KBC Group / Bank

DEBT ROADSHOW

August 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 36% in 1H12)
  - Access to growth in ‘new Europe’ (most mature markets in the region)

- Resilient business performance
  - Underlying 2Q12 net group profit of 372m EUR, demonstrating resilience of commercial franchise
  - Lower loan loss provisions q-o-q, also at K&H Bank and KBC Bank Ireland
  - FY 2012 guidance for loan loss provisions in Ireland maintained at 500m-600m EUR

- Momentum maintained on divestments and derisking
  - Sales of Warta, KBL epb and Zagiel have been closed
  - Impairments on the remaining divestments further reduce the downside P&L volatility
  - GIIPS exposure reduced again, down 52% since the end of 2011

- Capital and liquidity positions further strengthened
  - Tier-1 ratio of 13.6% in 2Q12 at KBC Group, up from 13.1% in 1Q12, despite impact of impairments on the planned divestments
  - Estimated B3 CET at the end of 2013: 10.7% phased in (9.5% fully loaded), factoring in 4.67bn EUR repayment of YES instruments by end 2013
  - Continued strong liquidity position, with 2012 funding needs covered

Contents

KBC at a glance

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

- Key data on KBC Group
  - Total market cap (mid-August 2012): 6.6bn EUR
  - Total assets: 286bn EUR at the end of 1H12
  - Total equity: 17bn EUR
  - Tier-1 ratio: 13.6% (11.8% core)

- Key data on KBC Bank
  - Total assets: 244bn EUR at the end of 1H12
  - Total equity: 12bn EUR
  - Tier-1 ratio: 11.9% (9.8% core)

- Credit ratings of KBC Bank

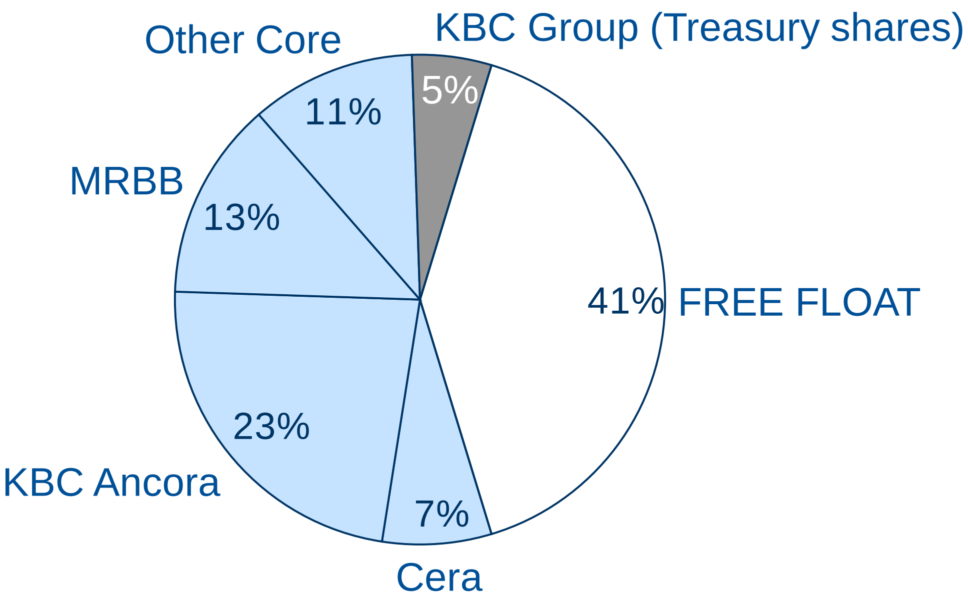
	S&P (Dec 2011)	**Moody's** (Jun 2012)	**Fitch** (Jul 2012)
Long-term	**A- / Stable**	**A3 / Stable**	**A- / Stable**
Short-term	A-2	Prime-2	F1

- Underlying net group profit of KBC Group in 1H12: 827m EUR, demonstrating resilience of commercial franchise

Stable shareholder structure

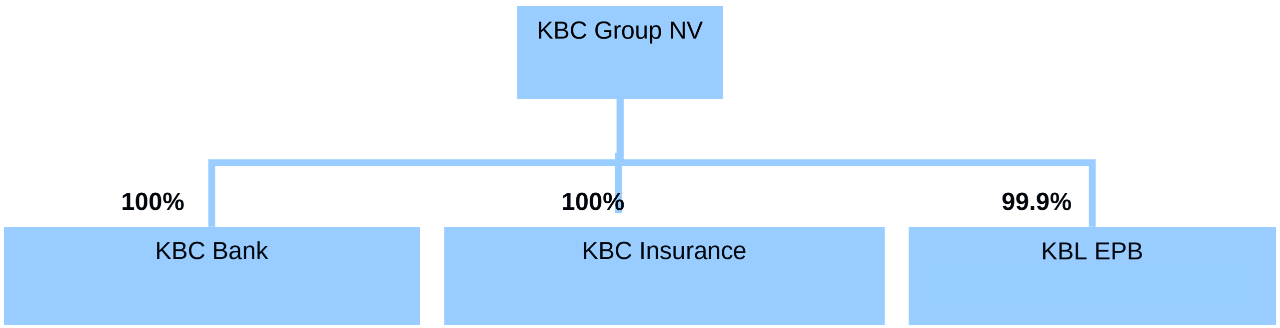
- Over 50% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera / KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of industrialist families

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

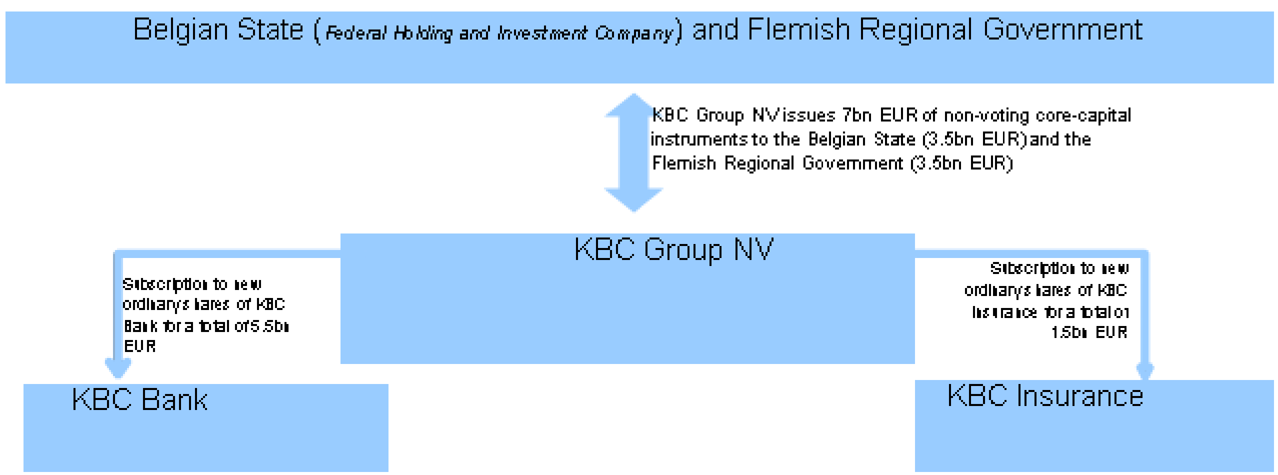


Group’s legal structure

Group’s legal structure

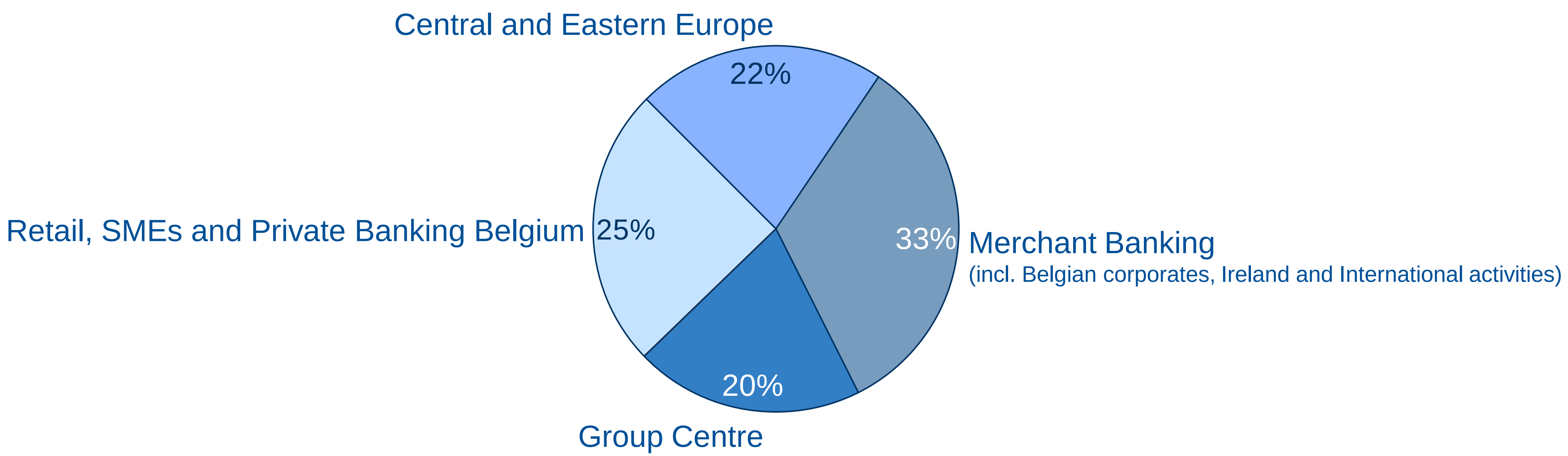


Overview of capital transactions with the Belgian State and the Flemish Regional Government



Business profile of KBC Group

Breakdown of capital allocation as of 30 June 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

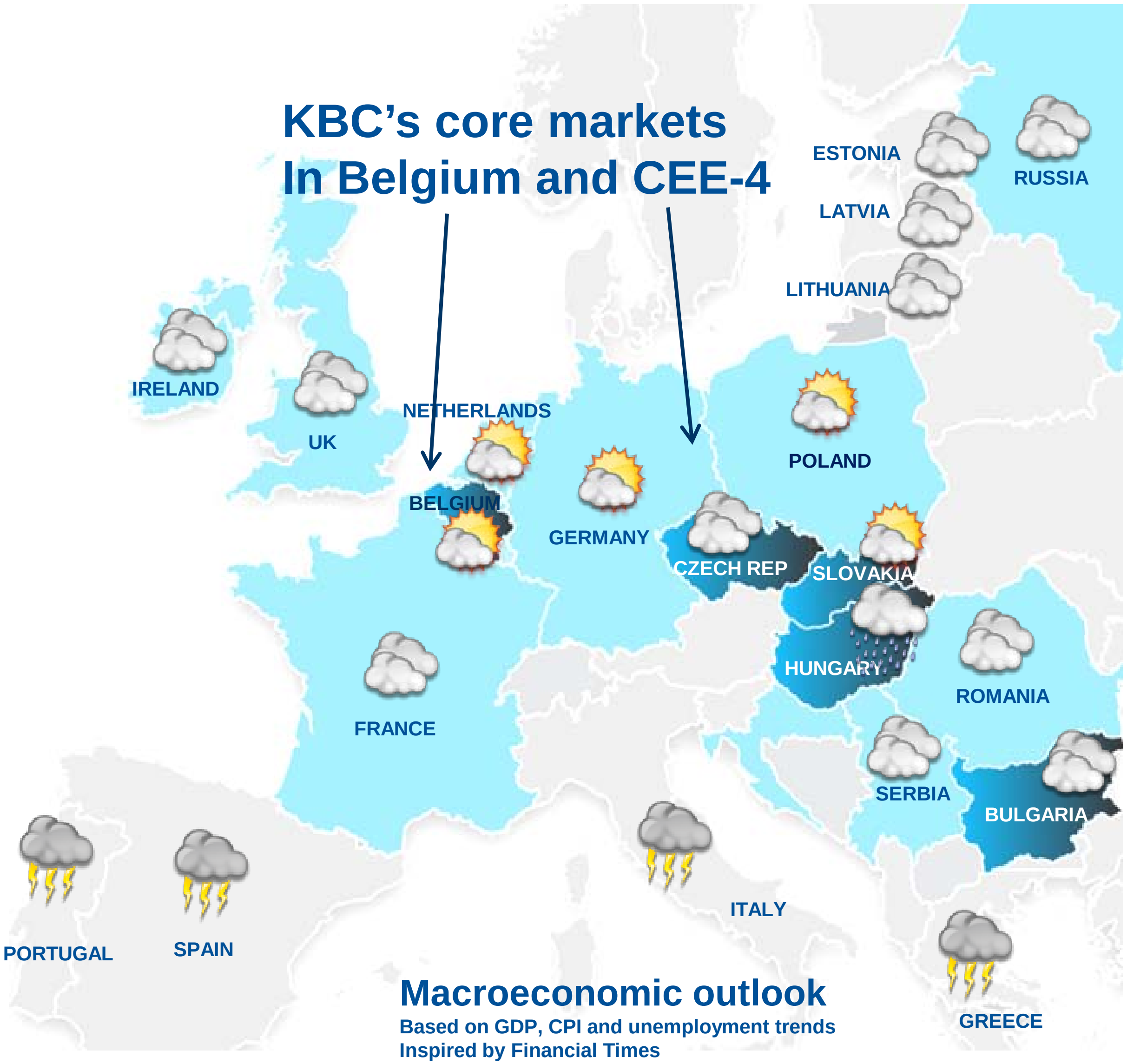
Market shares of KBC Bank in core markets

