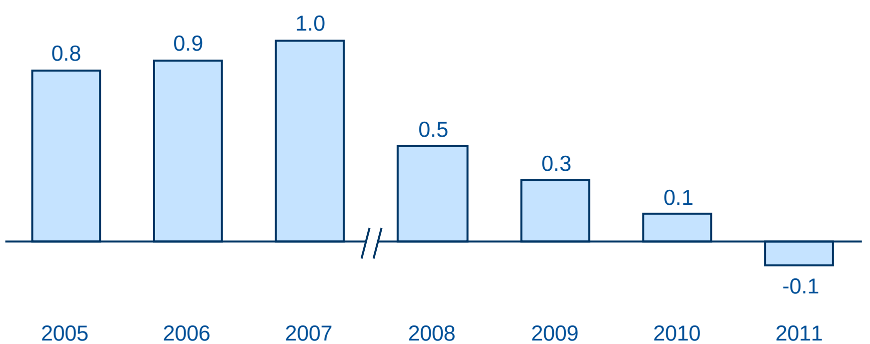
Underlying net profit CEE

2011 ROAC: 11%

Consistent performer

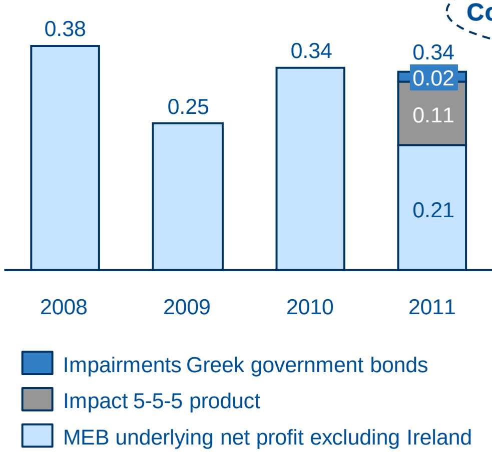


Underlying net profit Merchant Banking (BE + Intl) (affected by Ireland)



Underlying net profit MEB excluding Ireland

Consistent performer



Amounts in bn EUR

Contents

Balance sheet risks?
(KBC Bank consolidated at end 1Q12)

Total Assets: 247bn EUR

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

Loan book: 136bn EUR

(Loans and advances to customers)

1. Credit quality

Trading assets: 22bn EUR

2. Trading exposure

3. 'Toxic' assets

Investment portfolio: 41bn EUR

4. Sovereign bonds

Other (incl. interbank loans): **44bn EUR**

Total Liabilities & Equity: 247bn EUR

Parent shareholders' equity: 12bn EUR

Capital adequacy

Liquidity position

Funding and deposit base: 171bn EUR

Trading liabilities: 20bn EUR

Other (incl. interbank deposits): **44bn 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

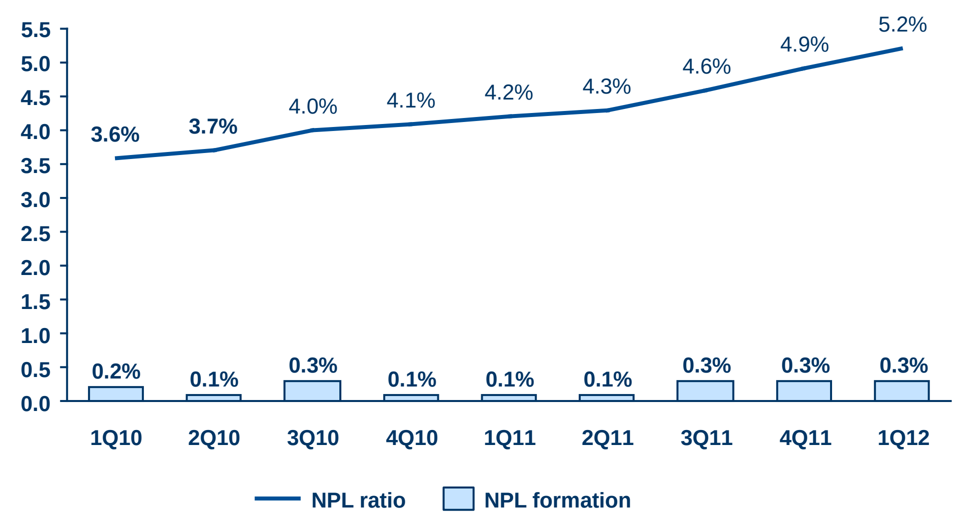
3. 'Toxic' assets

Investment portfolio

4. Sovereign bonds

Other (incl. interbank loans)

- Customer loan book: 136bn EUR at end 1Q12
  - 40% residential mortgages
  - 2% consumer finance
  - 10% other retail loans
  - 48% SME/corporate loans
- Largely sold through own branches
- Total NPL at 5.2% at end 1Q12 (5.6% in CEE)
- NPL cover ratio at 63% at end 1Q12 (70% in CEE)



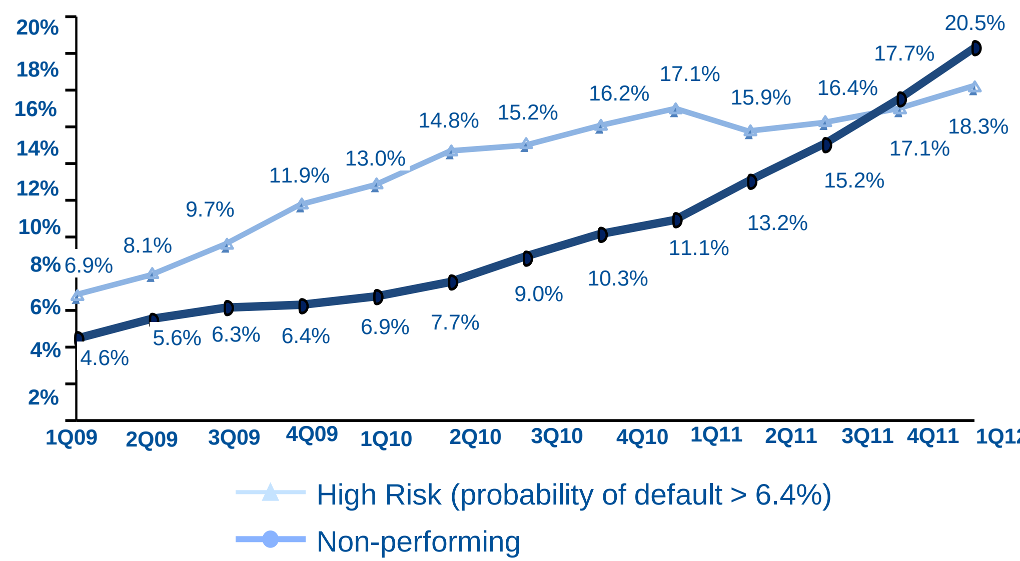
Ireland

- Loan loss provisions in 1Q12 of 195m EUR (228m EUR in 4Q11). The loss after tax in 1Q12 was 126m EUR
- Economic conditions have remained difficult in the early months of the year as budget austerity measures take their toll. Marginally positive economic growth for 2012 is anticipated as a whole
- Unemployment seems to be stabilising. The pipeline of new FDI into Ireland remains encouraging, with new jobs as a result of FDI increasing by 20% in 2011. EU/IMF programme targets continue to be reached
- Residential mortgage arrears continue to deteriorate, although the pace of deterioration has slowed. KBC Ireland is implementing its Mortgage Arrears Resolution Strategy to provide sustainable mortgage restructures to customers in difficulty
- The final shape of the personal insolvency legislation is still unknown and could represent further risk to lenders
- Commercial customers with Irish domestic exposure continue to face challenges and commercial collateral values continue to suffer as all Irish banks deleverage
- Expanded product range driving strong acquisition of retail customers. Successful deposit campaign with increased deposit levels (+0.1bn EUR q-o-q to roughly 1.0bn EUR) and some 2,500 new customers in 1Q12
- Local tier-1 ratio to 11.16% at the end of 1Q12 through a capital increase of 75m EUR (11.06% at the end of 4Q11)

Irish loan book – key figures as at 31 March 2012

Loan portfolio	Outstanding	NPL	NPL coverage
Owner occupied mortgages	9.5bn	14.8%	28%
Buy to let mortgages	3.2bn	24.3%	39%
SME /corporate	2.0bn	20.3%	55%
Real estate investment	1.4bn	26.7%	53%
Real estate development	0.5bn	83.4%	72%
	16.6bn	20.5%	42%

Proportion of High Risk and NPLs



Hungary (1)

- The **underlying net loss** of K&H Group for 1Q12 was 36m EUR. Included in this loss are:
  - 46m EUR post-tax impact of the full year 2012 bank tax
  - 2m EUR post-tax 5-year accounting impact of the HUF ‘buffer account’ bearing below market interest rates
  - 1.6m EUR post-tax 2012 impact of interest rate reduction for customers opting for government FX debtor relief programme

- **Loan loss provisions** in 1Q12 amounted to 28m EUR. The credit cost ratio (without the one-off impact of FX mortgage easement) came to 1.63% in 1Q12 versus 1.72% in 1Q11

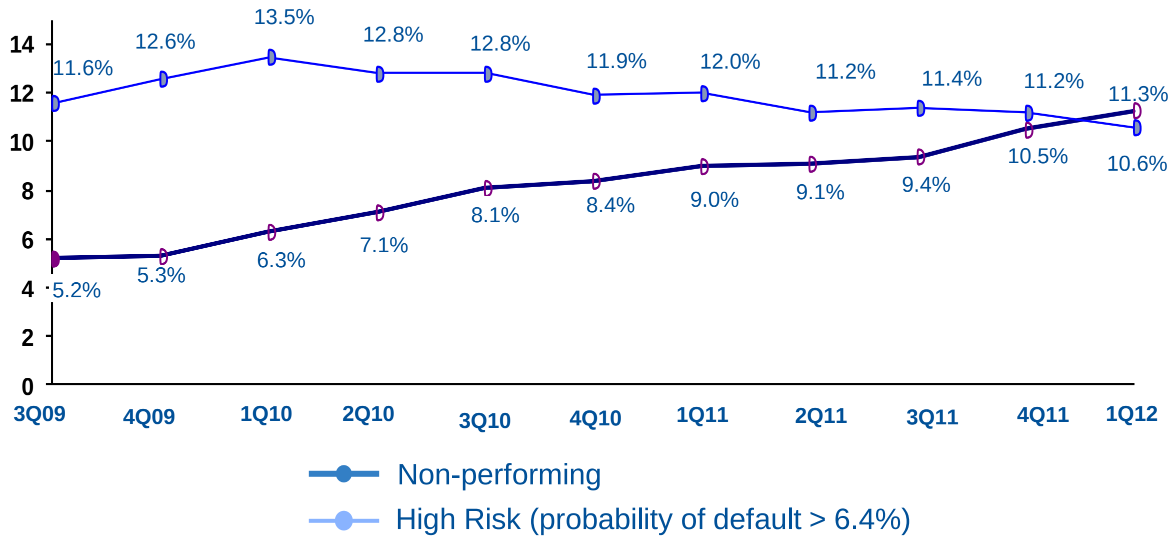
- **NPL** rose to 11.3% in 1Q12 (10.5% in 4Q11)
  - NPL Retail: 17.0% in 1Q12 (13.3% in 4Q11):
    - Rising NPL in retail was driven by
      - Repayment of FX mortgages until 28 February reducing performing portfolio (+1.6%)
      - Effect of temporary termination of own easement program due to upcoming new government scheme (+0.8%)
      - Portfolio deterioration (+1.3%), partially explained by customers reducing their installment payments in anticipation of the new government relief scheme
    - The expectation is that the government scheme will reduce new NPL formation in 2H12
  - Corporate: stable portfolio quality (NPL: 7.0% in 1Q12, 8.1% in 4Q11)

Hungary (2)

Hungarian loan book – key figures as at 31 March 2012

Loan portfolio	Outstanding	NPL	NPL coverage
SME/Corporate	2.8bn	7.0%	68%
Retail	2.7bn	15.9%	67%
o/w private	2.2bn	17.0%	67%
o/w companies	0.4bn	9.9%	74%
	5.5bn	11.3%	68%

Proportion of NPLs*



Hungary (3) – FX conversion

Enacted government repayment scheme
≈ 30% of customers participated

30% of loan loss provisions deductible from 2011 bank tax

FX conversion update:

- 636m EUR of FX loans repaid by the end of February 2012
- Total pre-tax effect for 2011 after recovering part of the banking tax, amounted to 119m EUR (booked in 2011)

Enacted Act on performing customers
≈ 55% *

Instalment to be split by all stakeholders through a buffer account for maximum 5y:

- Up to 180 HUF/CHF: customer pays principal and interest
- Between 180-270 HUF/CHF:
  - Principal paid by customer through buffer account
  - Interest split between bank and state 50%-50%
- Above 270 HUF/CHF: state pays principal + interest
- Same for EUR with 250-340 limits

Eligibility criteria:

- Original loan value below 83k CHF / 67k EUR
- The debtor does not participate in any other payment easement program
- The debtor is not overdue more than 90 days

Enacted Act on NPL customers
≈ 5% *

25% write-off of all eligible NPLs (90+ continuously from 30 Sep 2011):

- Conversion into HUF following decision of customer
- 30% of loss from write-off deductible from 2012 bank tax

Eligibility criteria:

- Deterioration of financial standing verified by documents
- Original loan amount below 83k CHF / 67k EUR
- Minimum amount due 260 EUR as of Sep 30

Additional support:

- HUF interest subsidy based on further eligibility criteria
- Social cases sold to NAMC up to 25,000 properties at a value of 55/50/35% (per law passed on Dec 5)

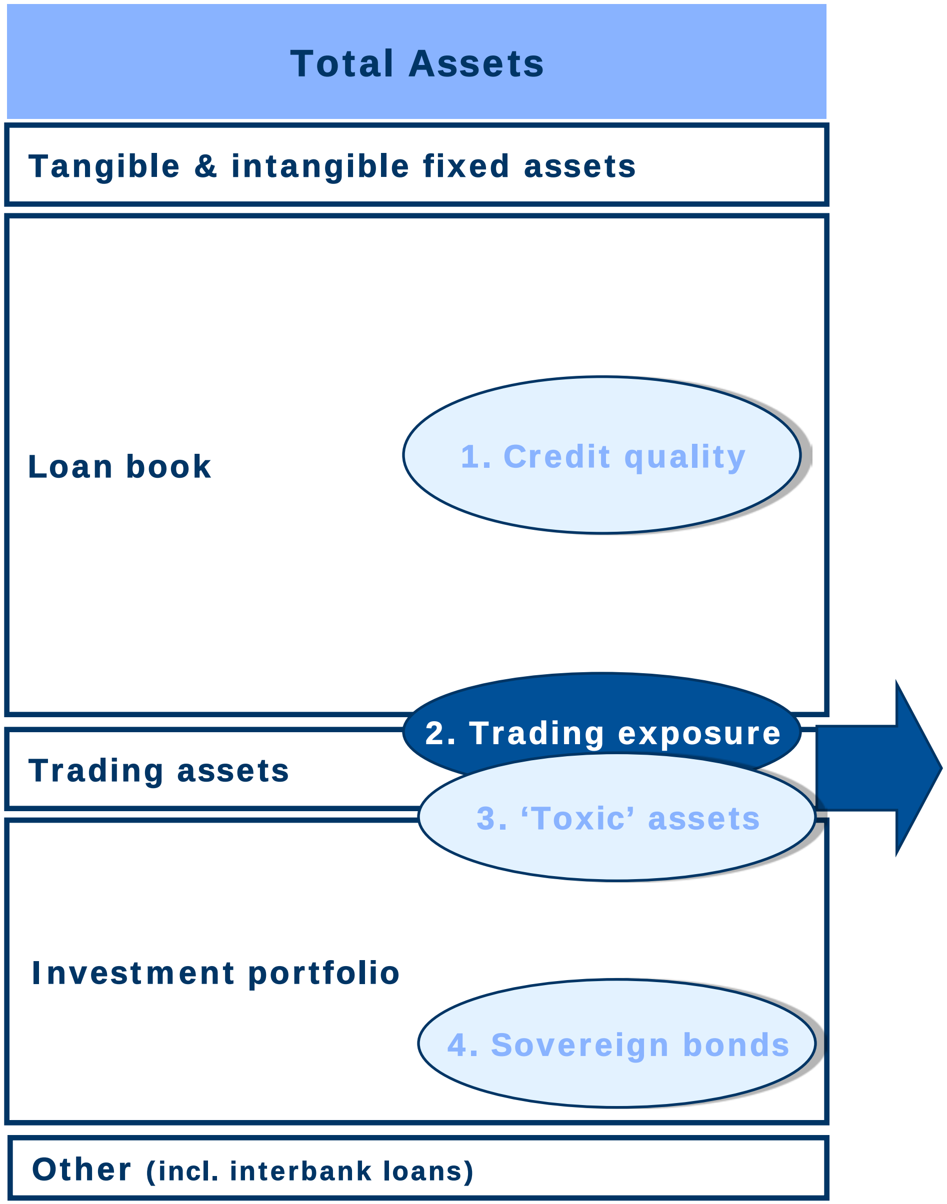
*** Eligible customers as a % of the total customers (FX mortgage loan portfolio as at 30 Sep 2011)**