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: 168bn EUR

Czech Republic (A1)
Total assets: 37bn 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: 18bn EUR

Poland (A2)
Total assets: 10bn 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, August 2012

	% of assets	2011a	2012e	2013e
SK	2%	+3.3%	+2.2%	+2.5%
BE	59%	+1.9%	+0.2%	+1.2%
CZ	13%	+1.7%	-0.5%	+1.3%
BG	1%	+2.1%	+0.7%	+2.3%
HU	3%	+1.7%	-1.2%	+0.7%

Current situation (at end 1H12)

1. Adequate Capital

- Including State core capital securities of 6.5bn EUR, the core tier-1 ratio for KBC Group was at a comfortable 11.8% level at the end of 1H12. At KBC Bank, the core tier-1 ratio amounted to 9.8% at the end of 1H12

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

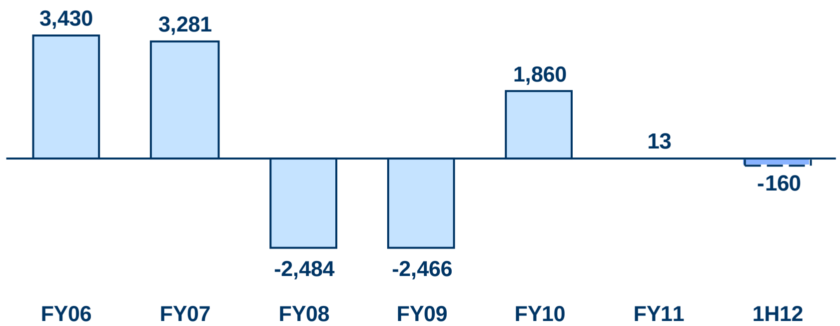
* Additional disclosure in appendices

Contents

Earnings capacity

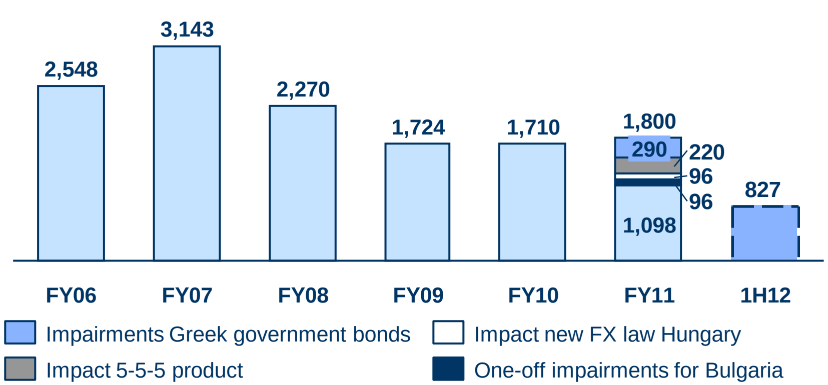
Reported net profit

Amounts in EUR million
for KBC Group



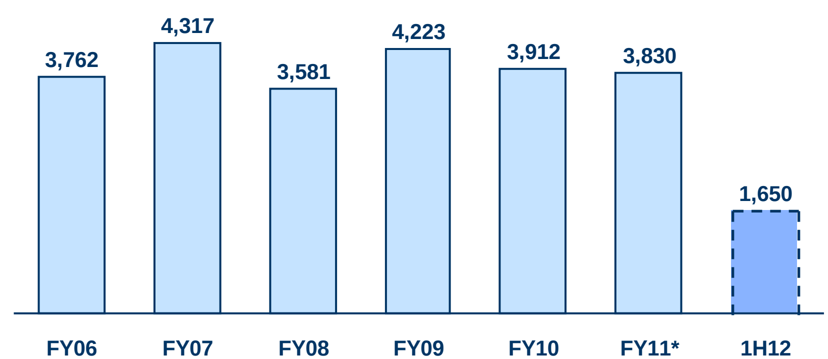
Excl. exceptional items

Underlying net profit



Excl. exceptional items and cyclical effects of credit provisions

Underlying gross operating income (pre-impairments)



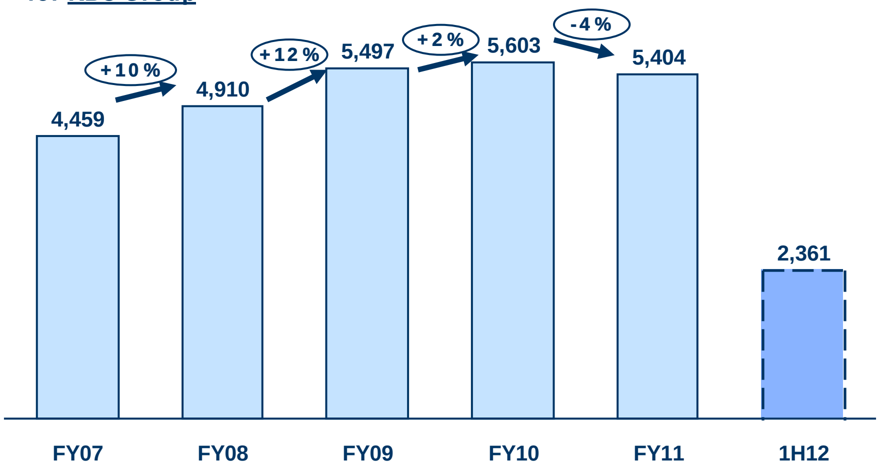
* FY11 with neutralisation of impact of 5-5-5 bonds

Net interest income and margin

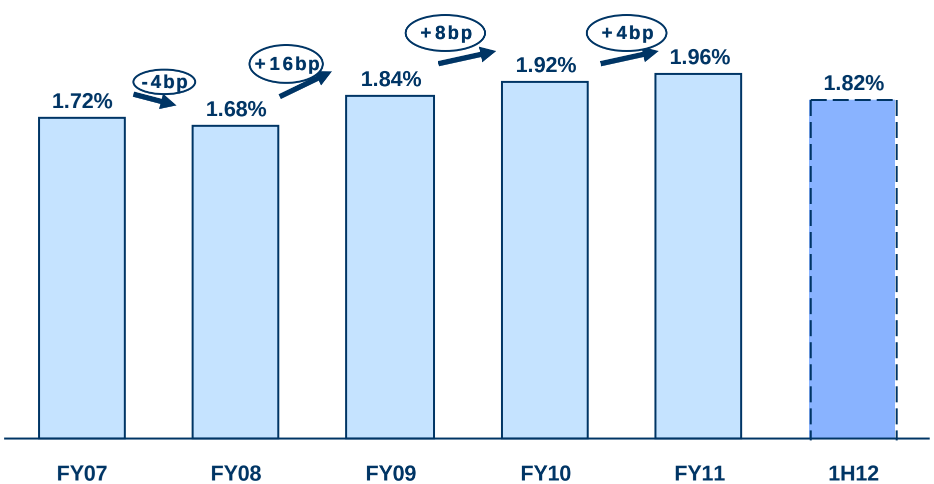
- Excluding deconsolidated entities, net interest income fell by 7% y-o-y in 1H12. The NIM decreased 14bps YTD to 1.82% at the end of 1H12, partly due to reduced GIIPS exposure and higher senior debt costs. However, commercial margins are not under pressure
- In 1H12, loan volumes rose by 3% y-o-y on a comparable basis, with continued growth in our home markets (+6% y-o-y in the BE BU and +4% y-o-y in the CEE BU).
- Deposit volumes in our core markets increased (+5% y-o-y in BE BU and +3% y-o-y in CEE BU). Deposit volumes in the MEB BU recovered another 2% q-o-q in 2Q12 (after a +18% q-o-q recovery in 1Q12)

Underlying net interest income
(worldwide)

Amounts in EUR million
for KBC Group



Net interest margin
(worldwide)



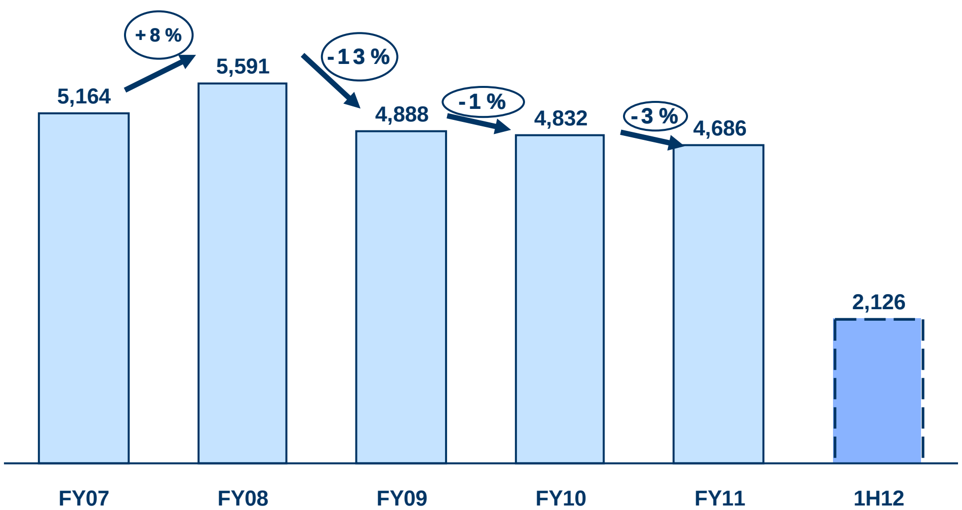
Continued tight cost control, loan loss provisions higher due to KBCI

- Lower operating expenses (-3% y-o-y) in 2011, reflecting divestments and deduction from the Hungarian banking tax related to the FX mortgage impairments. In 1H12, operating expenses fell by 11% y-o-y. Excluding deconsolidated entities, costs increased by 1% y-o-y, mainly due to inflation-linked expenses

- In 2011, loan loss provisions were significantly lower (-10% y-o-y). In 1H12, substantially higher y-o-y impairments were recorded, fully due to the 331m EUR loan losses booked at KBC Bank Ireland (in line with guidance) in 1H12 (versus only 93m EUR loan losses at KBCI in 1H11)

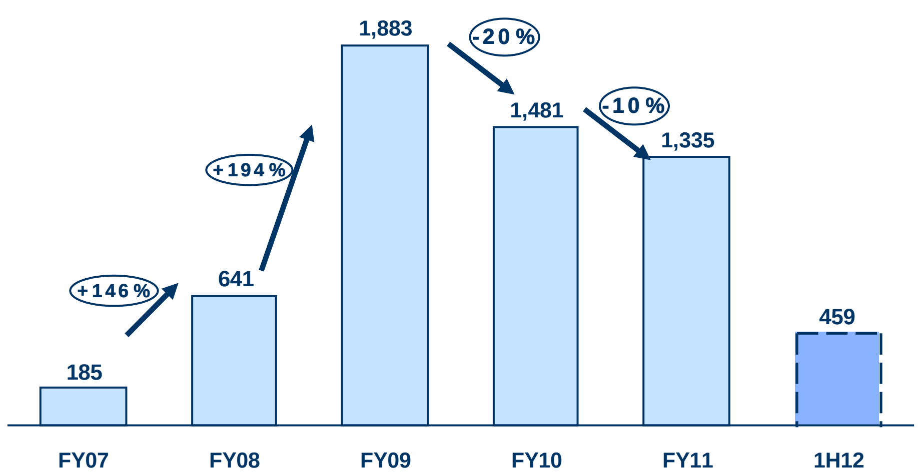
Underlying operating expenses
(worldwide)

Amounts in EUR million for KBC Group



Underlying loan loss provisions
(worldwide)

Amounts in EUR million for KBC Group



Loan loss experience at KBC

	1H12 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	**0.04%**	**0.10%**	0.15%	0.15%	0.16%	0.31%
CEE	**0.42%**	**1.59%***	1.16%	2.11%	1.05%	2.75%
Merchant	**1.38%****	**1.36%****	1.38%**	1.19%	0.55%	1.38%**
Group Centre	**0.33%**	**0.32%**	1.17%	1.58%		
Total	**0.59%*****	**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 0.59% in 1H12 (from 0.82% in FY11). Excluding KBC Bank Ireland, the credit cost ratio stood at a very low 0.18% in 1H12

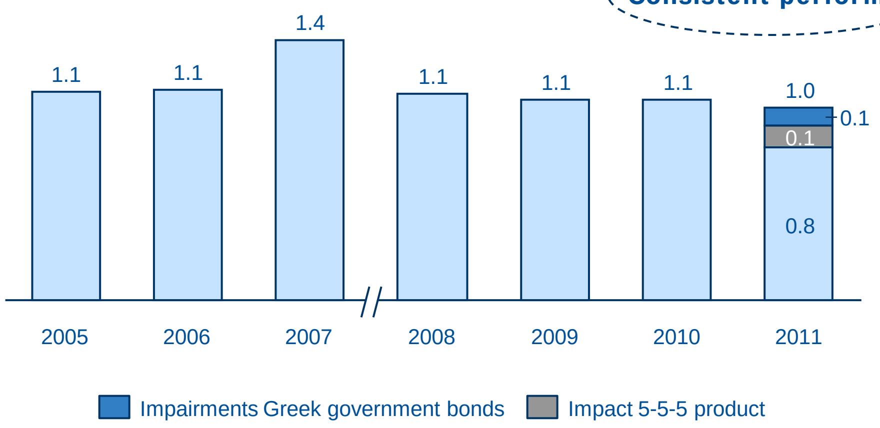
Satisfying FY results in home markets

Underlying performance

Underlying net profit Belgium (retail)

2011 ROAC: 27%

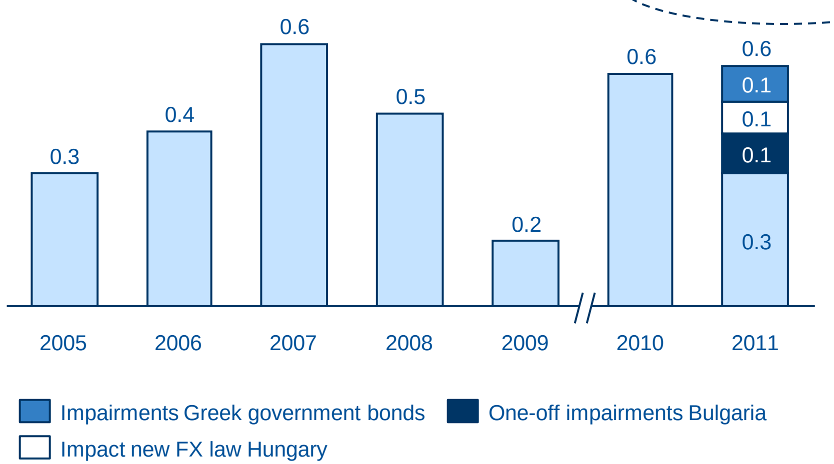
Consistent performer



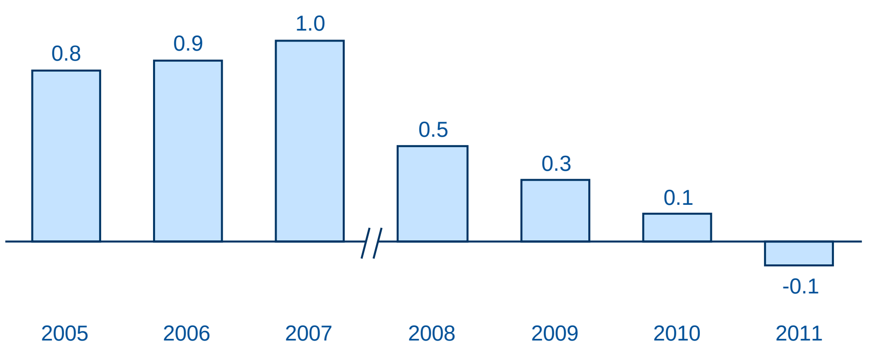
Underlying net profit CEE

2011 ROAC: 11%

Consistent performer

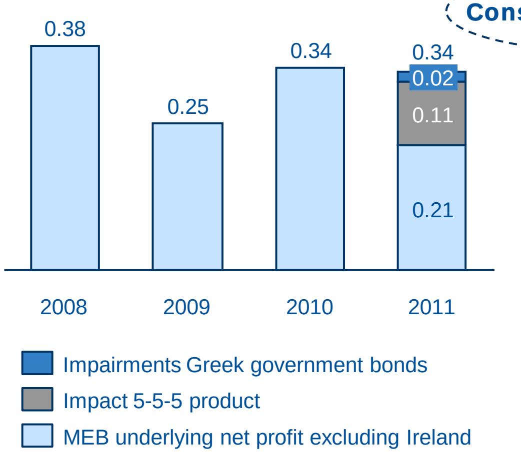


Underlying net profit Merchant Banking (BE + Intl) (affected by Ireland)



Underlying net profit MEB excluding Ireland

Consistent performer



Amounts in bn EUR

Contents

Balance sheet risks?
(KBC Bank consolidated at end 1H12)

Total Assets: 244bn EUR	Total Liabilities & Equity: 244bn EUR
Tangible & intangible fixed assets (incl. Investment property): 4bn EUR	Parent shareholders' equity: 11bn EUR
Loan book: 134bn EUR (Loans and advances to customers)	Funding and deposit base: 168bn EUR
Trading assets: 21bn EUR	
Investment portfolio: 41bn EUR	Trading liabilities: 21bn EUR
Other (incl. interbank loans): 44bn EUR	Other (incl. interbank deposits): 44bn EUR

1. Credit quality

2. Trading exposure

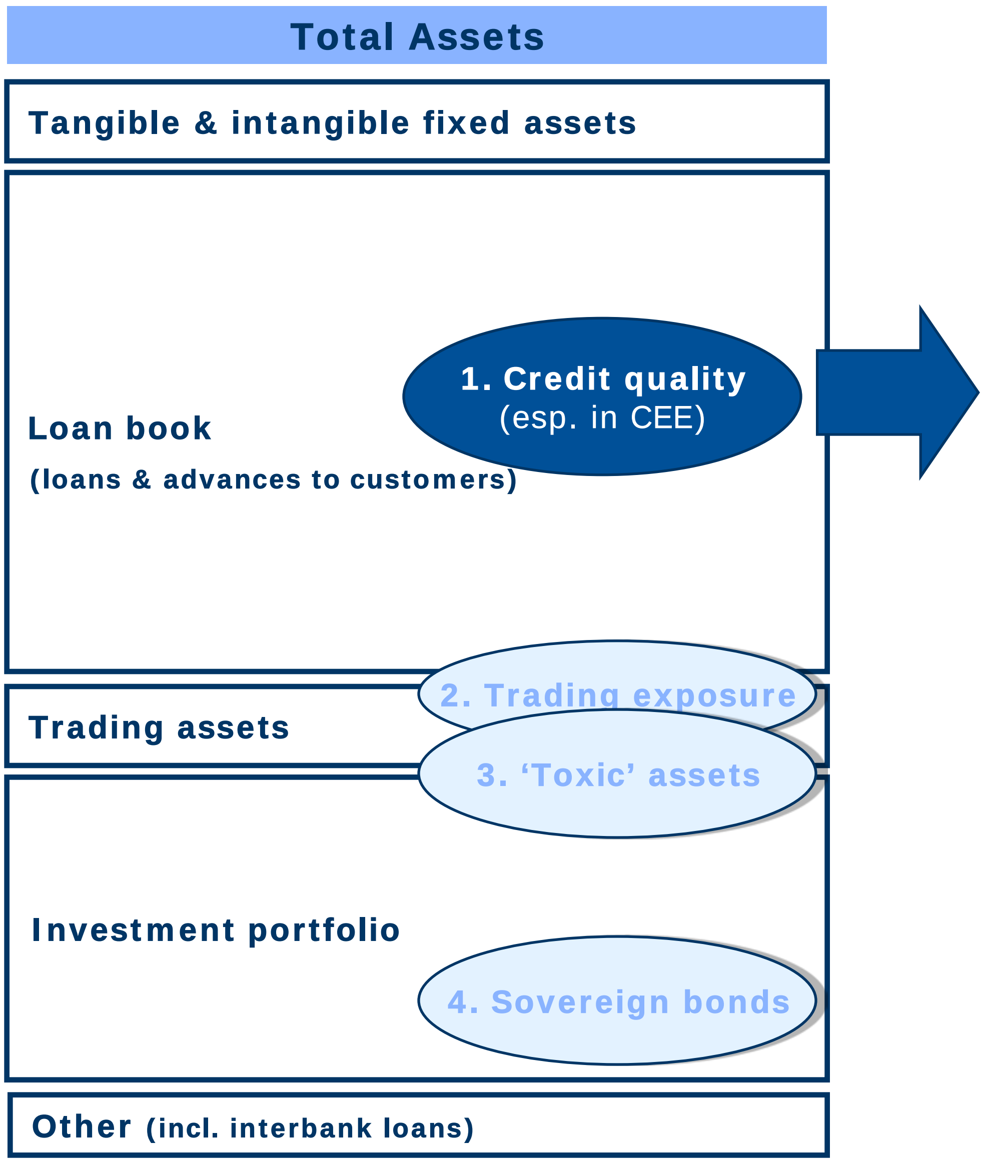
3. 'Toxic' assets

4. Sovereign bonds

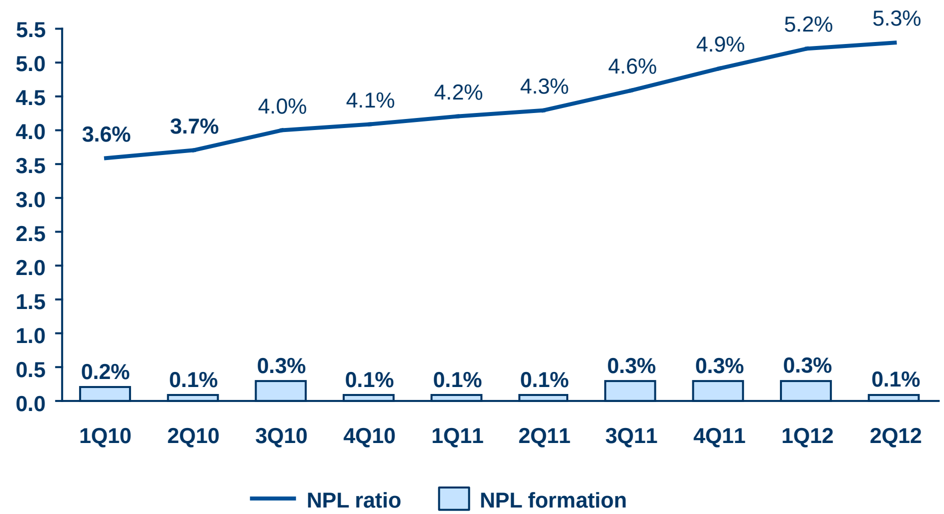
Capital adequacy

Liquidity position

Credit quality



- Customer loan book: 134bn EUR at end 1H12
  - 40% residential mortgages
  - 3% consumer finance
  - 11% other retail loans
  - 46% SME/corporate loans
- Largely sold through own branches
- Total NPL at 5.3% at end 1H12 (5.6% in CEE)
- NPL cover ratio at 62% at end 1H12 (68% in CEE)



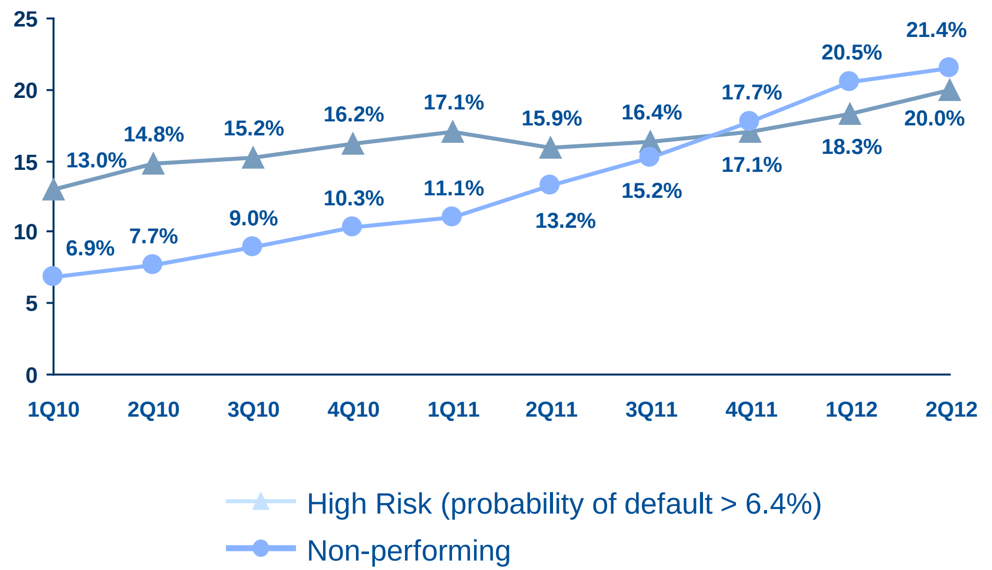
Ireland (1)