The FX prepayment will have a negative impact on NII at K&H of 30m EUR in 2012, gradually decreasing in the following years

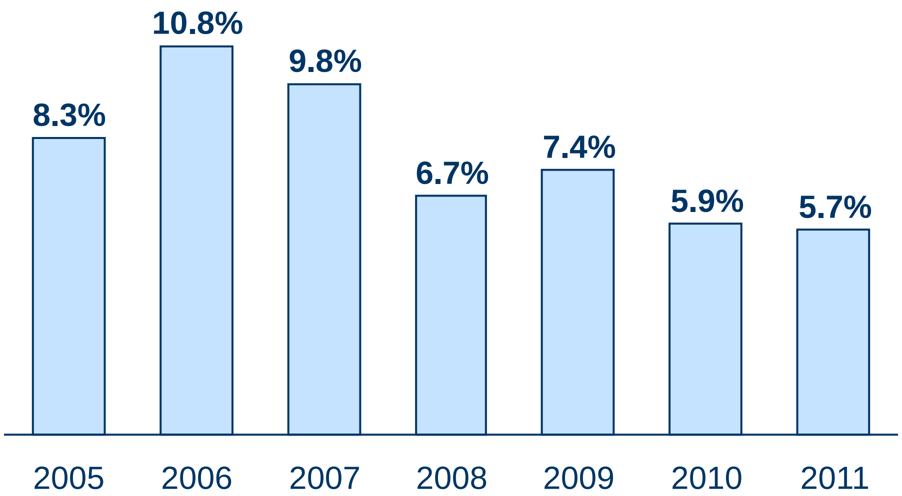
Assuming a customer participation rate of 75%, the estimated pre-tax PV impact is 24m EUR over the 5-year period

Considering the existing average impairment level for the eligible customers, this measure has no substantial impact

Trading activities



Net (un)realised gains from FIFV within the 'Market Activities' sub-unit, 2005-2011 (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) at the end of 1Q12	Notional	Outstanding markdowns
- Hedged portfolio	10.1	-0.8
- Unhedged portfolio	5.5	-3.8
TOTAL	**15.6**	**-4.5**

Amounts in bn EUR	Total
Outstanding value adjustments	-4.5
Claimed and settled losses	-2.2
- Of which impact of settled credit events	-1.9

- Total notional amount fell by 1.7bn EUR q-o-q in 1Q12
- Outstanding value adjustments amounted to 4.5bn EUR at the end of 1Q12
- Claimed and settled losses amounted to 2.2bn EUR
- Within the scope of the sensitivity tests, the value adjustments reflect a 12.6% 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)**

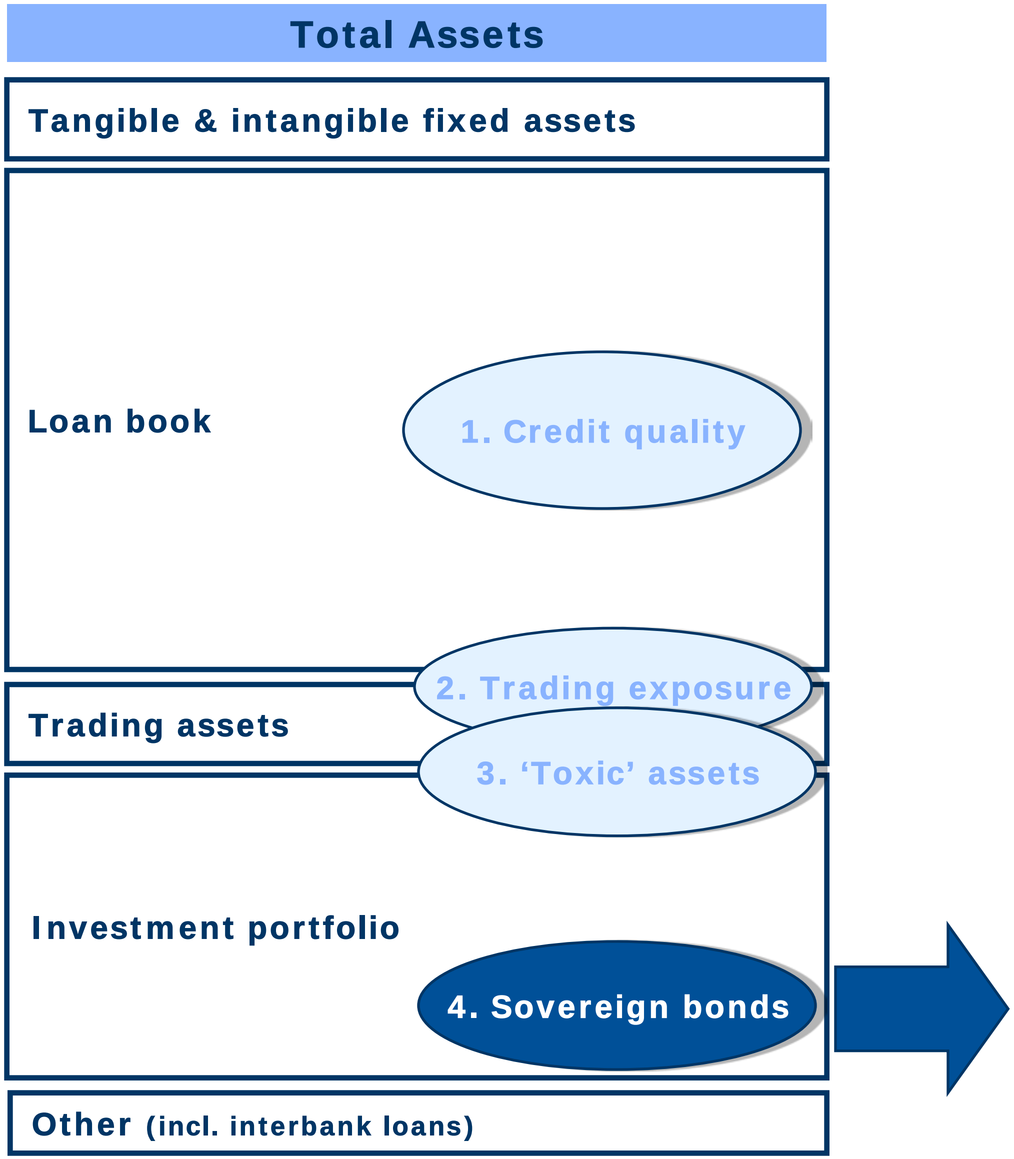
	10%	20%	50%
Spread tightening	+0.1bn	+0.2bn	+0.6bn
Spread widening	-0.1bn	-0.2bn	-0.4bn

* Figures exclude all expired, unwound or terminated CDOs

** Taking into account the guarantee agreed with the Belgian State and a provision rate for MBIA at 70%

*** See appendices for more details

Investment portfolio (cont'd)

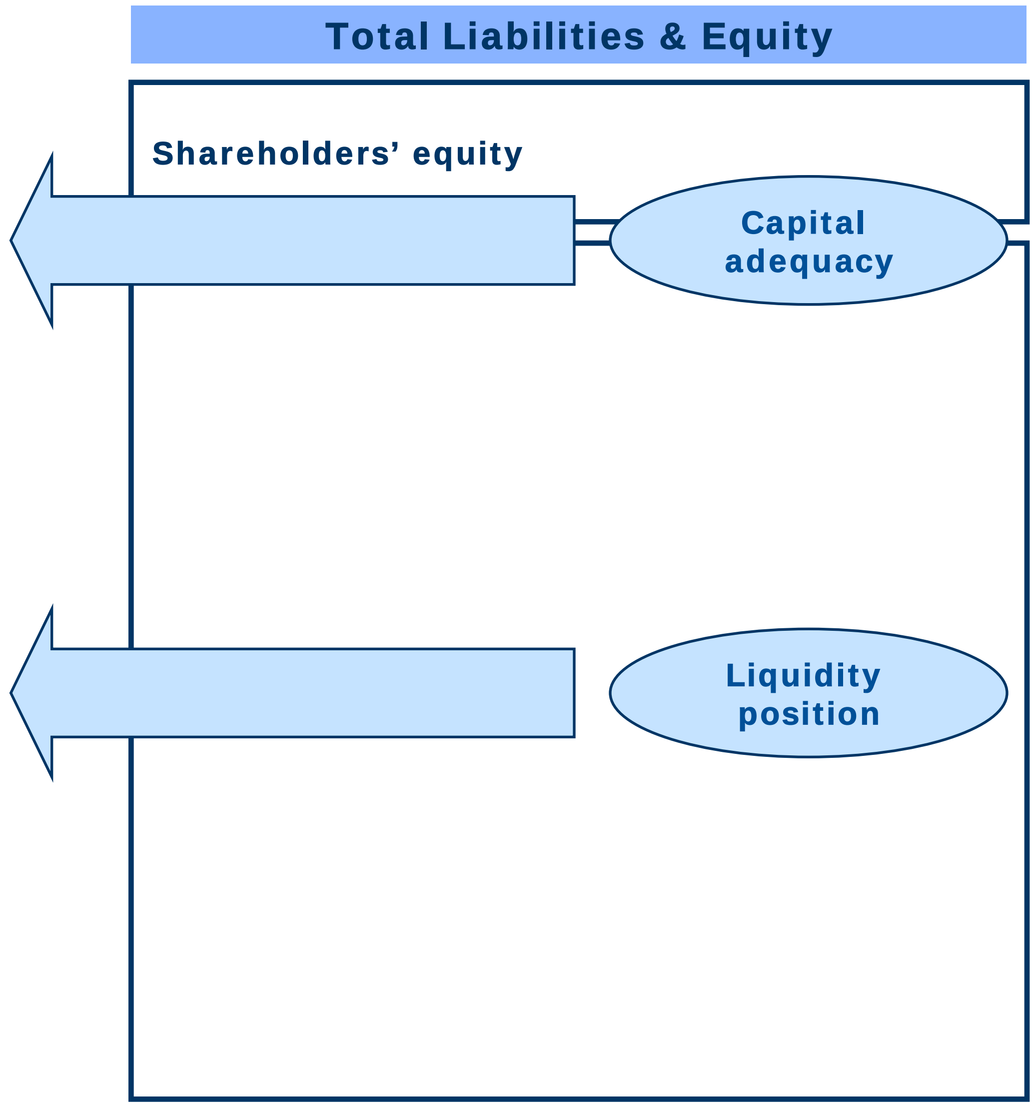


- Government bond investment portfolio (carrying value, excluding trading book) at KBC Bank of 35bn EUR (at end of 2011)

- Geographical composition:
  - Belgium: 47%
  - CEE (mainly locally held portfolios): 35%
  - Italy: 4%
  - Spain: 3%
  - Greece, Portugal and Ireland: 1%
  - Other (almost all European): 10%

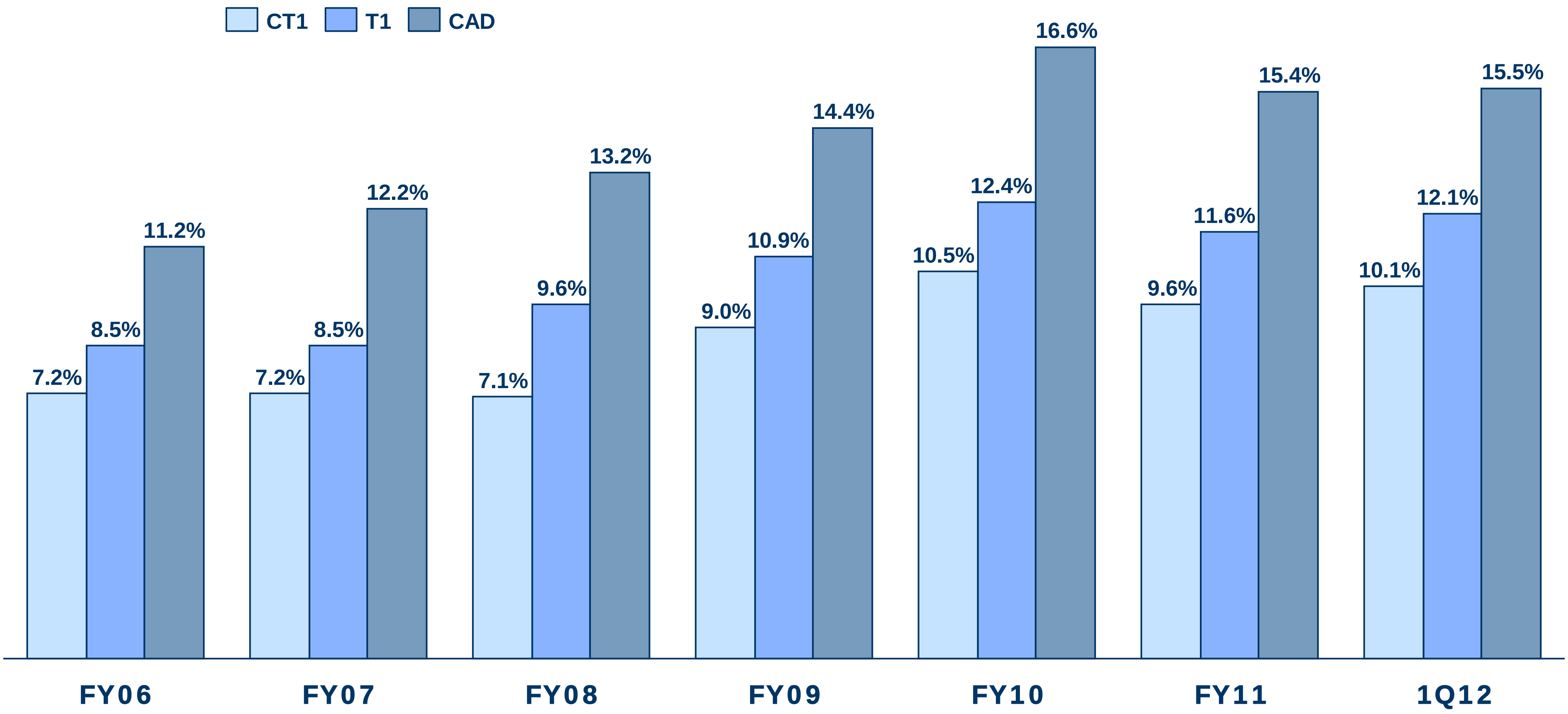
Contents

Solvency and liquidity position



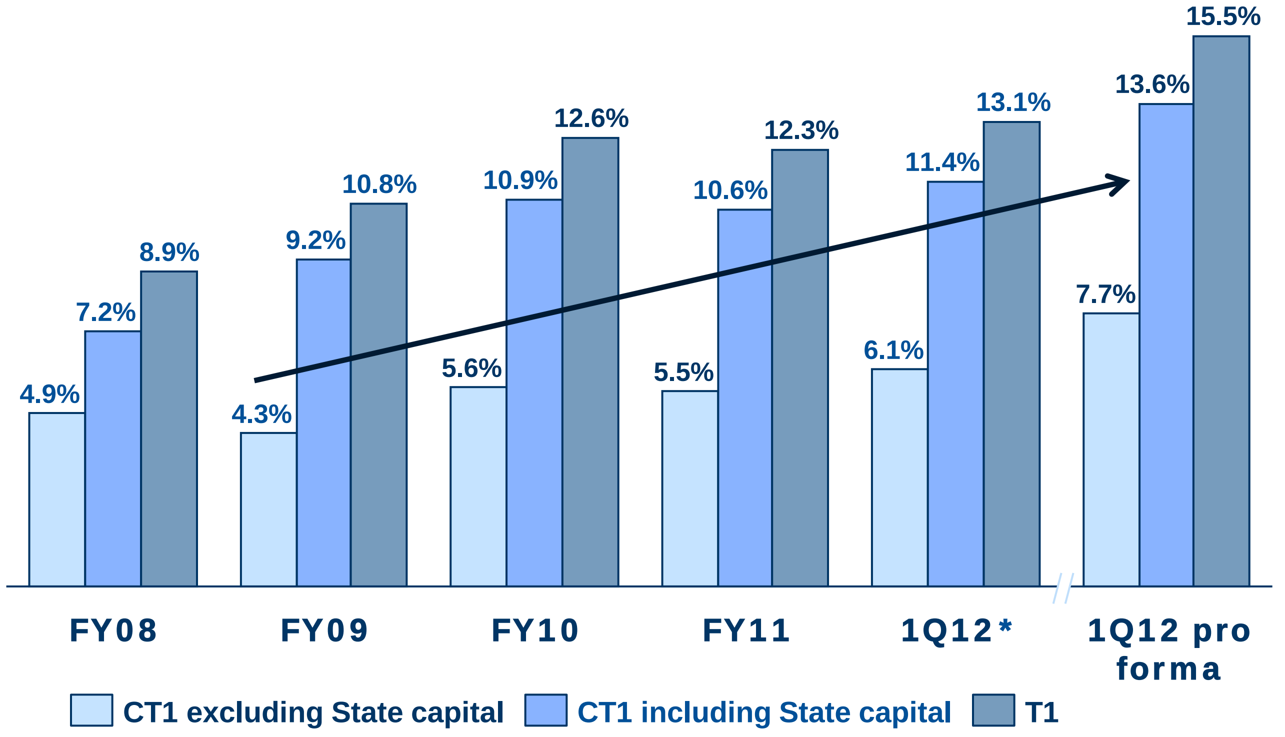
- With core tier-1 ratio of 10.1% at KBC Bank (excl. KBL *epb*) and 11.4% at KBC Group, KBC is well positioned to pursue organic growth
- With loan-to-deposit ratio at 90%, need for refinancing in the market is limited compared to peers
- Based on a preliminary analysis, funding & solvency seem to be manageable in light of the new ‘Basel’ proposals

Improved capital ratios at KBC Bank (excl. KBL)



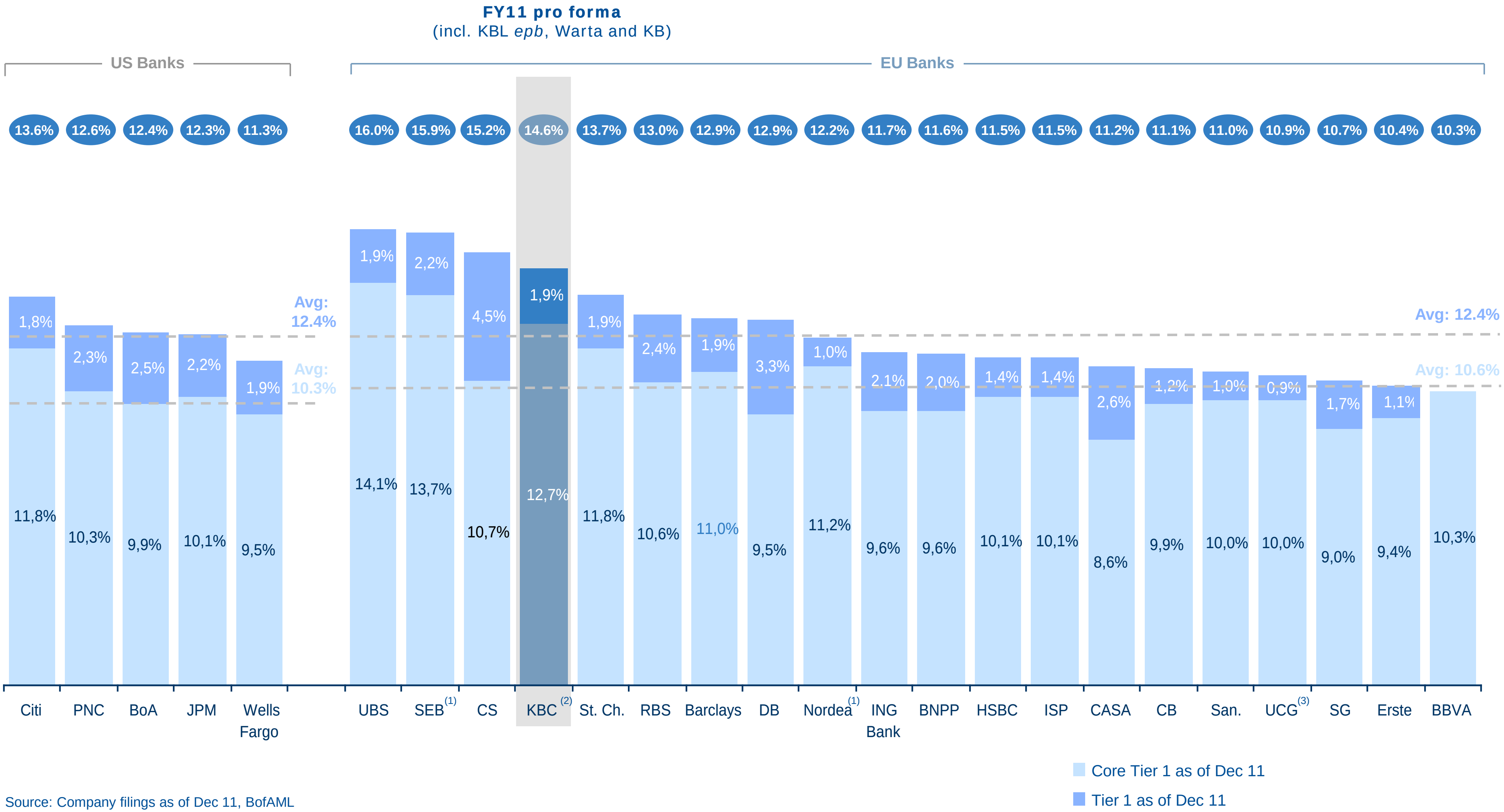
Strong capital position at KBC Group

- Strong tier-1 ratio of 13.1% (15.5% pro forma) at KBC Group as at end 1Q12 comfortably meets the minimum required tier-1 ratio of 11% (under Basel 2)
- Pro forma core tier-1 ratio – including the effect of divestments already signed – of 13.6% at KBC Group
- First repayment, of 500m EUR, to the Federal Government in January 2012 at 15% premium. Intention is to make additional repayments in 2012 (with the aim being to repay at least 4.67bn EUR of the principal amount of the YES by the end of 2013)



* 1Q12 pro forma CT1 includes the impact of divestments already signed, but not yet closed (KBL *epb*, Warta and Kredyt Bank)

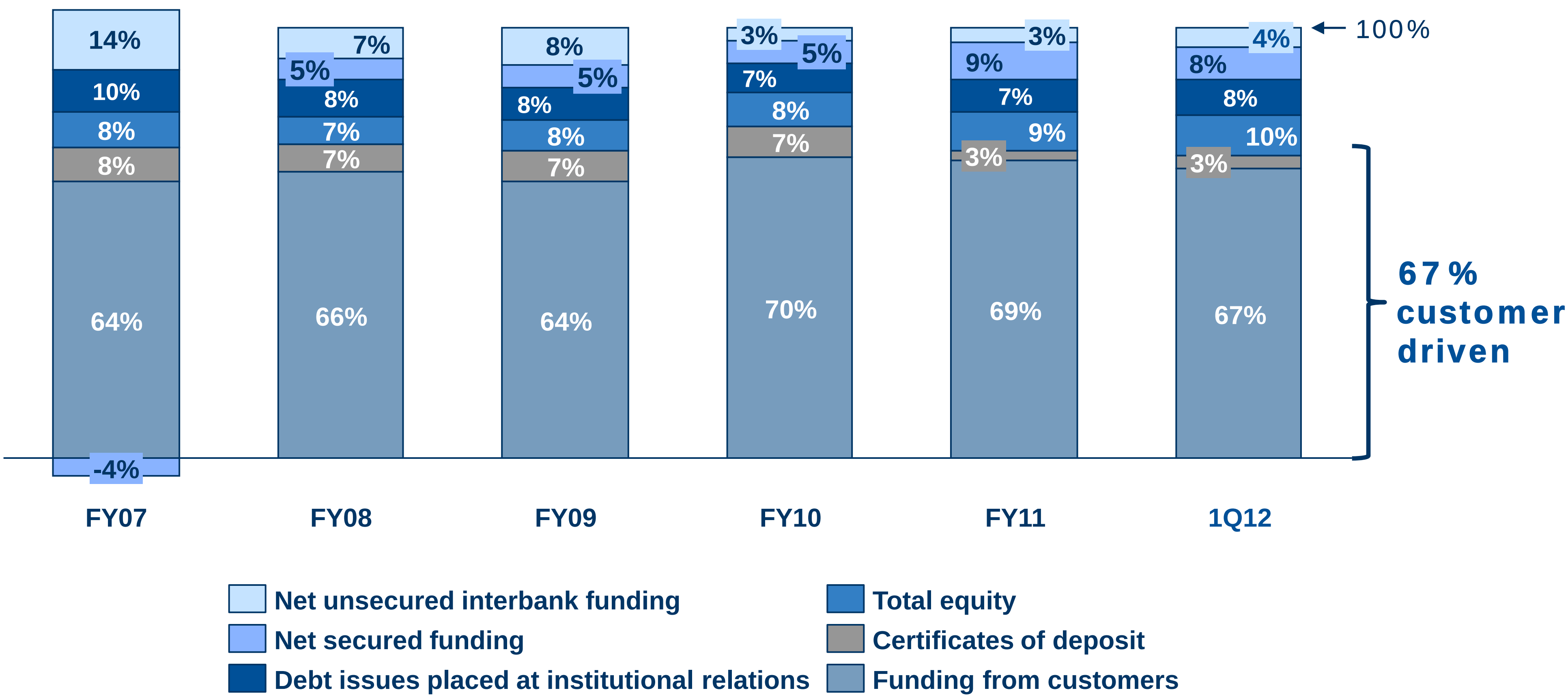
Favourable peer group comparison



Source: Company filings as of Dec 11, BofAML
Note: capital ratios under Basel 2.5 for EU banks and under Basel 1 for US banks
(1) Excluding transition rules.
(2) Including state capital and pro forma for divestments signed as of 28-Feb-12.
(3) Proforma capital increase.

A solid liquidity position (1)

- KBC Bank continues to have a strong retail/corporate deposit base in its core markets – resulting in a stable funding mix with a significant portion of the funding attracted from core customer segments & markets



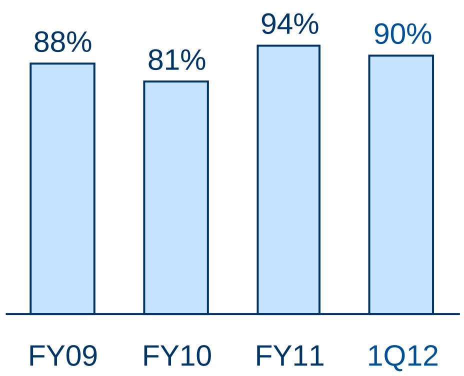
A solid liquidity position (2)

- Funding needs 2012 covered and buffer established given:
  - Our total mid/long-term wholesale funding (15bn EUR) only represents 8% of the total funding mix (which is relatively limited) – with only limited amounts maturing each year
  - Long-term funding needs decrease as steps to reduce RWA continue
  - We already issued 2.25bn EUR unsecured long-term debt YTD (1.25bn EUR 2y and 1.0bn EUR 5y)
- A regulation for the issuance of covered bonds is expected to be approved in Belgium

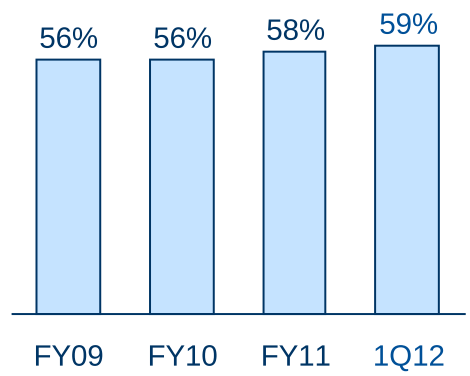
A solid liquidity position (3)

- LTD ratio of 90% at KBC Bank at the end of 1Q 2012. The decrease is the result of a strong deposit growth in retail/corporate and a recovery of the more volatile institutional deposits after the decrease in Q4 – (at that time due to a downgrade of our short-term rating by S&P and the risk aversion towards the European market in general)

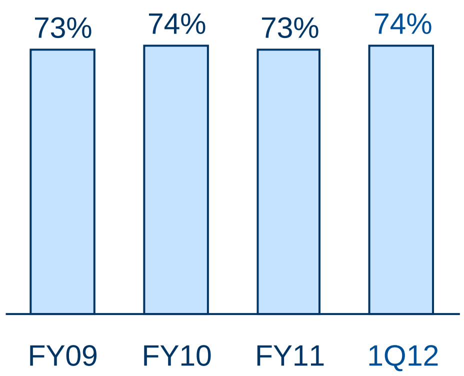
LTD ratio at KBC Bank



LTD ratio at Belgium BU*

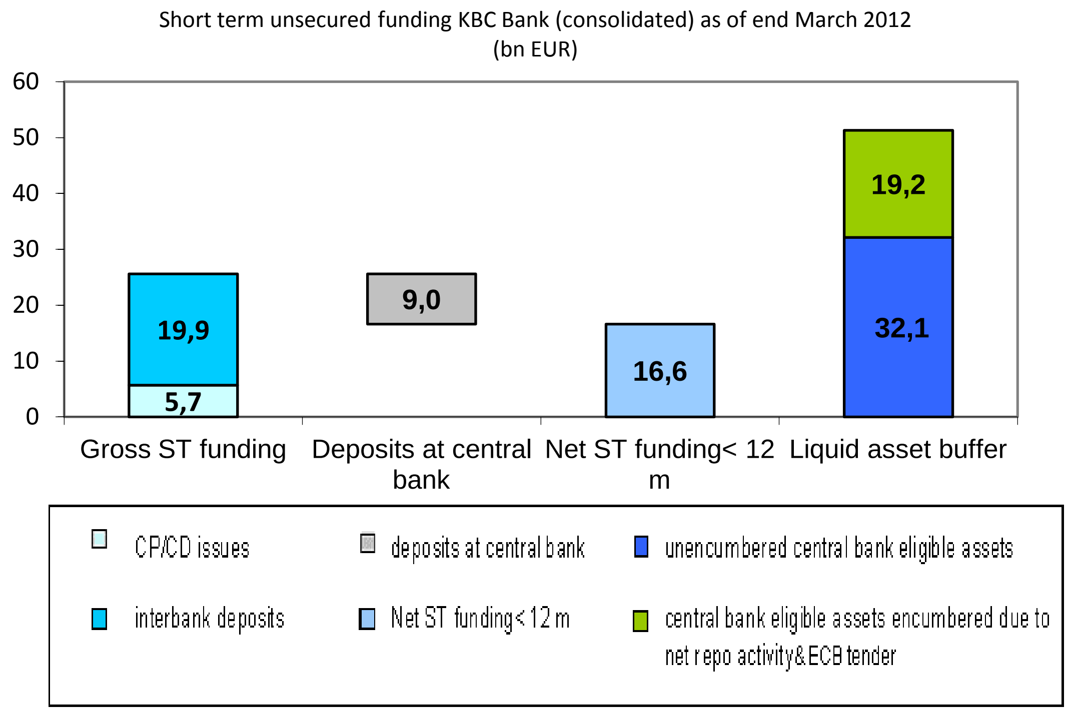


LTD ratio at CEE BU**



* Excluding Centea (retroactively adjusted)
** Excluding Kredyt Bank and Absolut Bank (items earmarked for divestment in Group Centre)