- Loan loss provisions in 2Q12 of 136m EUR (195m EUR in 1Q12). The loss after tax in 2Q12 was 72m EUR
- Recent economic indicators point towards resilience in Irish exports, continuing strength in the pipeline of FDI and progress in reducing the deficit in the Public Finances. These developments have been reflected in continuing positive assessments by the EU/IMF
- While residential mortgage arrears continue to deteriorate, the pace of deterioration has slowed markedly compared to 2011 which is also positively impacting on NPL trends
- The Personal Insolvency Bill 2012 was published in June 2012. While KBCI has reservations about the Bill, it welcomes the emphasis placed by policy makers on customers firstly engaging with their bank. KBCI is experiencing positive results from its extensive outreach programmes and is confident that its Mortgage Arrears Resolution Strategy will restore a significant number of customers back to financial stability
- Commercial collateral values continue to suffer as all Irish banks deleverage in an illiquid market
- Successful retail deposit campaign with expanded product offering. Increased gross retail deposit levels of +0.5bn EUR and new customer accounts of 8,000 in 1H12. In addition, new corporate deposit sales increased in 1H12
- Local tier-1 ratio to 11.12% at the end of 2Q12 through a capital increase of 50m EUR (11.16% at the end of 1Q12)

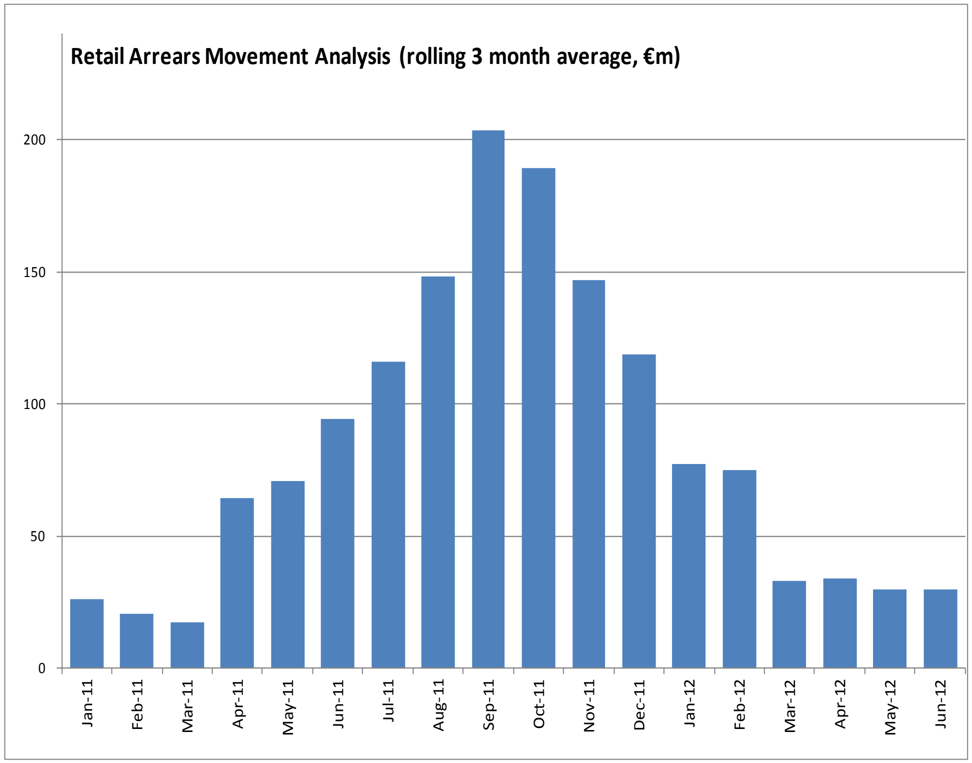
Irish loan book – key figures as at 30 June 2012

Loan portfolio	Outstanding	NPL	NPL coverage
Owner occupied mortgages	9.4bn	15.9%	30%
Buy to let mortgages	3.2bn	26.7%	38%
SME /corporate	1.9bn	19.3%	53%
Real estate investment	1.3bn	27.8%	60%
Real estate development	0.5bn	83.1%	76%
	16.4bn	21.4%	43%

Proportion of High Risk and NPLs



Ireland (2)


Retail Arrears Movement Analysis (rolling 3 month average, €m)
0
50
100
150
200
Jan-11
Feb-11
Mar-11
Apr-11
May-11
Jun-11
Jul-11
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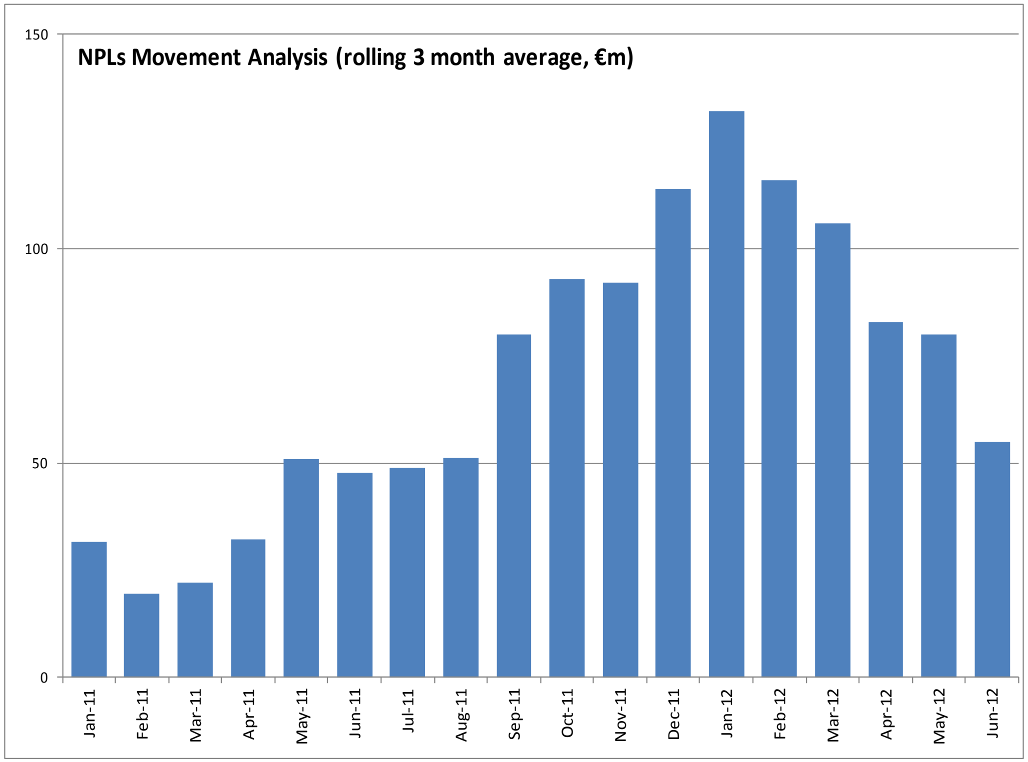
Apr-12
May-12
Jun-12


NPLs Movement Analysis (rolling 3 month average, €m)
0
50
100
150
Jan-11
Feb-11
Mar-11
Apr-11
May-11
Jun-11
Jul-11
Aug-11
Sep-11
Oct-11
Nov-11
Dec-11
Jan-12
Feb-12
Mar-12
Apr-12
May-12
Jun-12

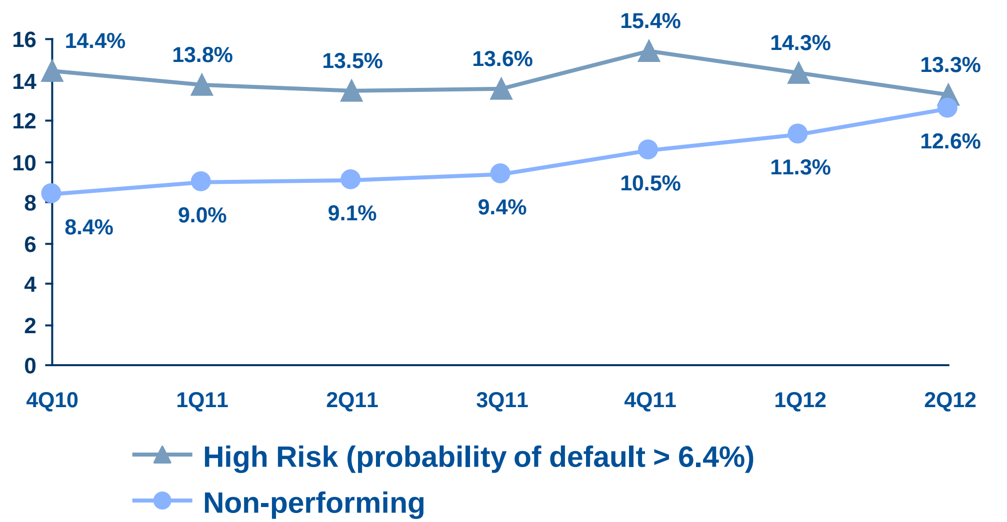
Hungary

- 2Q12 **underlying net profit** of K&H Group amounted to 35m EUR
- 2Q12 **loan loss provisions** amounted to merely 3m EUR (28m EUR in 1Q12). The credit cost ratio came to 1.08% in 1H12 versus 1.39% in 1H11. The favourable figures in 2Q12 versus 1Q12 are due to:
  - Continued stable trends in corporate and SME portfolios
  - new positive signs in the retail customer behaviour due to the re-launch of the earlier temporarily suspended own easement programme
  - positive trends of performing clients signing up for the accumulation loan under the government FX debtor relief program
  - the review of the impairment estimation (one-off impact) on delinquent FX mortgage loans which can be converted into HUF loans under the FX debtor relief program
- **NPL** rose to 12.6% in 2Q12 (11.3% in 1Q12)
  - NPL Retail: 19.4% in 2Q12 (17.0% in 1Q12):
    - In April and May 2012, further increase in retail NPL
    - In June, the rise in delinquencies slowed down primarily due to the re-launch of the bank's own easement programme and first positive signs of the accumulation loan programme
    - The expectation is that the FX debtor relief program will further reduce new NPL formation in 2H12

Hungarian loan book – key figures as at 30 June 2012

Loan portfolio	Outstanding	NPL	NPL coverage
SME/Corporate	2.8bn	7.7%	64%
Retail	2.6bn	17.8%	60%
o/w private	2.2bn	19.4%	59%
o/w companies	0.4bn	9.5%	73%
	5.4bn	12.6%	61%

Proportion of High Risk and NPLs (new method)

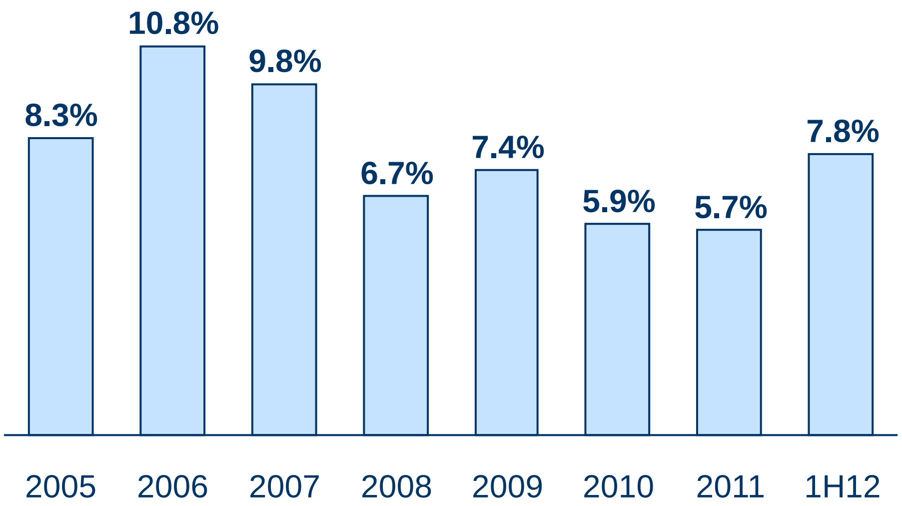


Trading activities

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)