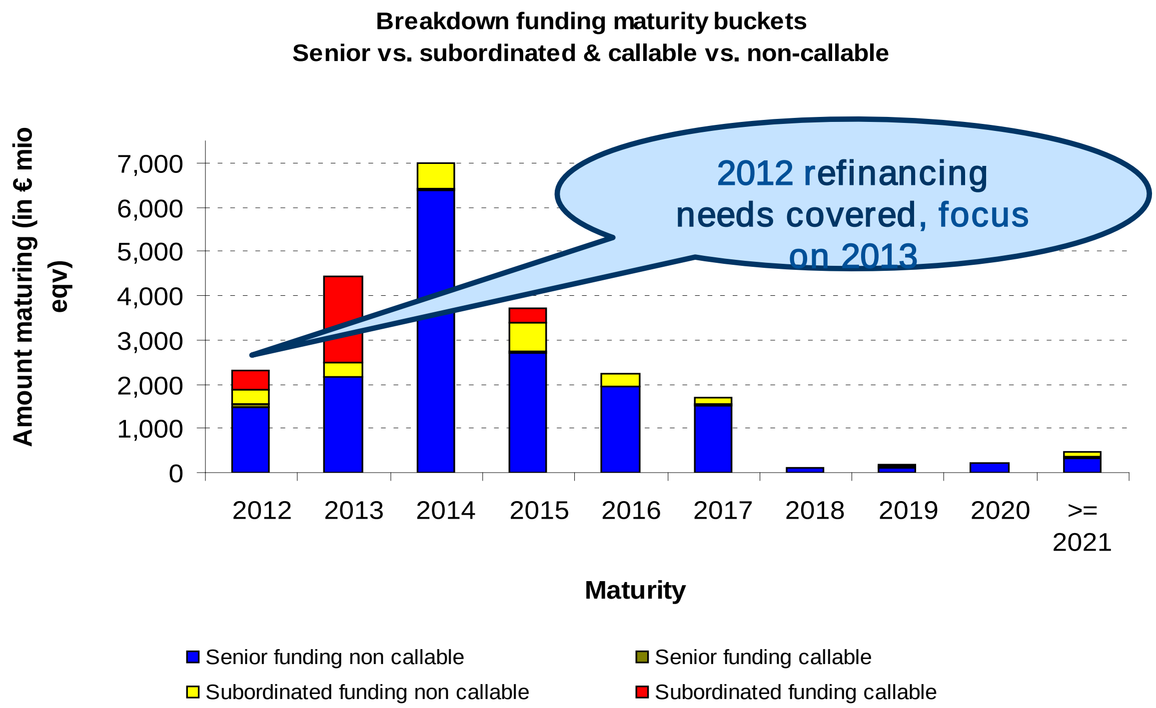
A solid liquidity position (4)



The liquid asset buffer increased slightly amongst other things due to positive M2M evolutions on the portfolio
The total amount of unencumbered assets declined moderately as more secured funding was attracted
However, **the liquidity position remains strong** as:

- **Unencumbered assets are double the amount of the net recourse on short-term wholesale funding maturing in 1y**
- **Funding coming from non-wholesale markets is stable funding from our core customer segments in our home markets**

Upcoming mid-term funding maturities



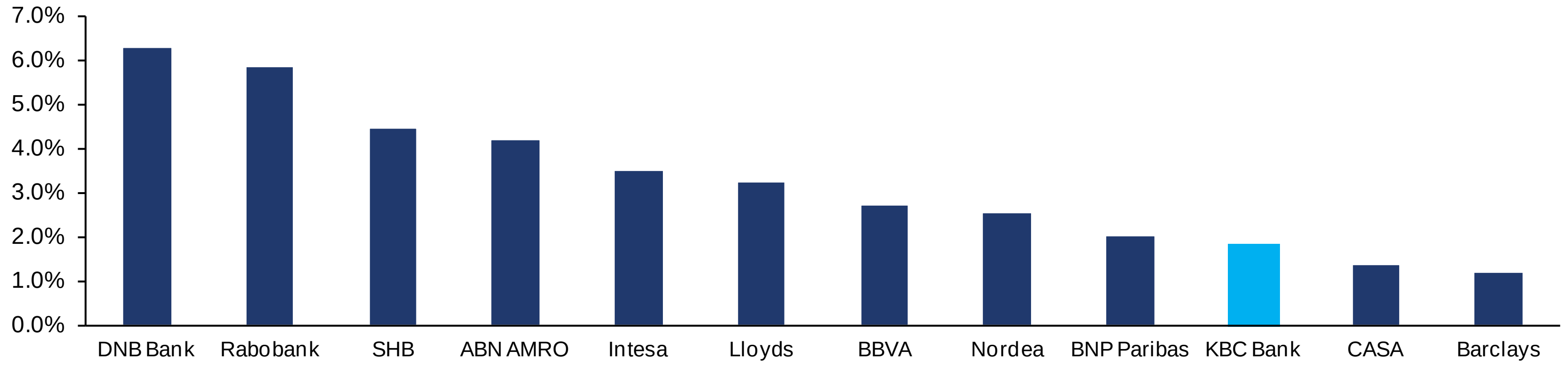
- KBC issued successfully 2 new benchmark senior unsecured deals for a total amount of 2.25bn EUR in 1Q 2012
- KBC Bank NV has 3 solid sources of EMTN Funding:
  - Public benchmark transactions
  - Structured Notes using the private placement format
  - Retail EMTN
- A regulation for the issuance of covered bonds is expected to be approved in Belgium

Note that this graph does not include the ECB-LTRO for a total amount of 8.7bn EUR (3y maturity)

Putting things into perspective...

- Term debt issuance in 2011: 4.3bn EUR (vs. 10bn - 43bn EUR for peer group)
- Term debt issuance 2011 / Total assets of KBC Bank 2011: 1.8% (vs. 1.2% - 6.3% for peer group)

Term Debt Issuance 2011 / Total Asset



Source: KBC Bank, Bloomberg, Company Reports – as of FY2011, Dealogic

- Term debt issuance 2011 / Total assets of KBC Group 2011: 1.5%
- Total LT debt outstanding / Total assets of KBC Bank 2011: 6.7% (vs. 5.5% - 25.6% for peer group)
- Total LT debt outstanding / Total assets of KBC Group 2011: 5.7%

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 37% in 1Q12)
  - Access to growth in ‘new Europe’ (most mature markets in the region)
- Strongly improved underlying 1Q12 results: 455m EUR, thanks to markedly lower impairments and strong dealing room income. Core profitability in home markets remains intact in difficult conditions. We are sticking to our guidance for loan loss provisions in Ireland of 500-600m EUR for the full year 2012
- Decisive progress on divestments, with capital gains to come in 2H12
- Further reduction of volatile elements:
  - CDO/ABS exposure further reduced by roughly 2.2bn EUR notional
  - PIIGS exposure further down by 42% since the end of 2011
- Strong capital position: pro forma core tier-1 ratio of 13.6% at KBC Group, which is a significant improvement compared to the end of last year. First 500m EUR repayment to the Federal Government in January 2012 at 15% premium. Working towards further repayment(s) in 2012
- Strong liquidity position: Unencumbered assets are double the amount of the net recourse on short-term wholesale funding maturing in 1 year
- Funding needs 2012 covered and additional buffer in place thanks to the issuance of 2.25bn EUR unsecured long-term debt (1.25bn EUR 2y and 1.0bn EUR 5y), strong growth in customer deposits (+4% q-o-q) and additional buffer established with participation in LTRO2

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KBC 2012 Benchmarks

KBC 2Y Fixed – XS0754262755

- Notional: 1.25bn EUR
- Issue Date: 7 March 2012 – Maturity: 7 March 2014
- Coupon: 3.625%, A, Act/Act
- Re-offer spread: Mid Swap + 255bp (issue price 99.941%)
- Joint lead managers: KBC, DZ, JP Morgan, Natixis

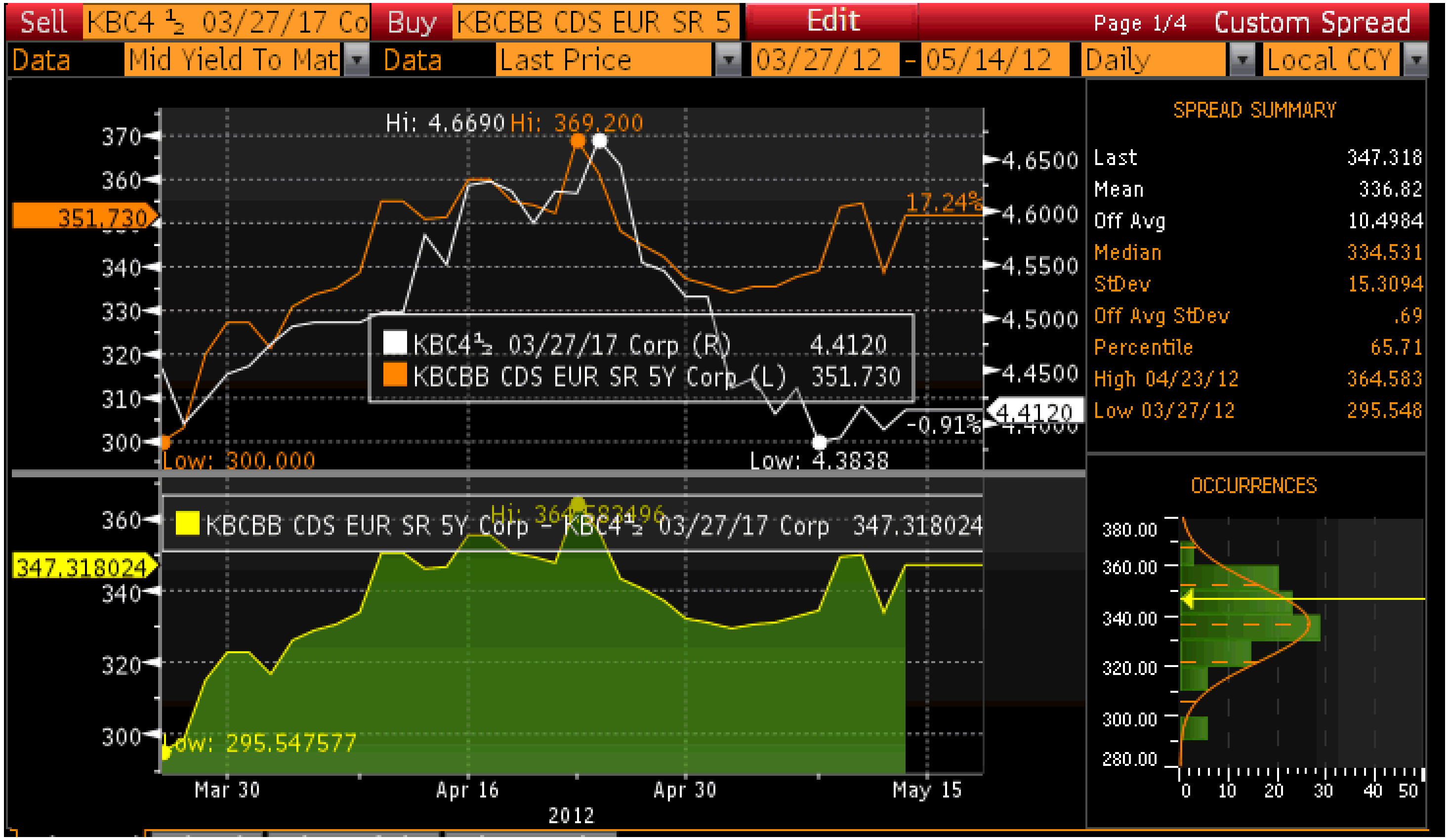
KBC 2012 Benchmarks

KBC 2012 Benchmarks

KBC 5Y Fixed – XS0764303490

- Notional: 1bn EUR
- Issue Date: 27 March 2012 – Maturity: 27 March 2017
- Coupon: 4.50%, A, Act/Act
- Re-offer spread: Mid Swap + 285bp (issue price 99.77%)
- Joint lead managers: KBC, UBS, GS, Commerzbank

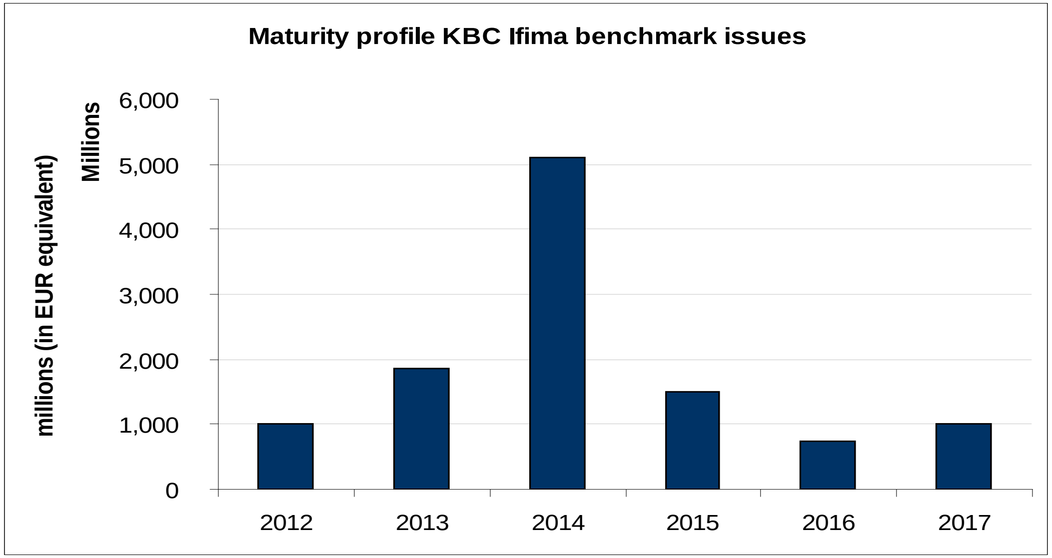
KBC 2012 Benchmarks



Outstanding Benchmarks

Tranche Report

Issuer	Curr	EUR Equivalent	Amount issued	Coupon	Settlement Date	Maturity Date	ISIN	YEAR
KBC Ifima N.V.	EUR	1,000,000,000	1,000,000,000	3-mth Euribor +35bp	26 Oct 2007	26/10/2012	XS0327159074	2012
KBC Ifima N.V.	EUR	1,602,615,000	1,602,615,000	6-mth Euribor -60bp	31 Mar 2008	31/03/2014	XS0340282739	2014
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3-mth Euribor +85bp	04 Mar 2008	04/03/2013	XS0350935671	2013
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3-mth Euribor +85bp	06 Mar 2008	06/03/2013	XS0351341150	2013
KBC Ifima N.V.	EUR	743,968,000	743,968,000		16 May 2008	16/05/2014	XS0352674682	2014
KBC Ifima N.V.	EUR	250,000,000	250,000,000	4.75	26-Jan-09	26/01/2014	XS0406774538	2014
KBC Ifima N.V.	EUR	1,250,000,000	1,250,000,000	4.5	17-Sep-09	17/09/2014	XS0452462723	2014
KBC Ifima N.V.	EUR	750,000,000	750,000,000	3.875	31 Mar 2010	31/03/2015	XS0498962124	2015
KBC Ifima N.V.	EUR	350,000,000	350,000,000	3-mth Euribor +165bp	19-Jul-10	19/07/2013	XS0527072937	2013
KBC Ifima N.V.	EUR	1,000,000,000	1,000,000,000	4	01-Mar-11	01/03/2013	XS0597921724	2013
KBC Ifima N.V.	EUR	750,000,000	750,000,000	5	16-Mar-11	16/03/2016	XS0605440345	2016
KBC Ifima N.V.	EUR	250,000,000	250,000,000	3.875	14/04/2011	31/03/2015	XS0498962124	2015
KBC Ifima N.V.	EUR	500,000,000	500,000,000	4.375	25/05/2011	26/10/2015	XS0630375912	2015
KBC Ifima N.V.	EUR	1,250,000,000	1,250,000,000	3.625	07/03/2012	07/03/2014	XS0754262755	2014
KBC Ifima N.V.	EUR	1,000,000,000	1,000,000,000	4.5	27/03/2012	27/03/2017	XS0764303490	2017



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		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	30/06/2012	02/08/2012	10/08/2012	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

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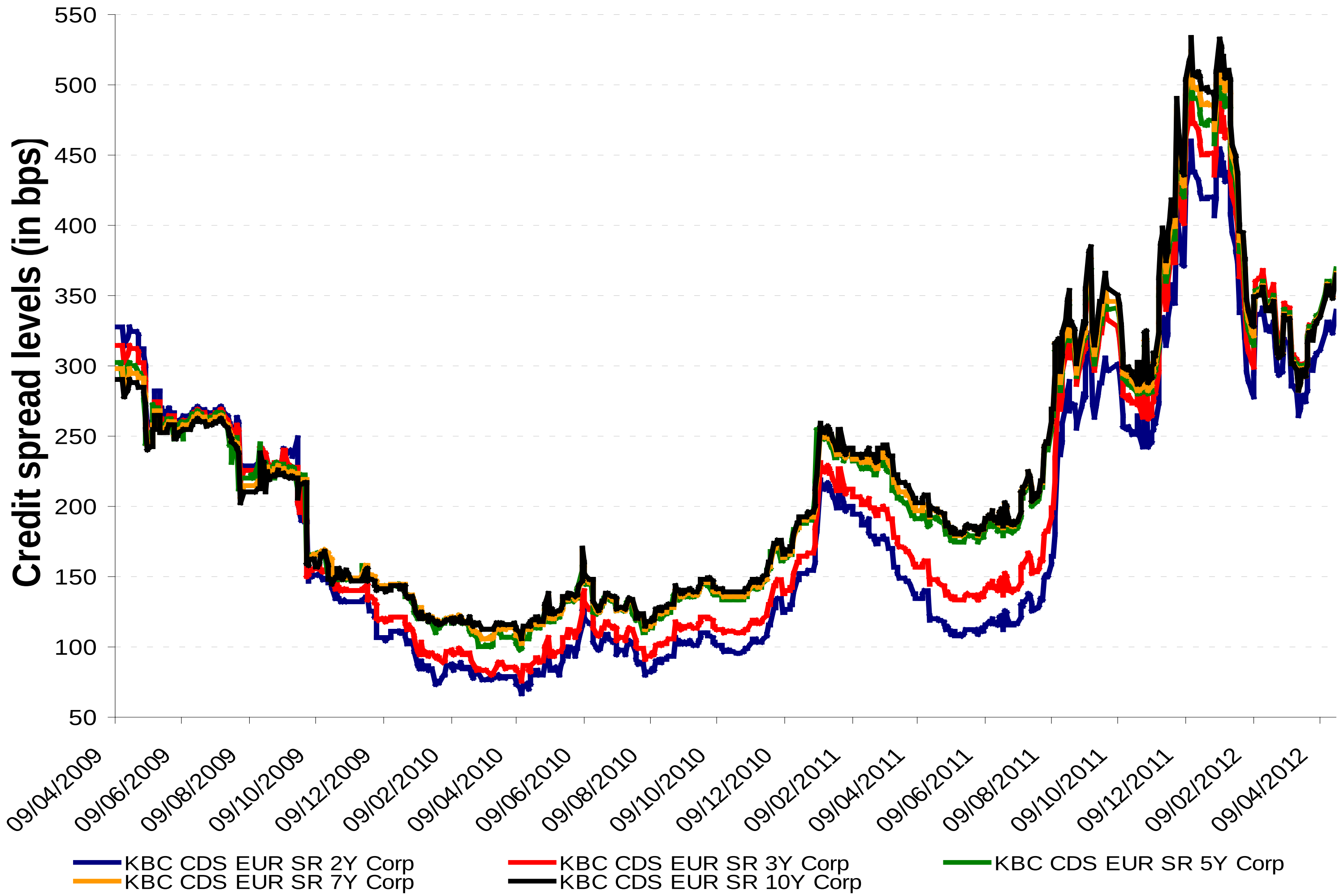
KBC Bank CDS levels since January 2009



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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	✓
Fidea	✓
Signed:	
KBL *European Private Bankers*	✓
Warta	✓
Kredyt Bank	✓
Zagiel	✓

In preparation/work-in-progress for 2012/2013
Absolut Bank
KBC Banka
NLB
Antwerp Diamond Bank
KBC Germany
KBC Real Estate Development

Strategic plan: Execution progresses at a brisk pace

Execution status, mid-May 2012:

Stream 1: Agreement to sell Warta signed in January 2012

Stream 2: The agreement between Santander and KBC to merge BZ WBK with Kredyt Bank was a major step towards a full divestment of Kredyt Bank

Stream 3: PIIGS exposure further down by 42% since the end of 2011

Stream 4: CDO/ABS exposure further reduced by roughly 2.2bn EUR notional

Stream 5: RWA at 110.8bn EUR (pro forma) including B2.5/CRD3 impact, reduction better than initially planned. Nevertheless, core profitability remains intact in difficult years

Stream 1: Divestment of Warta

	FY11
Total assets	1.5bn EUR
RWA	1.3bn EUR
Market share	8%-9%
Book value…	0.46bn EUR
… of which goodwill	0.15bn EUR
Underlying net profit	41m EUR

- 20 January: agreement with Talanx announced
- Transaction price: 770m EUR ≈ 2.5x tangible BV
- Total capital relief of almost 0.7bn EUR
- Closure expected in 2H12

=> KBC's tier-1 ratio will rise by ±0.7% (at close)

Stream 2: Divestment of Kredyt Bank

	FY11
Total assets	9.3bn EUR
RWA	6.8bn EUR
Market share	4%
Book value...	0.6bn EUR
... of which goodwill	0.1bn EUR
Underlying net profit	68m EUR

- 28 February: agreement with Santander announced to merge Bank Zachodni WBK and Kredyt Bank in Poland
- KBC's intention is to divest its remaining 9.99% stake, with a view to maximising value (thanks to significant synergies)
- Another major milestone in execution of disposal plan imposed by the European Commission in challenging market circumstances
- Total capital relief of 0.7bn EUR at closing
- Closure expected in 2H12

=> KBC's tier-1 ratio will rise by ±0.8% (at close)

Stream 3: PIIGS exposure down by 42% since the end of 2011

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

	End 2010	End 1Q11	End 2Q11	End 3Q11	End 2011	End 1Q12	End of April 2012
Portugal	0.3	0.3	0.3	0.1	0.1	0.1	0.1
Ireland	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Italy	6.4	6.2	6.1	3.8	2.1	2.0	2.0
Greece	0.6	0.6	0.5	0.3	0.2	0.0	0.0
Spain	2.2	2.2	2.2	2.1	1.9	1.9	0.3
TOTAL	**10.0**	**9.7**	**9.6**	**6.7**	**4.8**	**4.4**	**2.8**

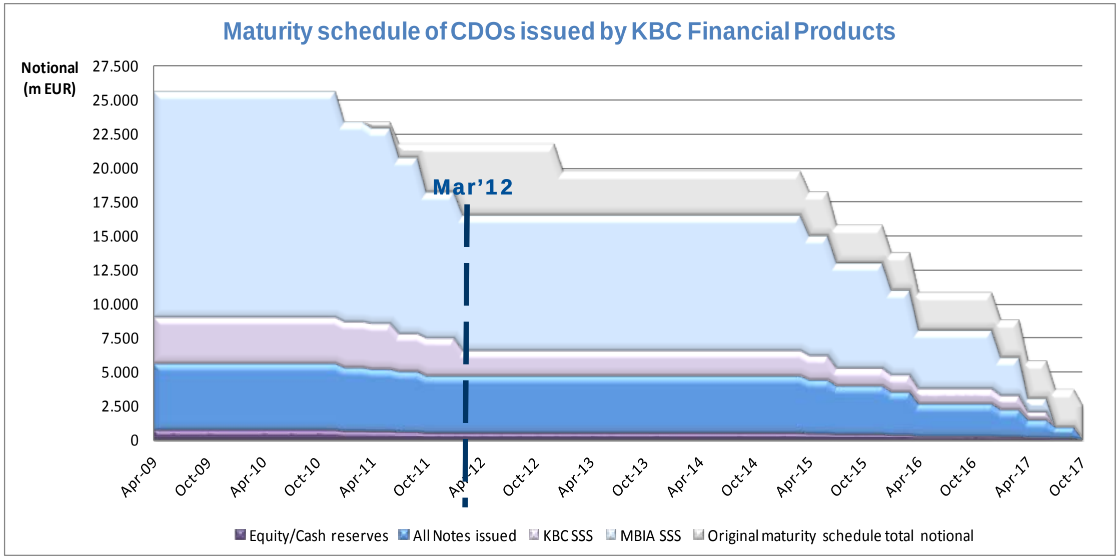
Year-to-date, KBC reduced its PIIGS exposure (carrying amount) by roughly 42%:

- Greece: reduction of 0.2bn EUR
- Italy: reduction of 0.1bn EUR
- Spain: reduction of 1.6bn EUR
- **TOTAL reduction of 2.0bn EUR**

KBC further reduced its exposure to Spanish sovereign bonds mainly during April against a cost of 34m EUR post-tax

Stream 4: CDO / ABS exposure reduced

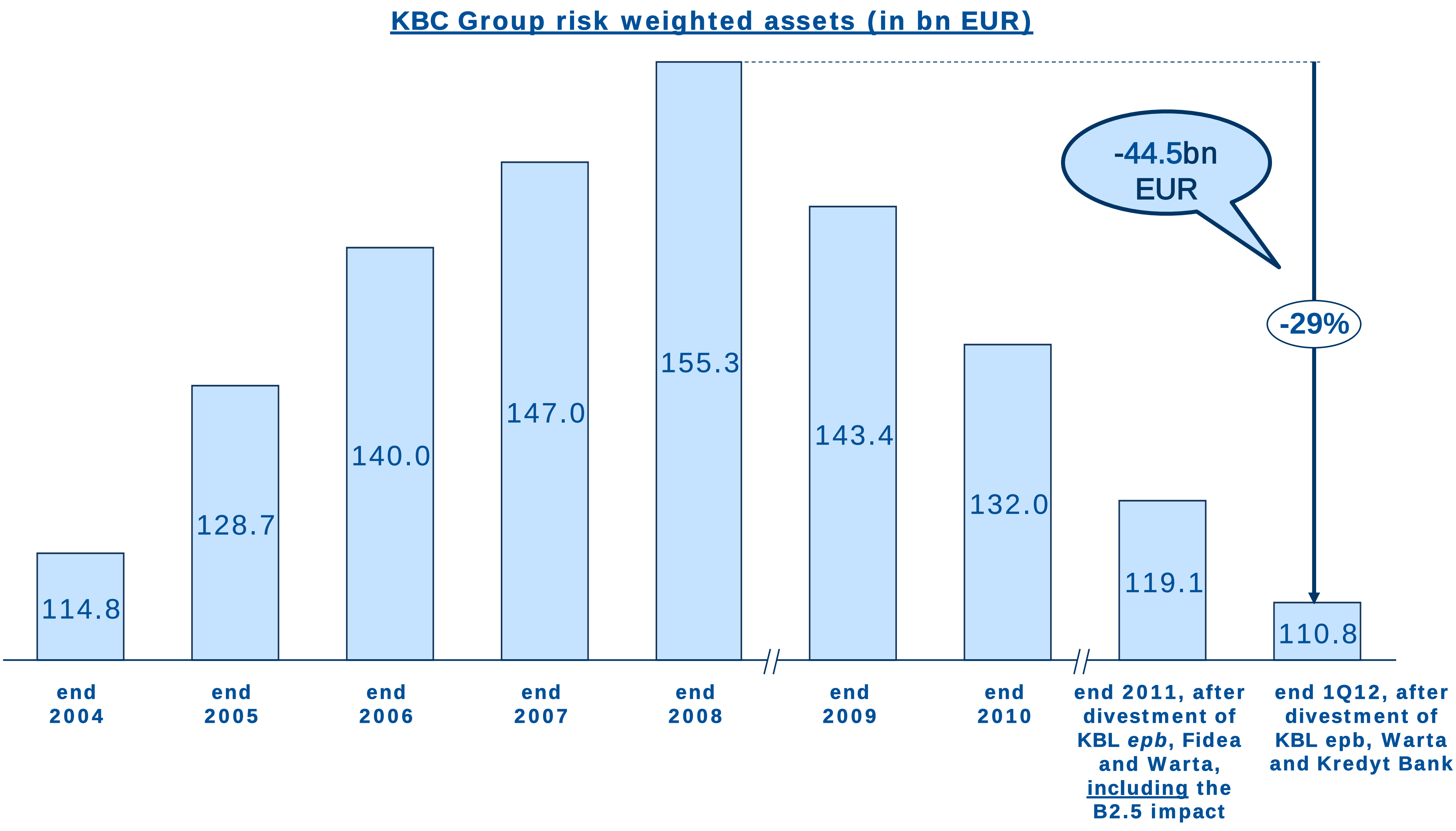
- In 1Q12, **two CDOs were de-risked**, resulting in a reduction of the outstanding notional amount of CDOs by 1.7bn EUR. This had a negative impact on P&L of 64m EUR post-tax, but no material impact on the capital position