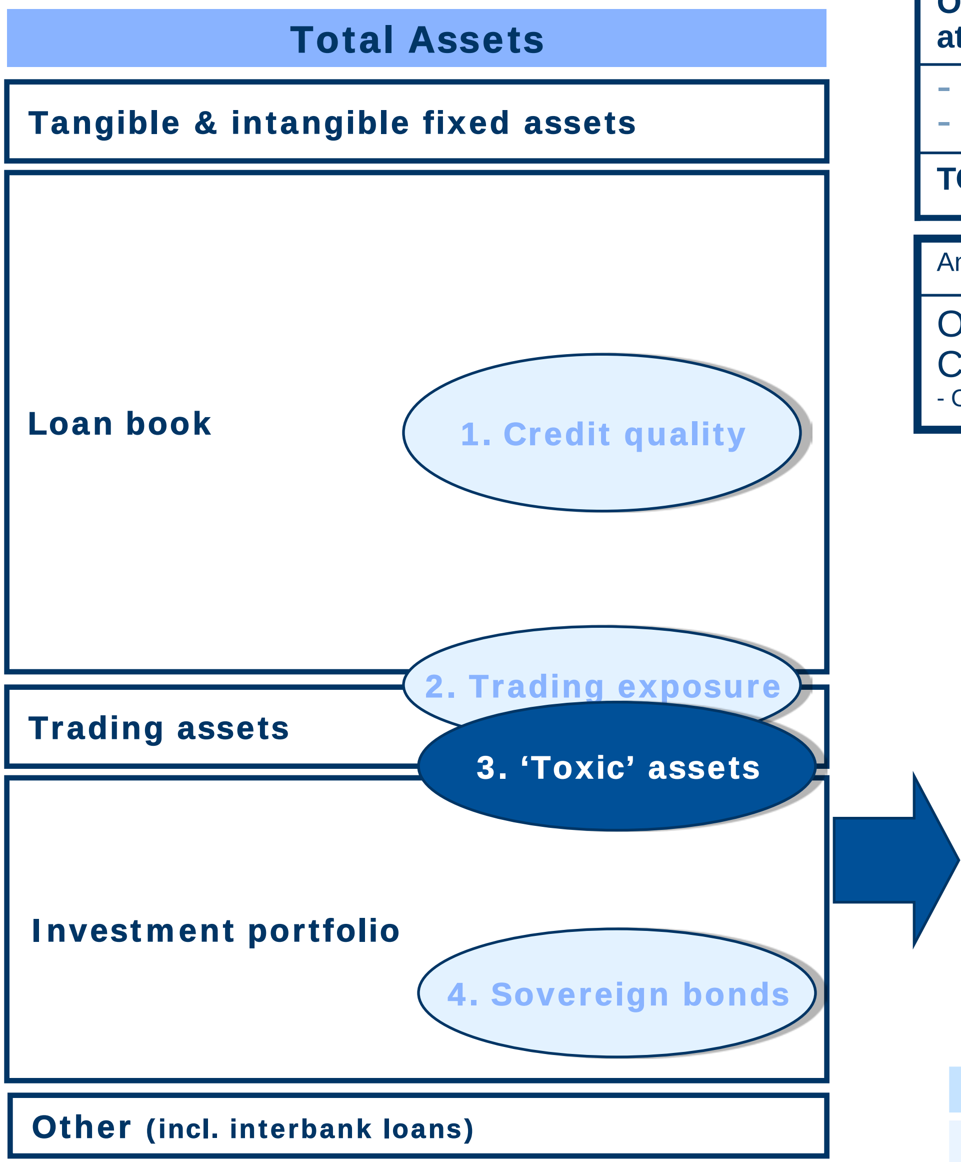
Net (un)realised gains from FIFV within the 'Market Activities' sub-unit, 2005-1H12 (on a pro forma basis)



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) at the end of 2Q12	Notional	Outstanding markdowns
- Hedged portfolio	10.1	-0.7
- Unhedged portfolio	5.5	-3.7
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	-2.0

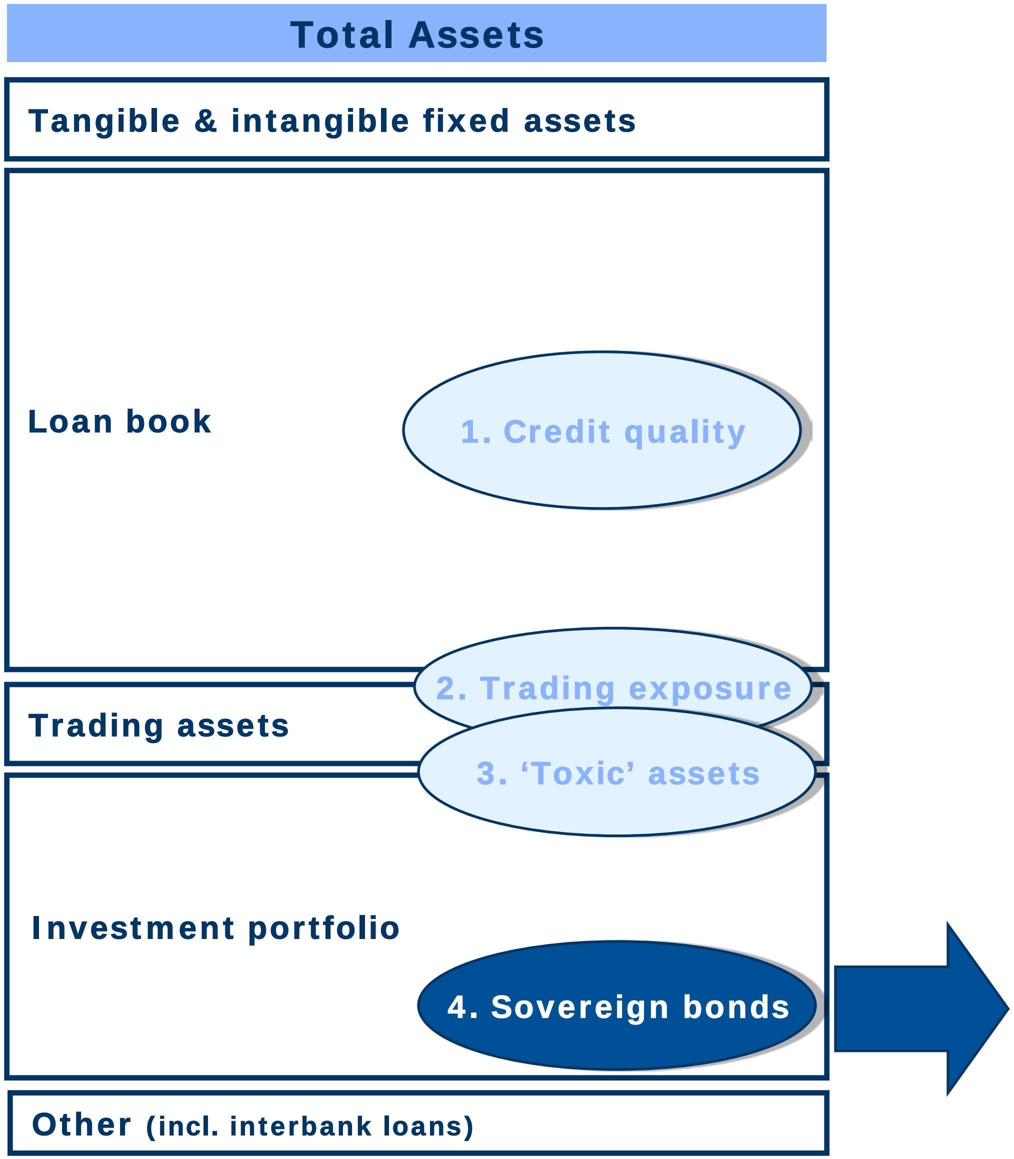
- The total notional amount as well as the outstanding markdowns remained stable
- Claimed and settled losses amounted to 2.2bn EUR
- Within the scope of the sensitivity tests, the value adjustments reflect a 12.0% cumulative loss in the underlying corporate risk (approx. 85% of the underlying collateral 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%