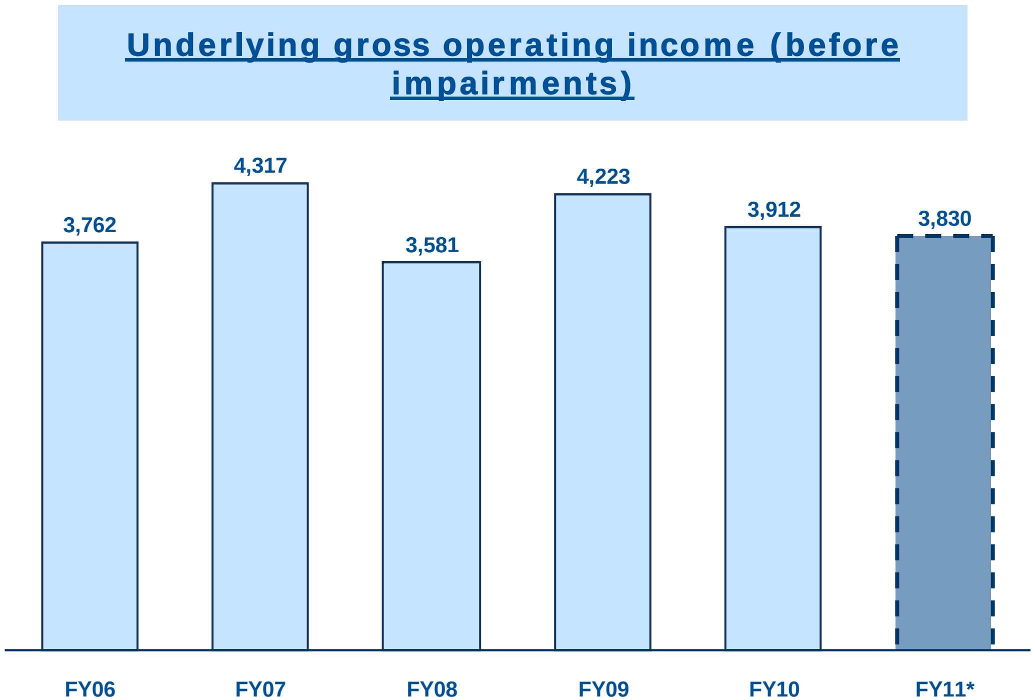
- During 1Q12, we **sold 0.2bn EUR in notional amount of US ABS assets** to the market, resulting in a 34m EUR post-tax P&L loss and a net saving of roughly 150m EUR of regulatory capital. Further on, **the notional amount of the remaining ABS-portfolio decreased by 0.3bn EUR due to the natural run-off of the portfolio**

- We will continue to look at reducing our ABS and CDO exposure, when and if this leads to additional capital relief and lower P&L volatility

Stream 5: RWA reduction better than initially planned



Core earnings power intact

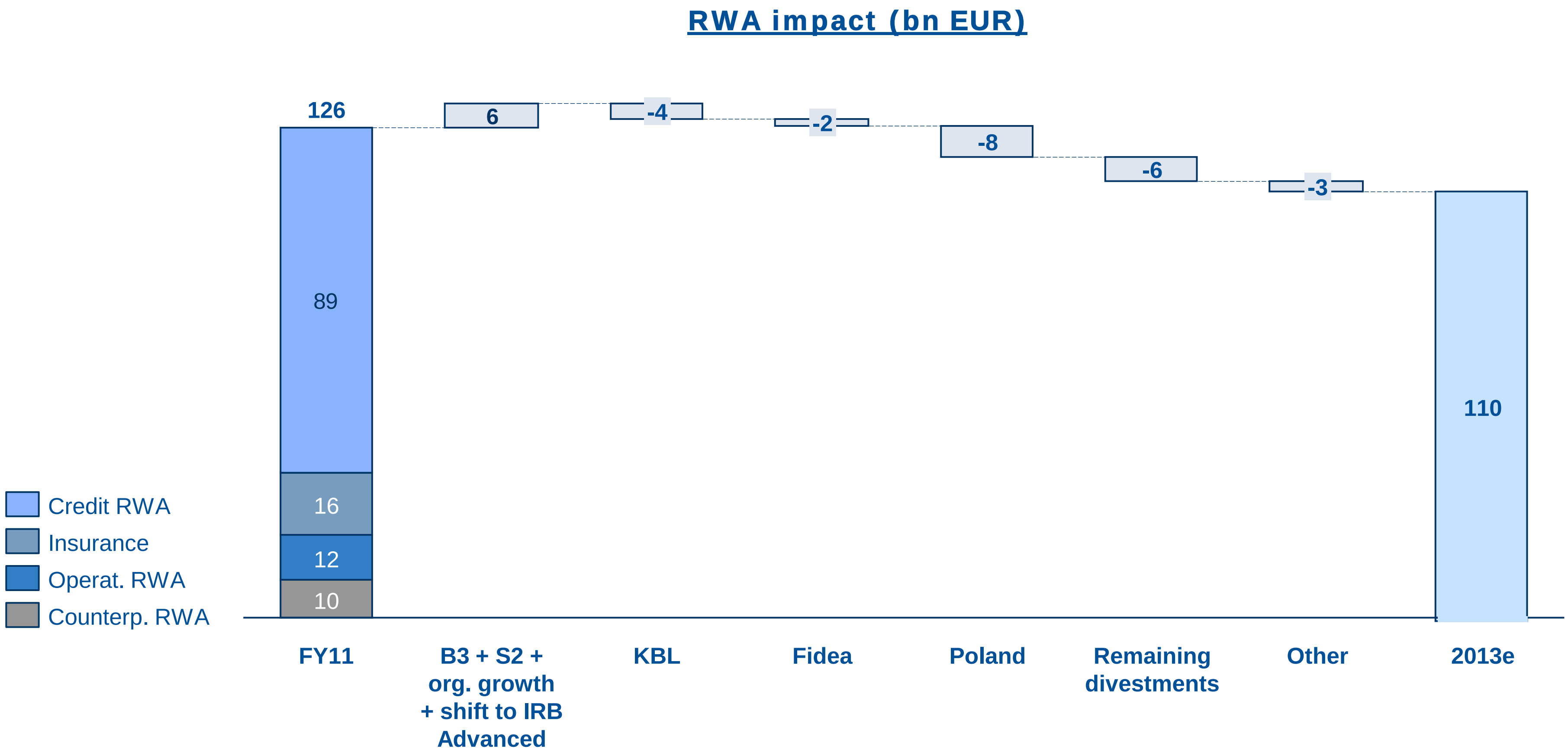


* FY11 with neutralisation of impact of 5-5-5 bonds

Core earnings power intact, with a significantly reduced risk profile (trading), despite drastic RWA reduction (including B2.5 impact) since the end of 2008: 36.2bn EUR per end 2011 and 44.5bn EUR per end 1Q12

Amounts in m EUR for KBC Group

Estimated RWA at the end of 2013



- 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

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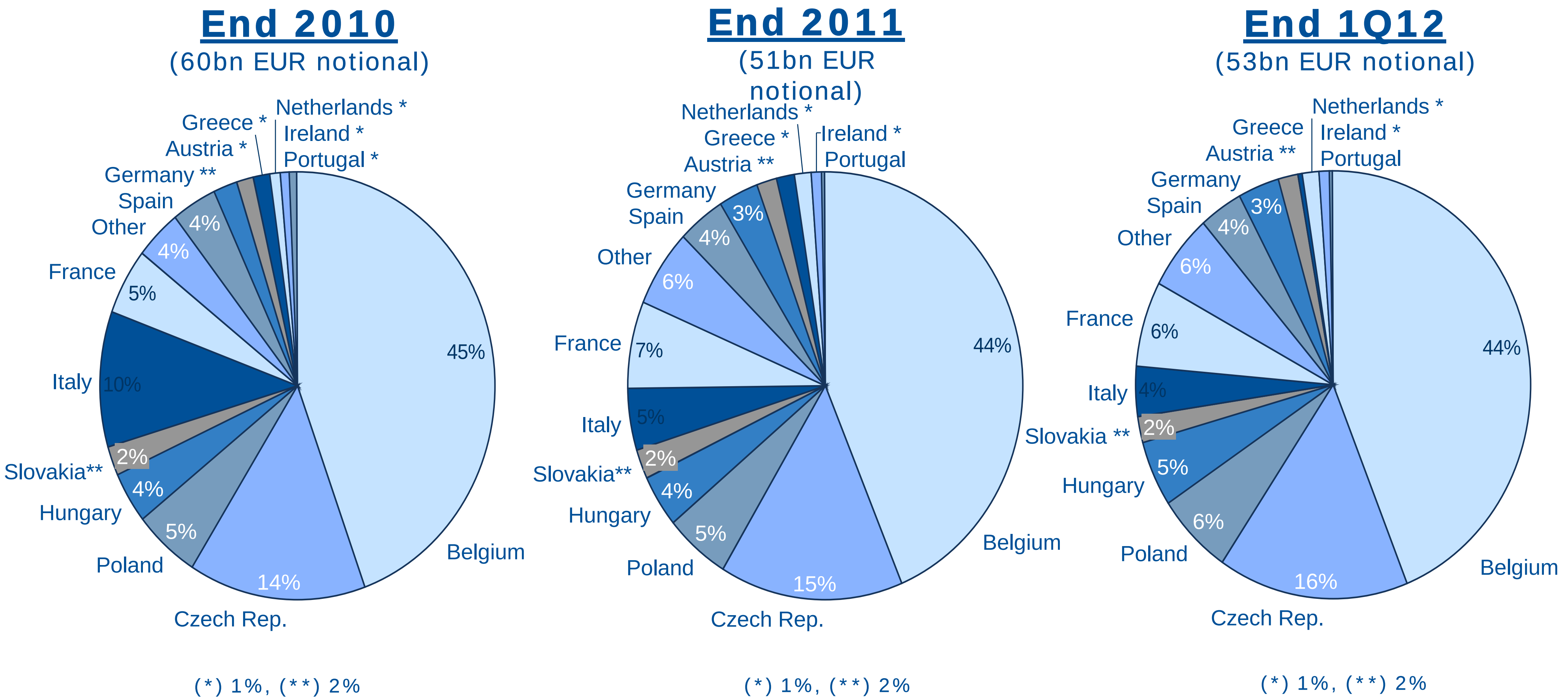
Government bond portfolio

- Notional investment of 53bn EUR in government bonds (excl trading book) at end 1Q12, primarily as a result of significant excess liquidity position and the reinvestment of insurance reserves into fixed income instruments



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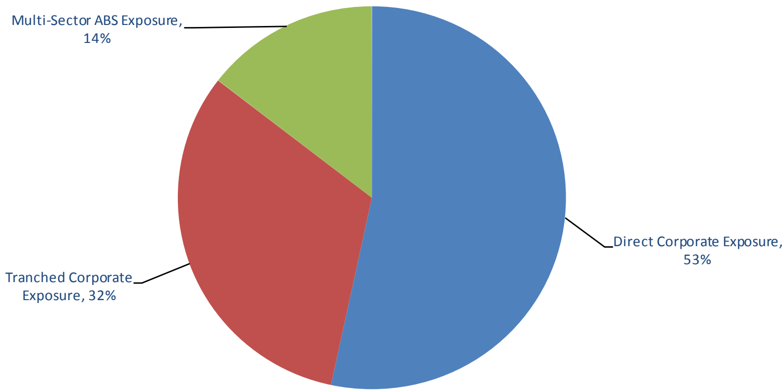
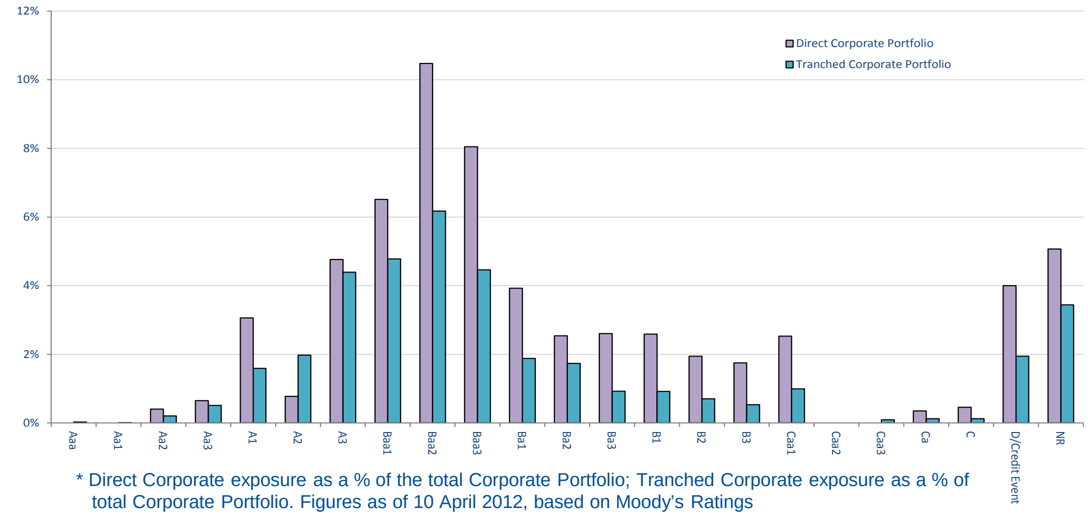
Breakdown of KBCs CDOs originated by KBC FP

Breakdown of assets underlying to KBCs CDOs originated by KBC FP*



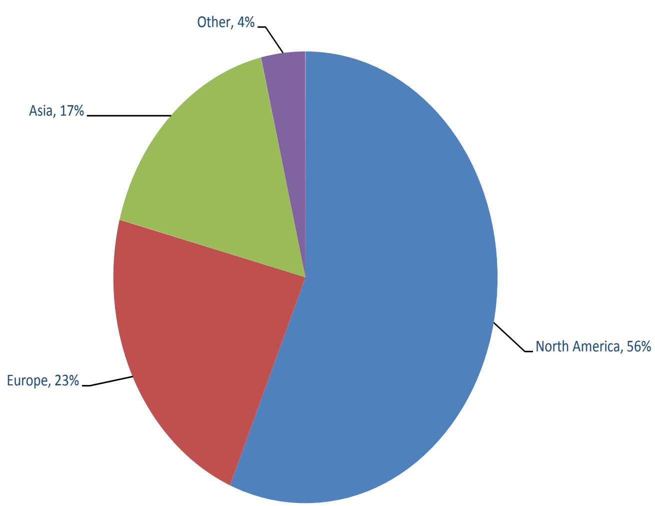
* % of total initial deal exposure; figures as of 10 April 2012

Corporate ratings distribution *



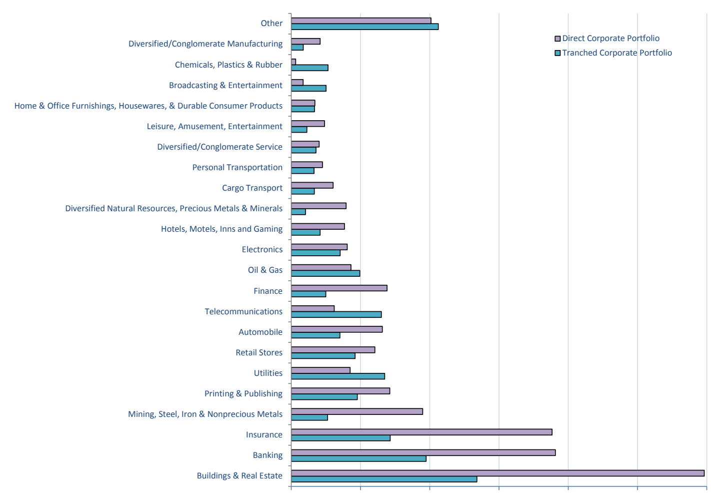
* Direct Corporate exposure as a % of the total Corporate Portfolio; Tranched Corporate exposure as a % of total Corporate Portfolio. Figures as of 10 April 2012, based on Moody's Ratings