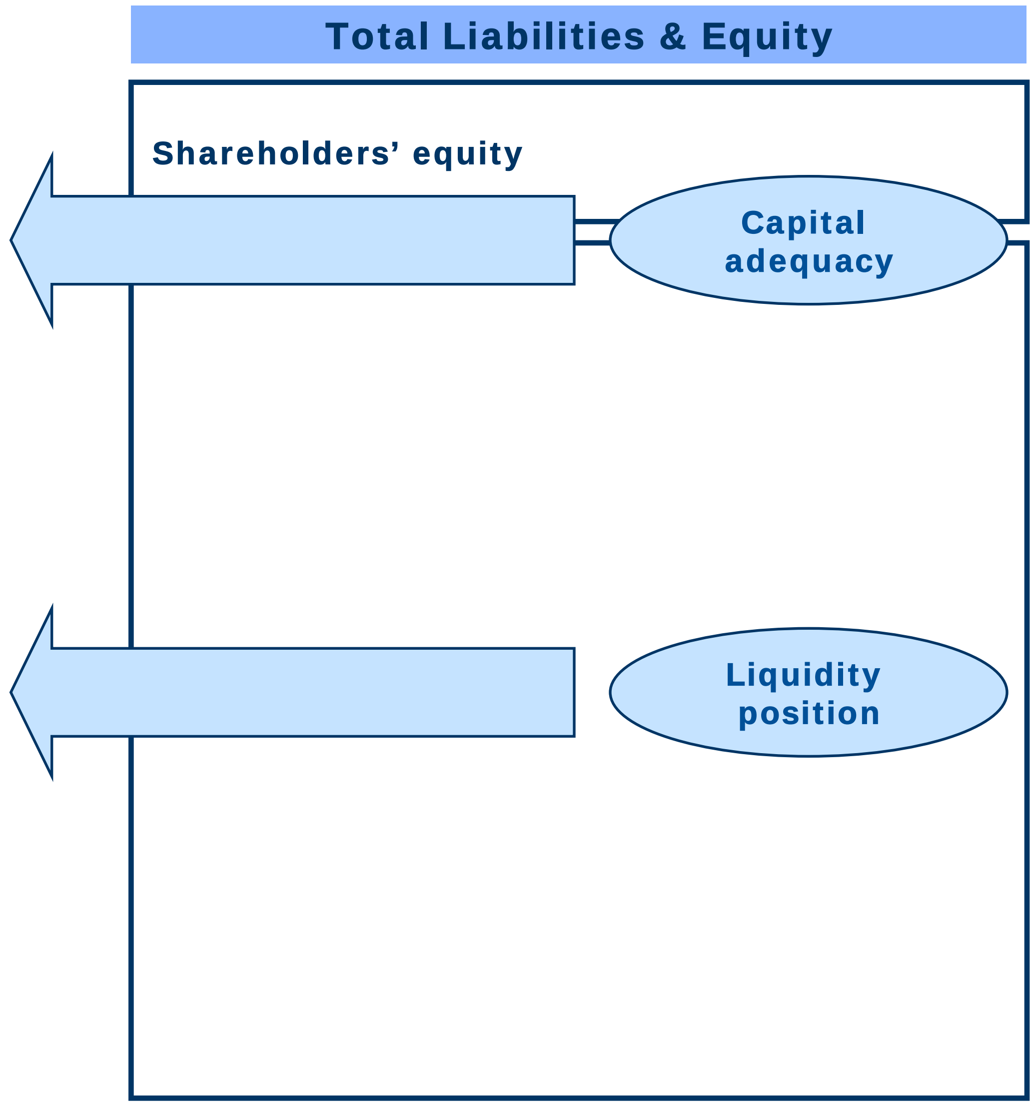
Contents

Solvency and liquidity position

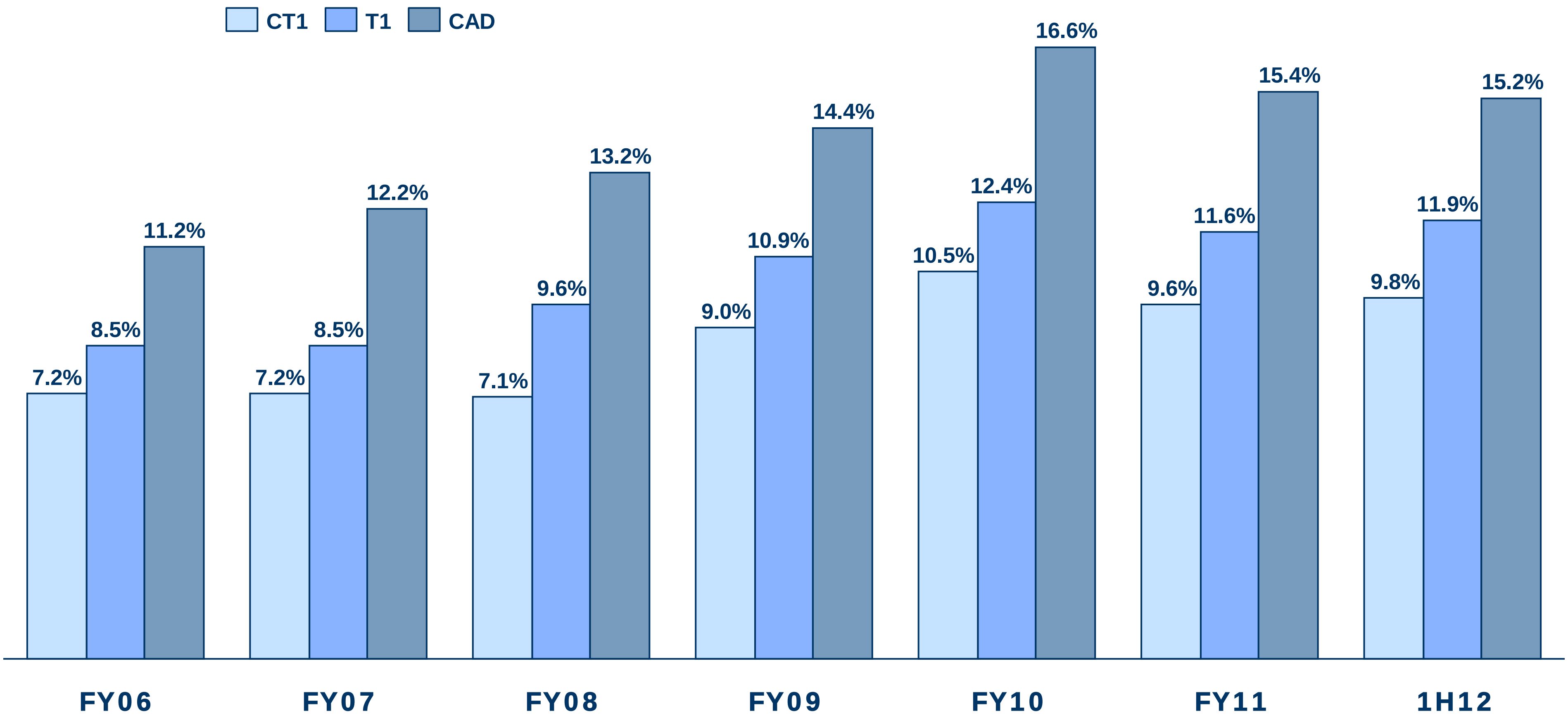
- With core tier-1 ratio of 9.8% at KBC Bank (excl. KBL *epb*) and 11.8% at KBC Group, KBC is well positioned to pursue organic growth

- With loan-to-deposit ratio at 83%, 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

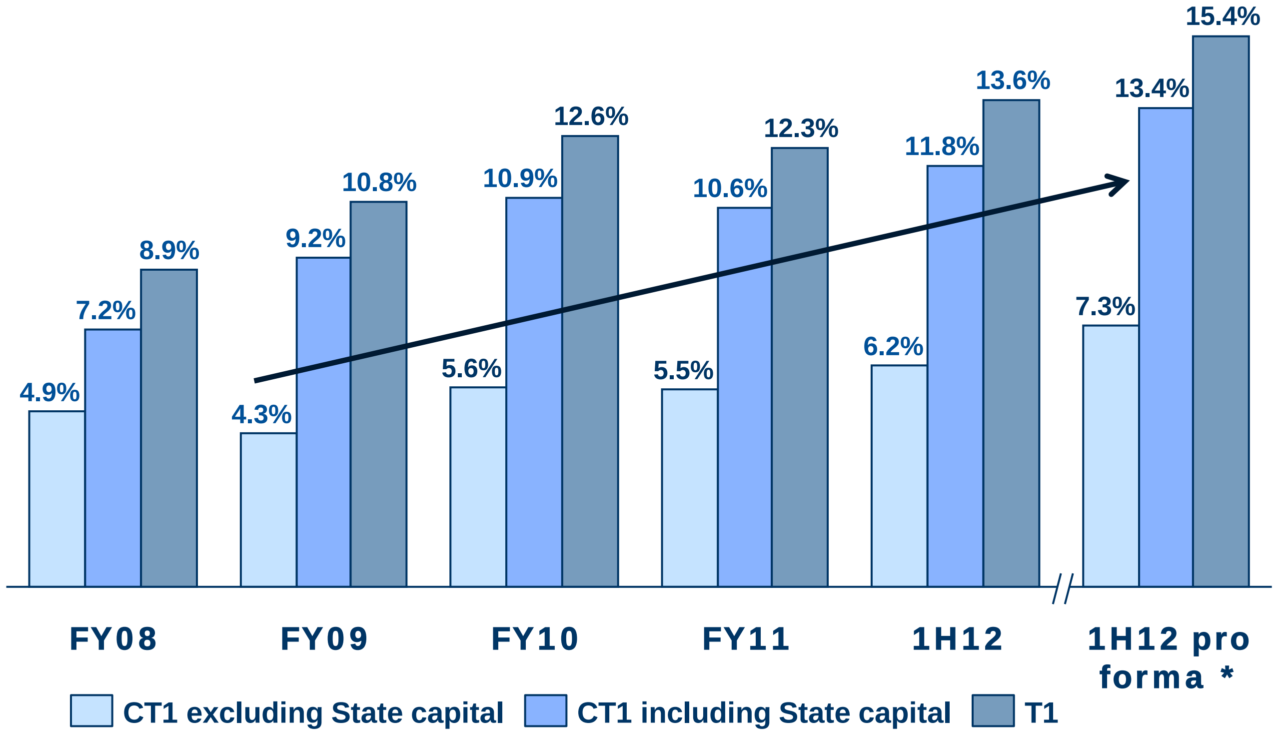


Improved capital ratios at KBC Bank (excl. KBL)



Strong capital position at KBC Group (1)

- Strong tier-1 ratio of 13.6% (15.4% pro forma) at KBC Group as at end 1H12 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 13.4% at KBC Group



* 1H12 pro forma CT1 includes the impact of divestments already signed, but not yet closed (KBL *epb* and Kredyt Bank)

Strong capital position at KBC Group (2)

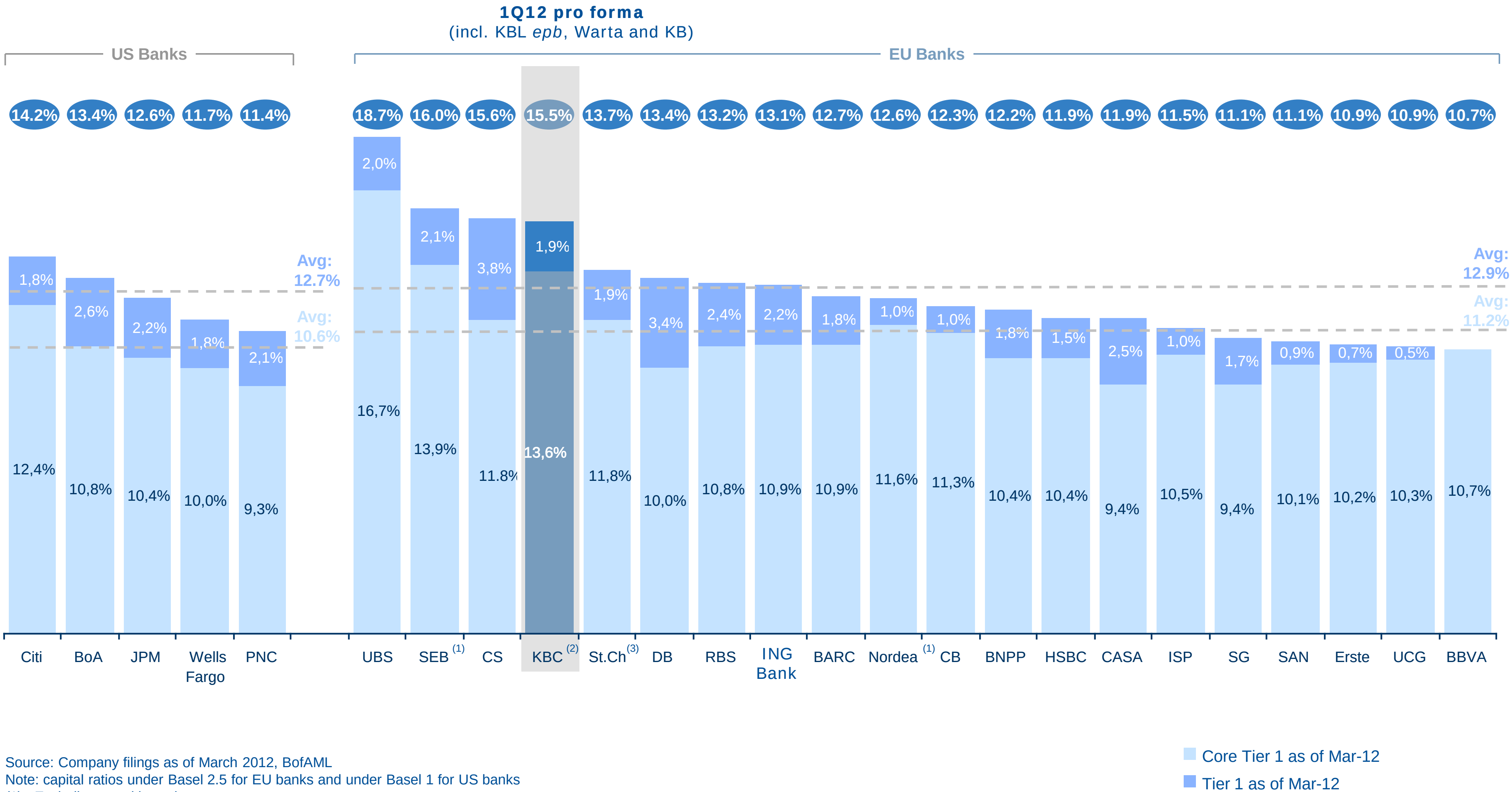
- Strong capital position maintained despite capital impact of impairments on planned divestments, thanks to good underlying profit generation, the closing of Warta and further reduction of RWAs (driven by shift from IRB Foundation to IRB Advanced)

- First repayment of 500m EUR to the Federal Government in January 2012 at 15% premium

- Next reimbursement will be made once common equity target has been decided by the National Bank of Belgium

- We are continuing our efforts to ensure that 4.67bn EUR in state aid (before any penalty) is reimbursed by the end of 2013, as set out in the European plan, of which a substantial part before end of 2012

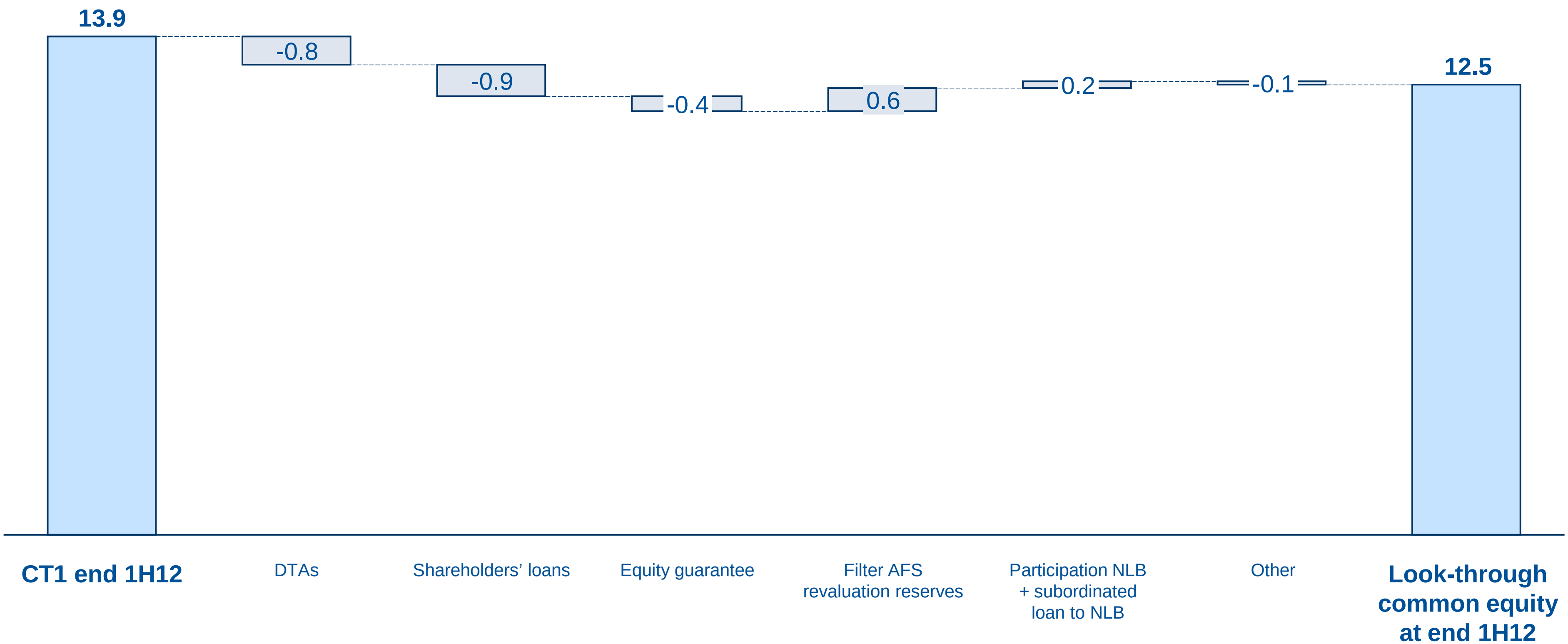
Favourable peer group comparison



Source: Company filings as of March 2012, 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 of divestments signed as of 1Q12 (KBL epb, Warta and Kredyt Bank)
(3) As of December 2011

Look-through common equity at end 1H12
From phased in to fully loaded B3 at numerator level
(given remaining YES being part of common equity as agreed with local regulator)

B3 impact at numerator level (bn EUR)



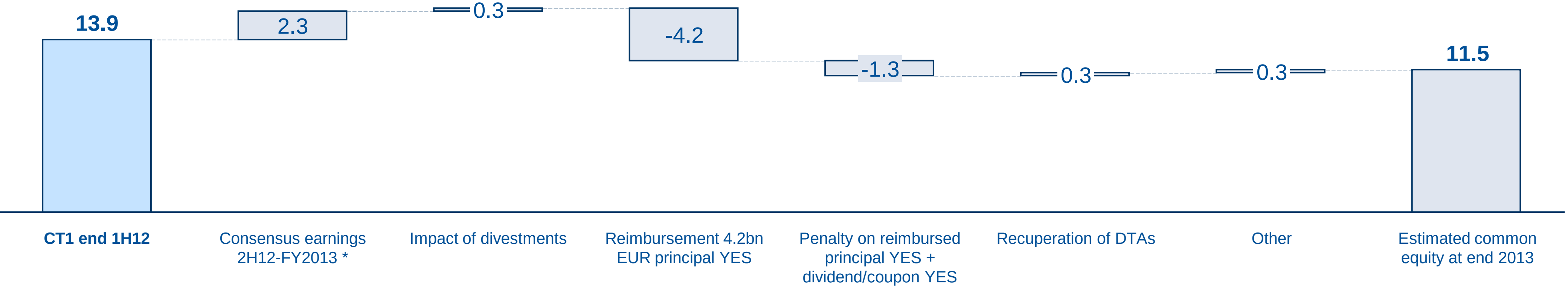
CoreTier 1 capital = phased in B3 Common Equity at end 1H12 (numerator level)

Roughly 11.1% phased in B3 common equity ratio at end 1H12

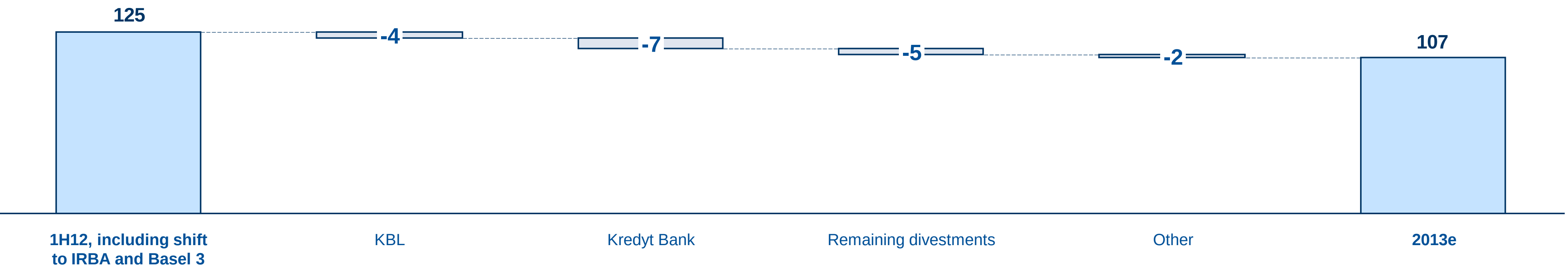
Roughly 10.0% fully loaded B3 common equity ratio at end 1H12

Estimated common equity at end 2013 Phased in B3 (given remaining YES being part of common equity as agreed with local regulator)

B3 impact at numerator level (bn EUR)



RWA impact (bn EUR)



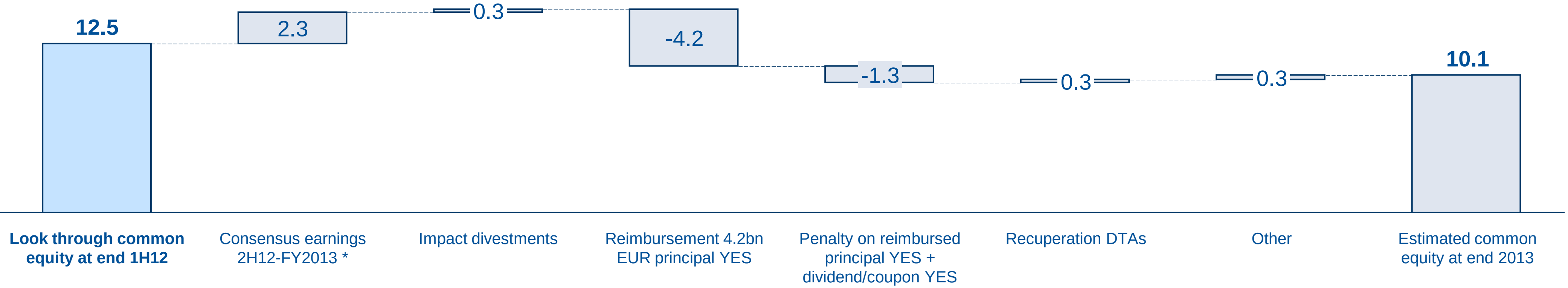
Roughly 11.1% phased in B3 common equity ratio at end 1H12

Roughly 10.7% phased in B3 common equity ratio at end 2013

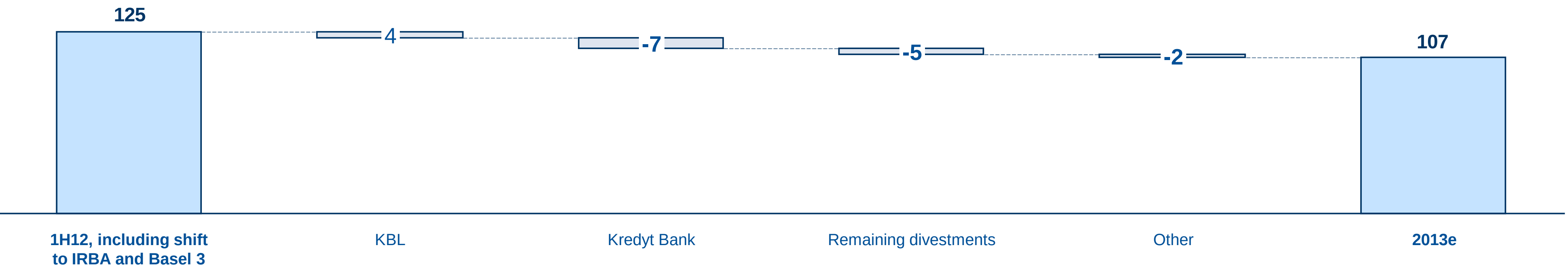
* Based on earnings consensus of sell-side equity analysts
** For indicative purposes only

Estimated common equity at end 2013 Fully loaded B3 (given remaining YES being part of common equity as agreed with local regulator)

B3 impact at numerator level (bn EUR)



RWA impact (bn EUR)



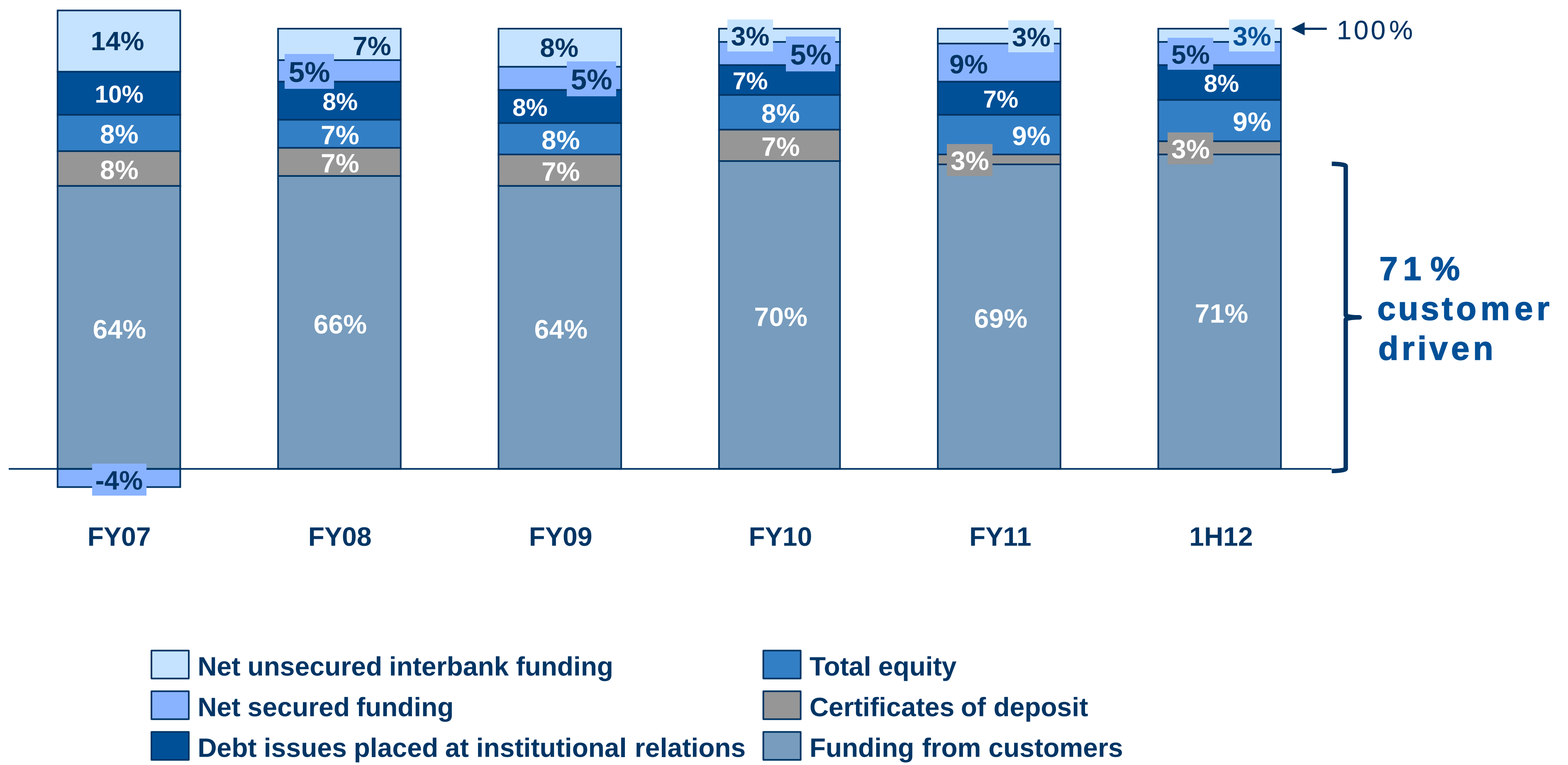
Roughly 10.0% fully loaded B3 common equity ratio at end 1H12

Roughly 9.5% fully loaded B3 common equity ratio at end 2013

* Based on earnings consensus of sell-side equity analysts
** For indicative purposes only

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



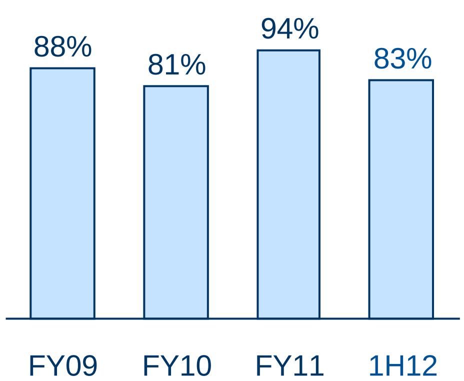
A solid liquidity position (2)