Corporate geographical distribution*



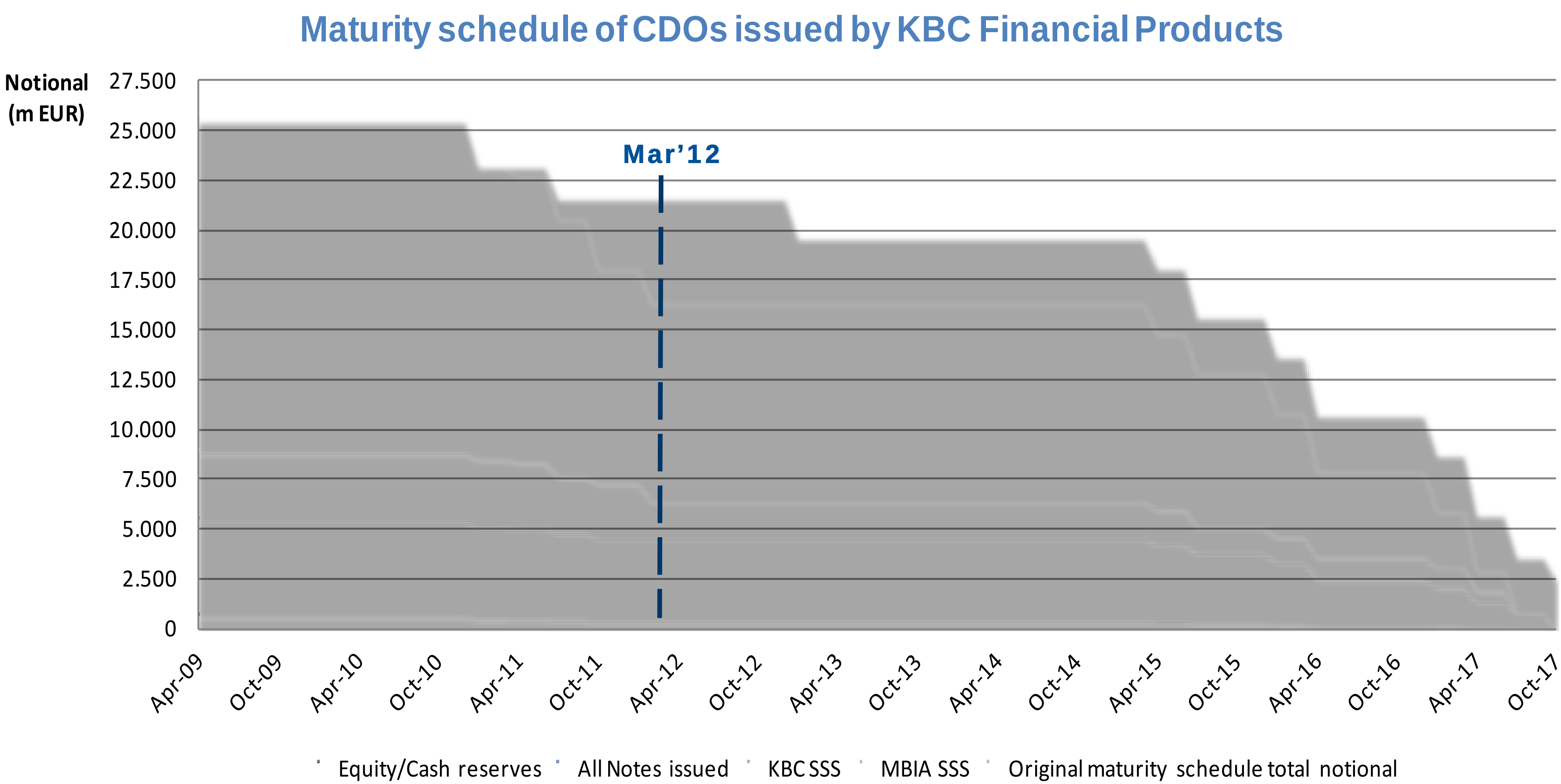
* Direct and Tranched Corporate exposure as a % of the total Corporate Portfolio; figures as of 10 April 2012

Corporate industry distribution*



* Direct Corporate exposure as a % of the total Corporate Portfolio; Tranched Corporate exposure as a % of total Corporate Portfolio. Figures as of 10 April 2012

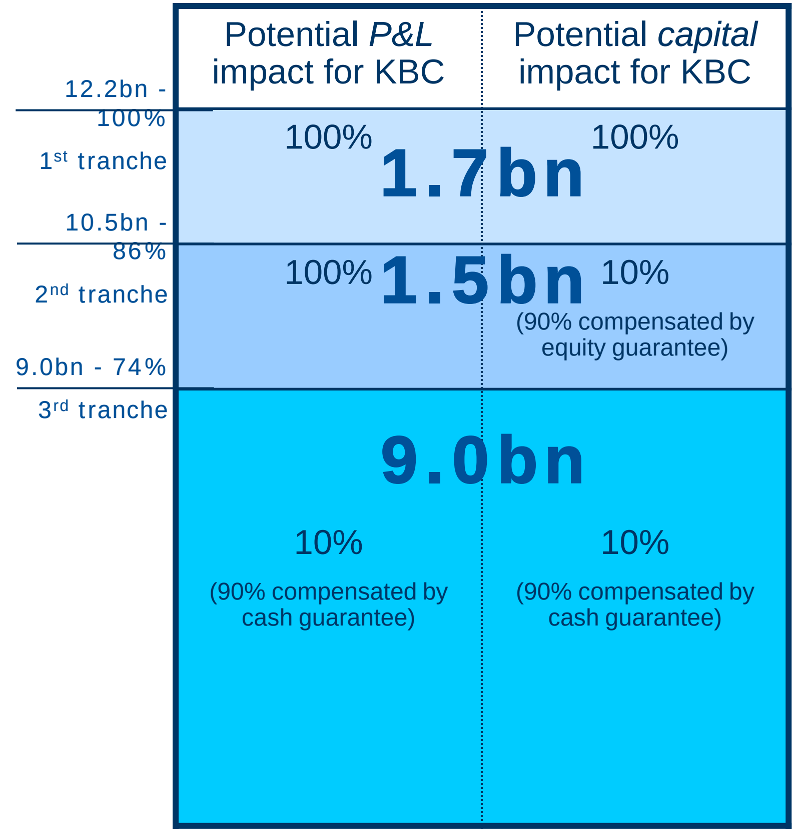
Maturity schedule for CDO portfolio



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 covering 12.2bn* euros' worth of CDO-linked instruments
  - Scope
    - CDO investments that were not yet written down to zero (2.1bn EUR) when the transaction was finalised
    - CDO-linked exposure to MBIA, the US monoline insurer (10.1bn EUR)
  - First and second tranche: 3.2bn EUR, impact on P&L borne in full by KBC, KBC has option to call on equity capital increase up to 1.3bn EUR (90% of 1.5bn EUR) from the Belgian State
  - Third tranche: 9.0bn EUR, 10% of potential impact borne by KBC
  - Instrument by instrument approach



• Excluding all cover for expired, unwound or terminated CDOs positions

Summary of government transactions (2)

7bn EUR worth of core capital securities subscribed by the Belgian Federal and Flemish Regional Governments

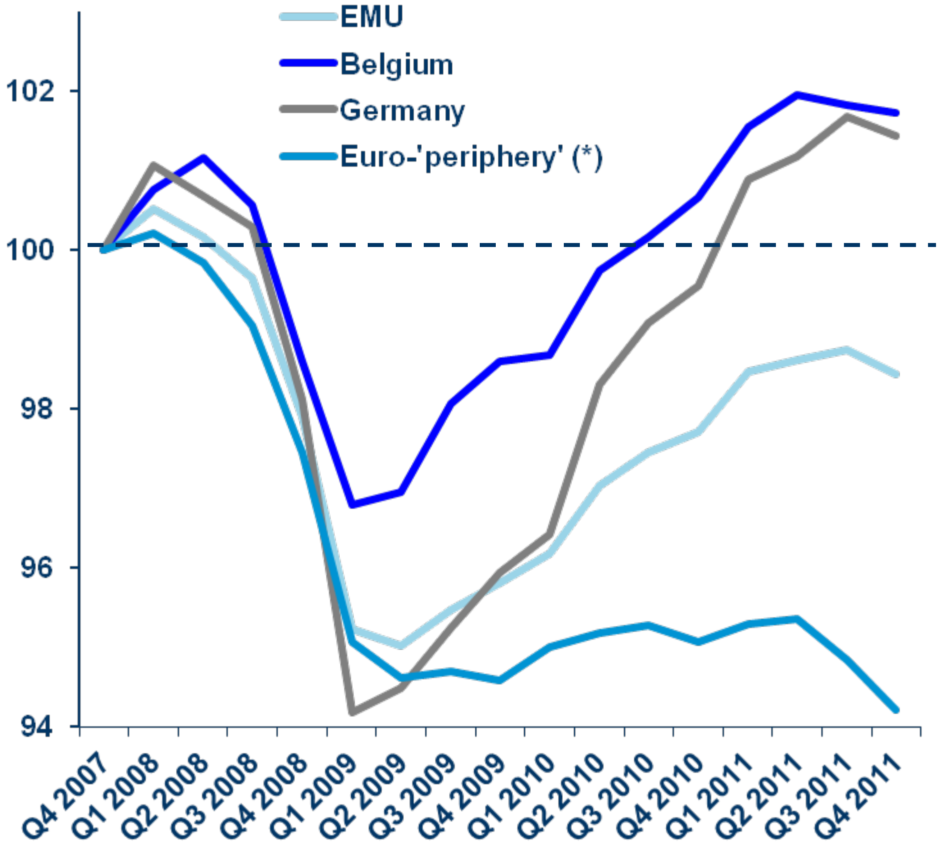
	Belgian State	Flemish Region
Amount	**3.5bn**	**3.5bn**
Instrument	Perpetual fully paid up new class of non-transferable securities qualifying as core capital	
Ranking	Pari passu with ordinary stock upon liquidation	
Issuer	KBC Group Proceeds used to subscribe ordinary share capital at KBC Bank (5.5bn)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

Appendices

- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Refocused KBC taking shape
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

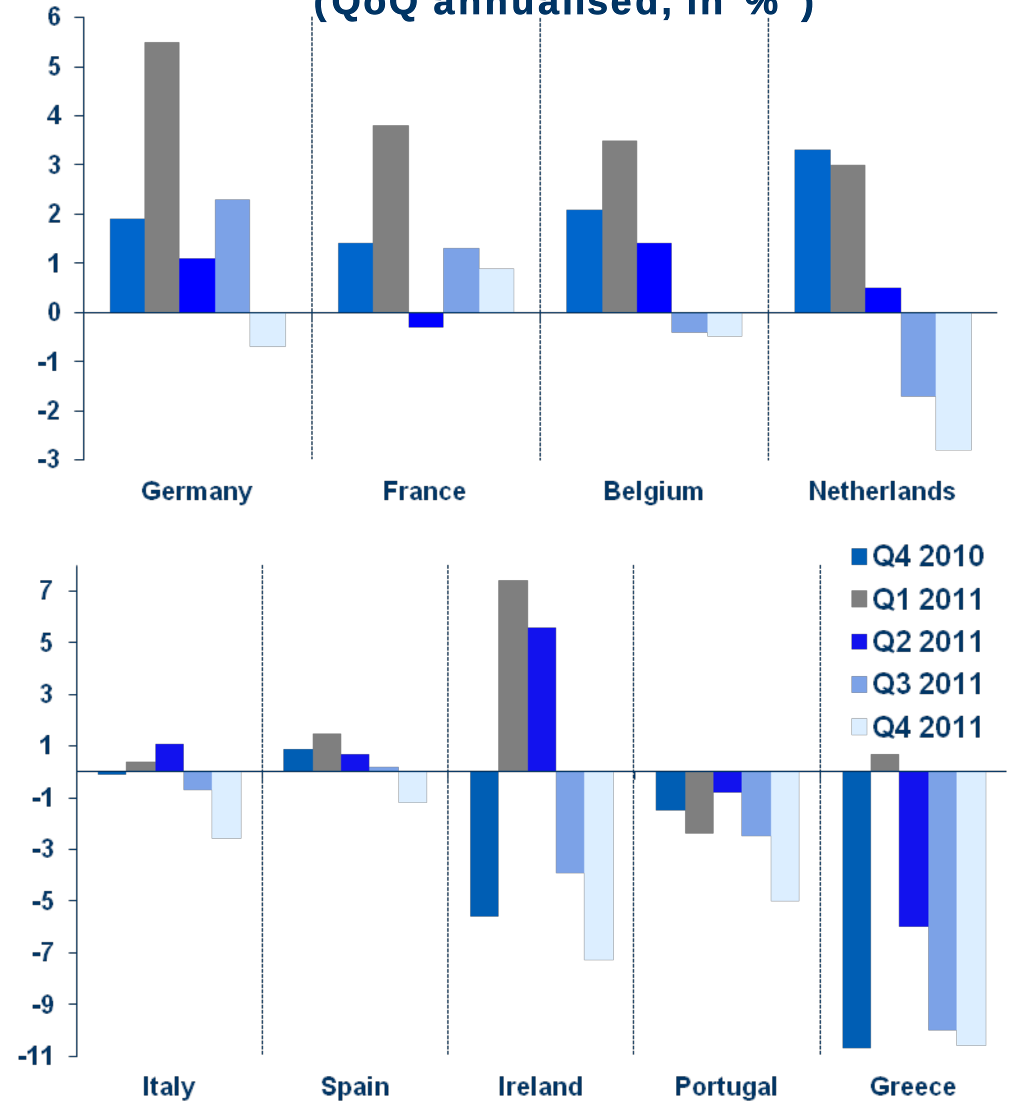
Belgian economy falling into a ‘technical recession’ in H2 2011...

Real GDP (Q4 2007 = 100)



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

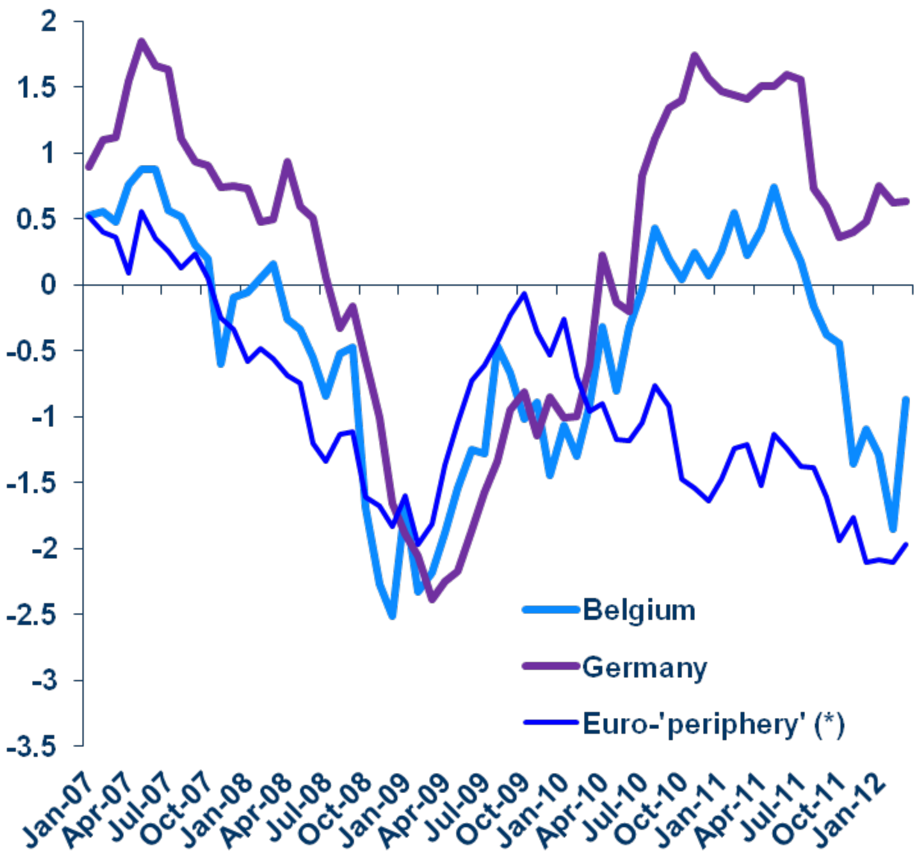
Real GDP-growth (QoQ annualised, in %)



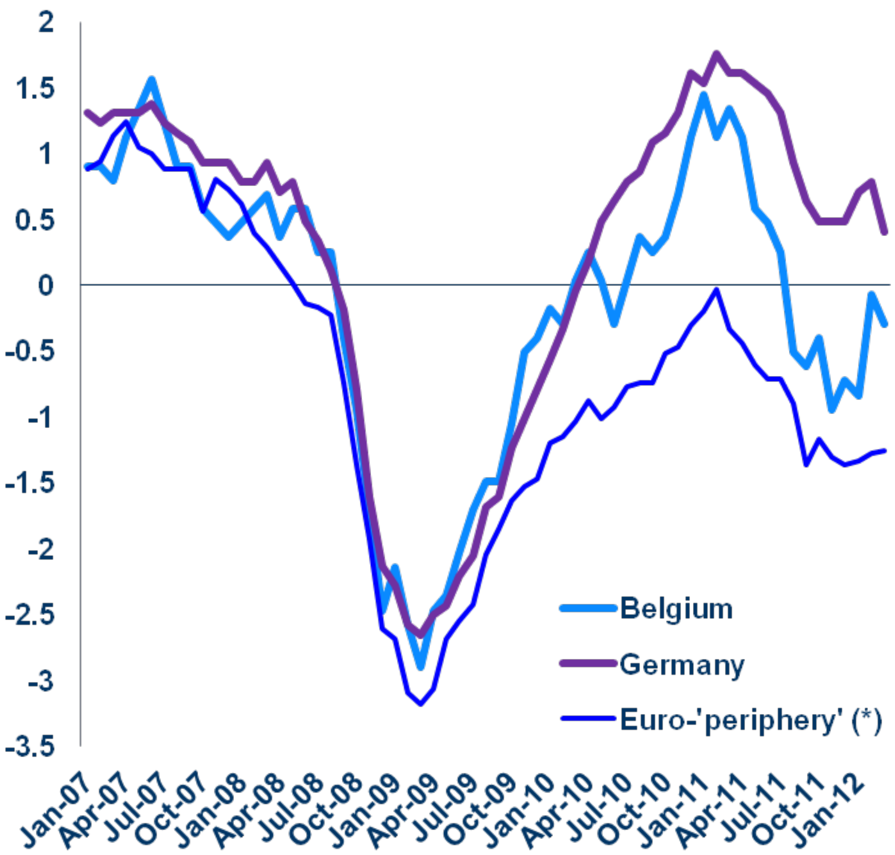
Source: KBC, Group Chief Economist Department

...but confidence indicators up again

Consumer confidence (standard deviation from LT-average)



Producer confidence (standard deviation from LT-average)

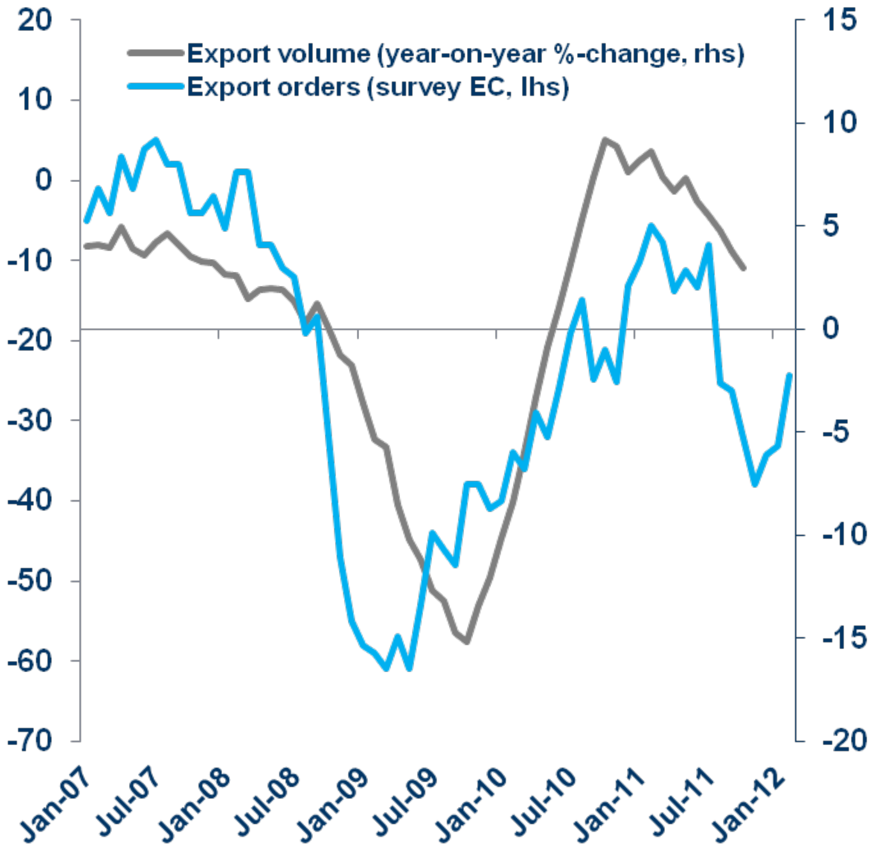


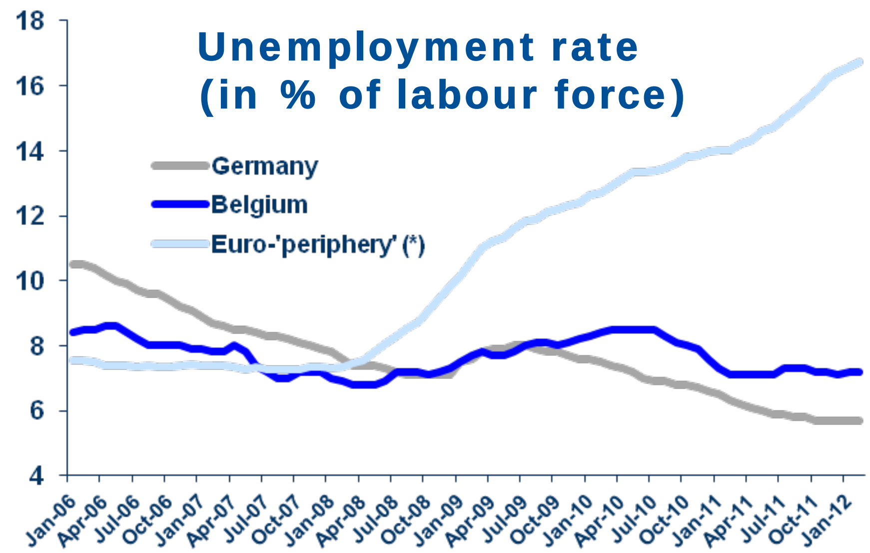
(*) Euro-periphery = Portugal, Ireland, Italy, Greece & Spain

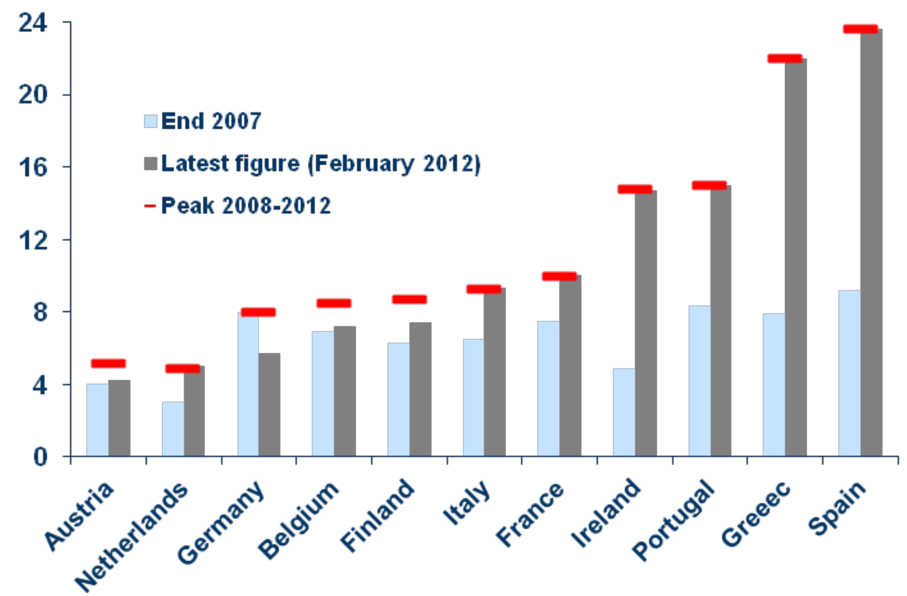
Source: KBC, Group Chief Economist Department

Belgian labour market keeping up quite well

Export driven growth expected in 2012





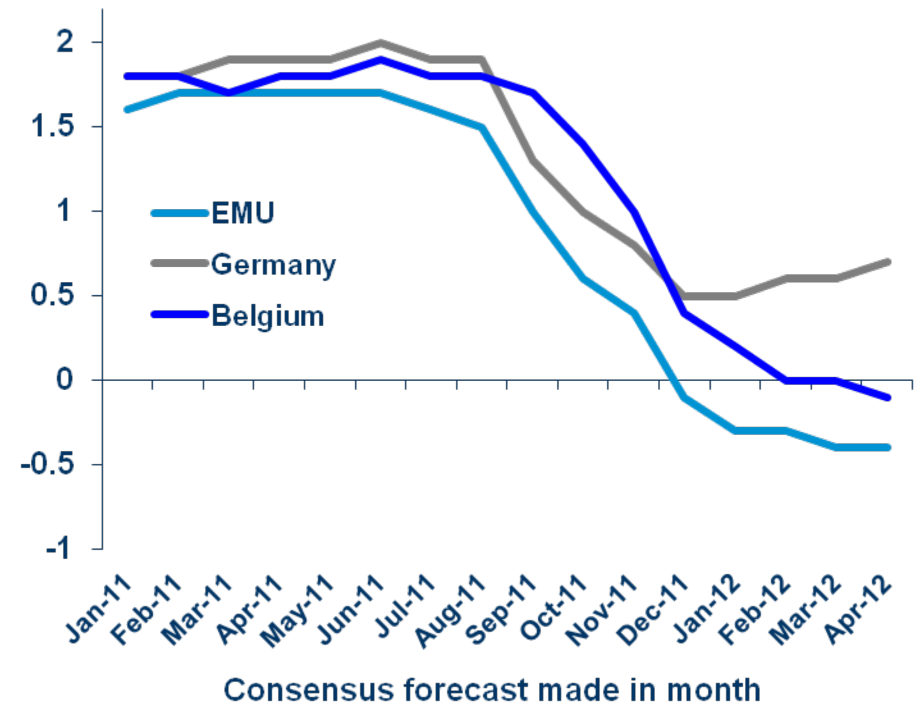


Economic outlook

Real GDP-growth (in %)

	Real GDP growth (in %)		
	2011	*2012*	*2013*
US	1.7	2.0	2.1
EMU	1.6	-0.2	1.2
Belgium	1.9	0.2	1.4
Czech Rep.	1.7	0.0	2.0
Slovakia	3.3	1.5	2.2
Hungary	1.7	-0.3	1.0
Poland	4.3	3.5	3.4

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

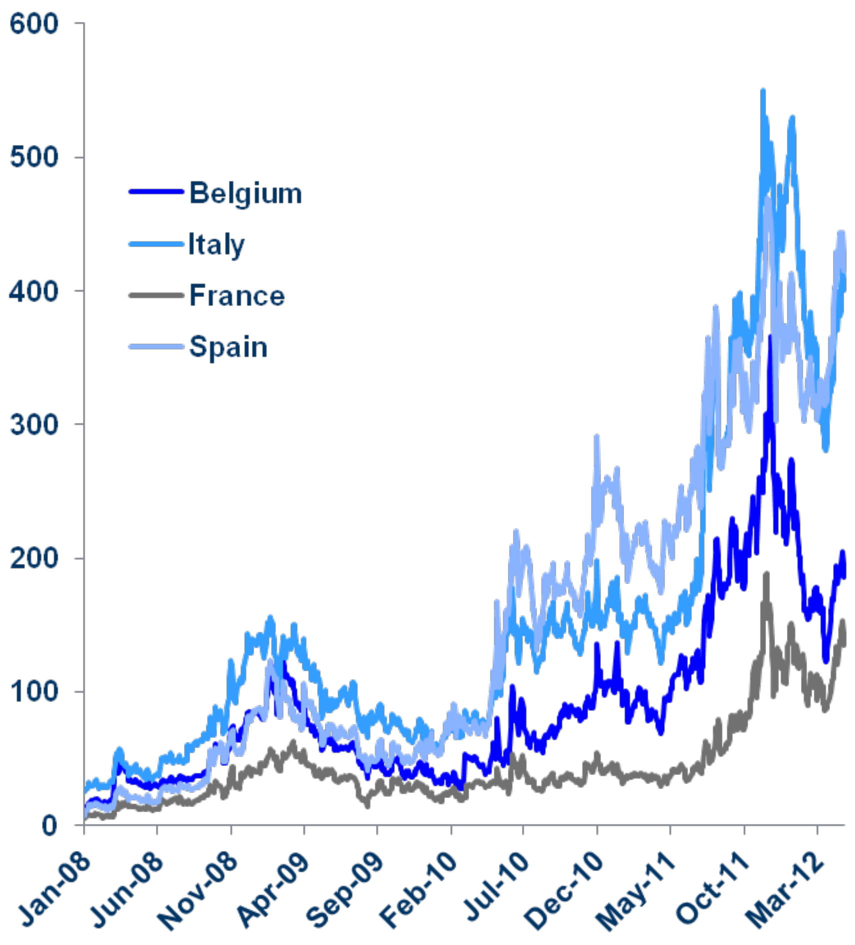


Source: Consensus Economics Inc.

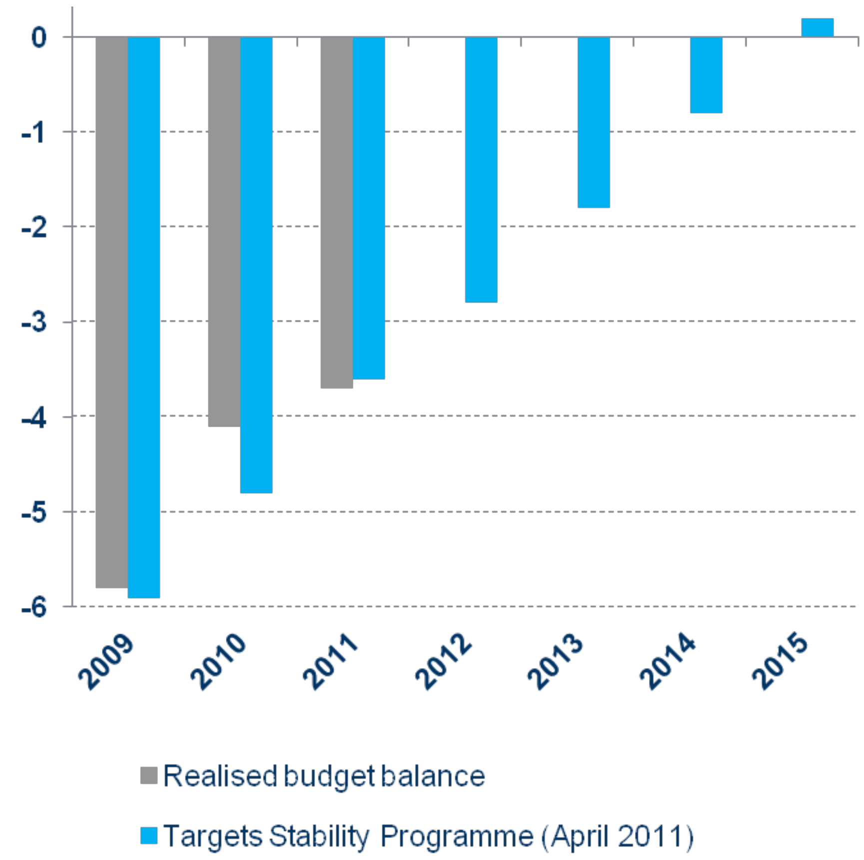
Source: KBC, Group Chief Economist Department

Public deficit reduction in line with Stability Programme Target

Intra-EMU interest differentials (yield 10 y. gov. bonds vs. Germany in bps.)



Belgium - Government budget balance (% of GDP)



Source: KBC, Group Chief Economist Department