- 2012 funding needs covered and buffer established given:
  - Long-term funding needs decrease as steps to reduce RWA continue
  - Issue of 2.25bn EUR unsecured long-term debt YTD (1.25bn EUR 2y and 1.0bn EUR 5y)
  - Moreover, substantial increases in stable funding have been registered in different entities of the Bank Group.
- Belgian Parliament recently voted a covered bonds law. To diversify further our funding base, KBC plans its first covered bond issue in 4Q12 / 1Q13

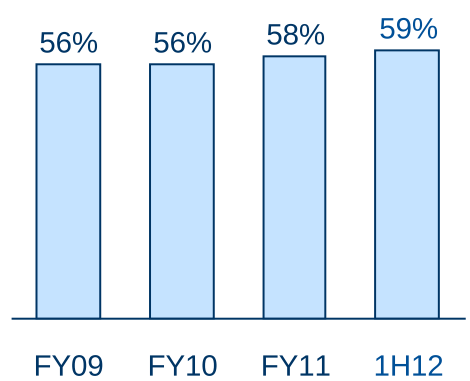
A solid liquidity position (3)

- LTD ratio of 83% at KBC Bank at the end of 1H 2012
- Decrease is the result of strong deposit growth in retail/corporate and a recovery in the more volatile institutional deposits after the decrease in 4Q2011 – (at that time due to a downgrade of our short-term rating by S&P and the risk aversion to the European market in general)
- The downgrade of our Moody’s ST and LT rating in June 2012 has had no substantial impact on the funding profile

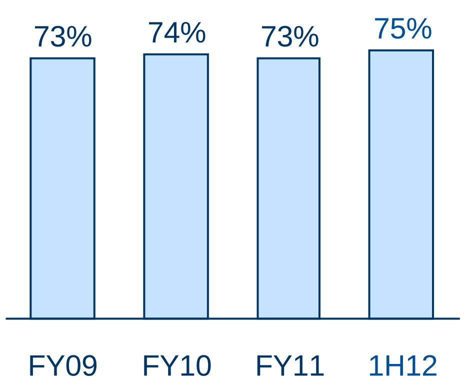
LTD ratio at KBC Bank*



LTD ratio at Belgium BU**



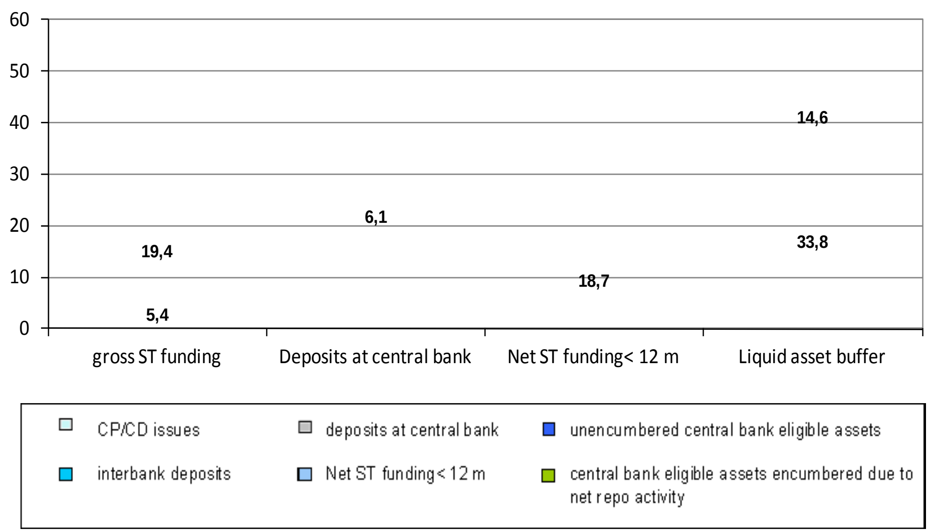
LTD ratio at CEE BU***



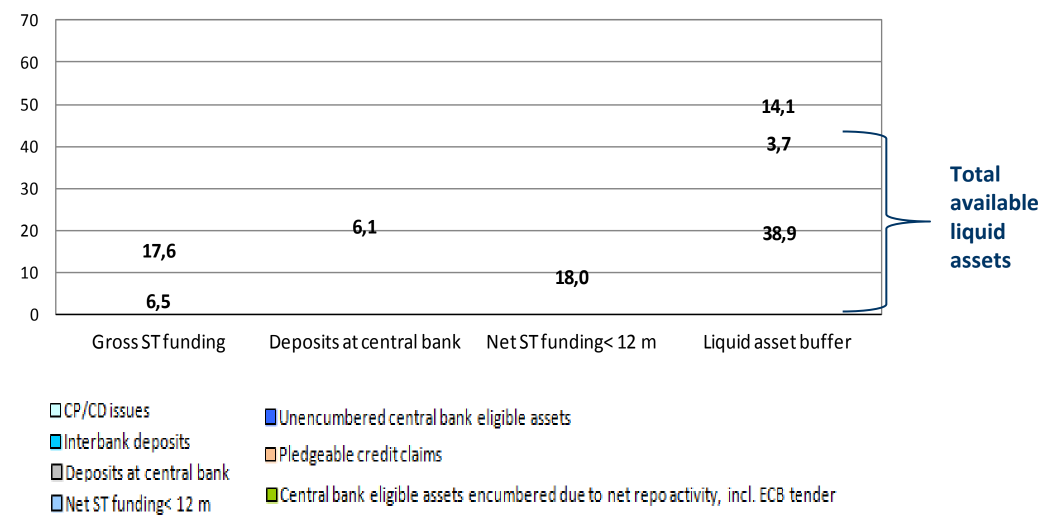
* Excluding all the entities earmarked for divestment in Group Centre: KBL *epb*, ADB, KBC Deutschland, KBC Banka, Absolut Bank and Kredyt Bank
** Excluding Centea (retroactively adjusted)
*** Excluding Kredyt Bank and Absolut Bank (items earmarked for divestment in Group Centre)

A solid liquidity position (4)

Short term unsecured funding KBC Bank (consolidated) as of end-December 2011 (*, **)
(bn EUR)



Short term unsecured funding KBC Bank (consolidated) as of end June 2012 (*, **)
(bn EUR)



According to IFRS5, situation as per 30/06/2012 (right-hand side) excludes the in-divestment entities (Absolut Bank, Kredyt Bank, KBC Deutschland, KBC Banka, ADB, KBL)
*** Graphs are based on Note 18 of KBC's quarterly report, except for the liquid assets buffer which is based on the Treasury Management Report of KBC Group*

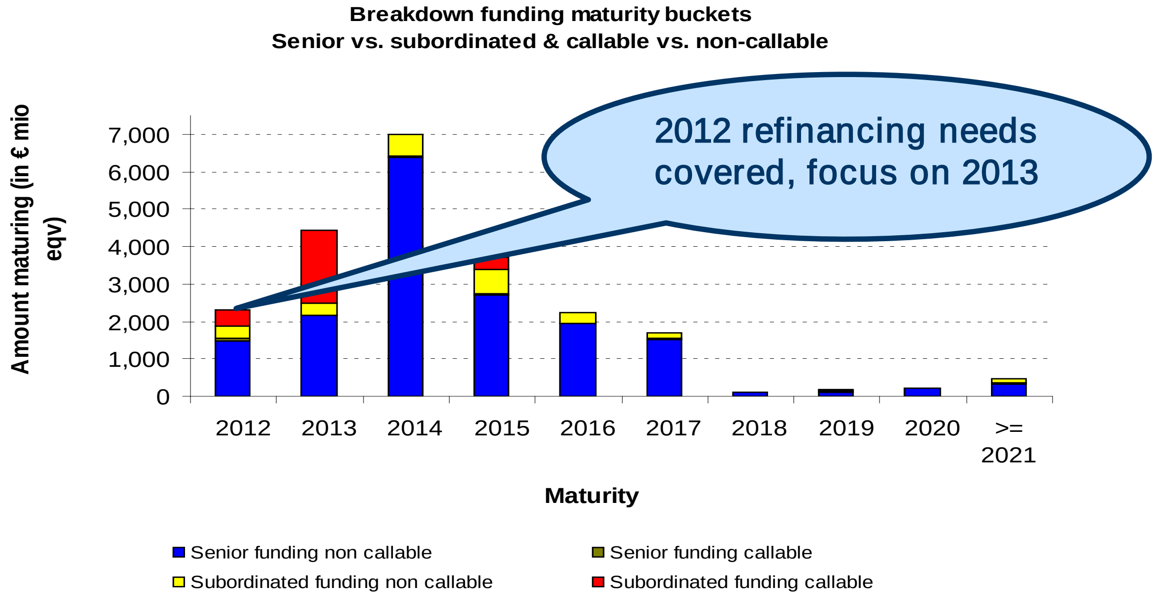
The liquid asset buffer increased in comparison with end 2011, due to the following factors:

- Positive changes in MtM, including on our exposure to Belgian bonds
- The automation of the credit claims pledging process allowed KBC to pledge almost 4bn euro's worth (after haircuts) of loans at NBB
- The total amount of unencumbered assets increased moderately as less secured funding was attracted.

Therefore, the already strong liquidity position improves further as:

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

Upcoming mid-term funding maturities

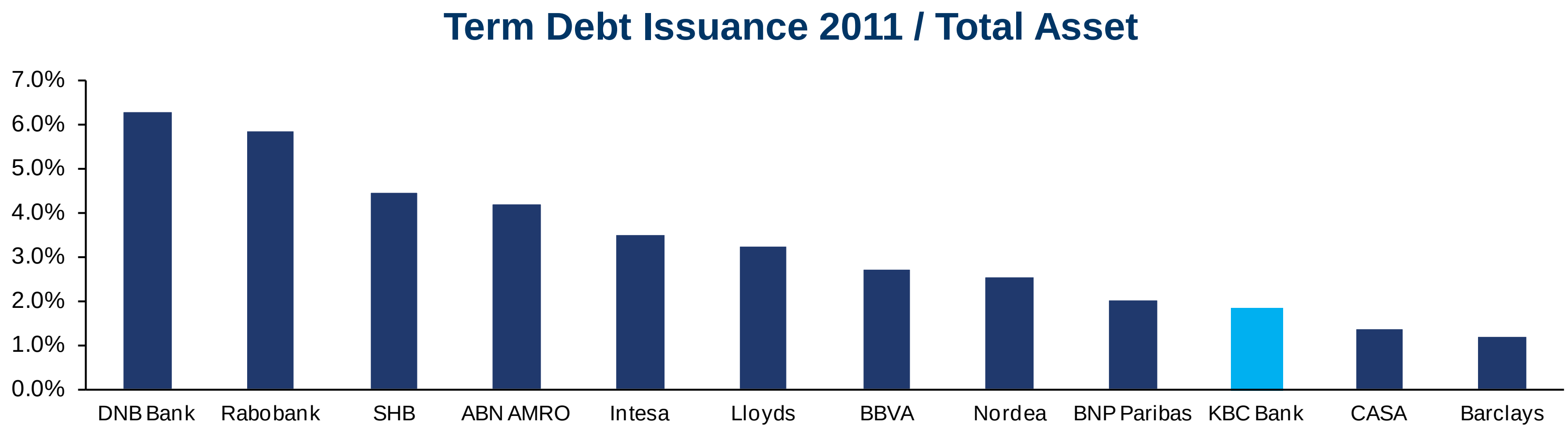


- KBC successfully issued 2 new benchmark senior unsecured deals for a total amount of 2.25bn EUR in 1Q 2012
- KBC Bank NV has 3 solid sources of EMTN Funding:
  - Public benchmark transactions
  - Structured Notes using the private placement format
  - Retail EMTN
- Belgian Parliament has recently voted a law for the issuance of covered bonds. To diversify further our funding base, KBC plans its first covered bond issue in 4Q12 / 1Q13

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)



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 36% in 1H12)
  - Access to growth in ‘new Europe’ (most mature markets in the region)
- Resilient business performance
  - underlying 2Q12 net group profit of 372m EUR, demonstrating resilience of commercial franchise
  - Lower loan loss provisions q-o-q, also at K&H Bank and KBC Bank Ireland
  - FY 2012 guidance for loan loss provisions in Ireland maintained at 500m-600m EUR
- Momentum maintained on divestments and derisking
  - Sales of Warta, KBL epb and Zagiel have been closed
  - Impairments on the remaining divestments further reduce the downside P&L volatility
  - GIIPS exposure reduced again, down 52% since the end of 2011
- Capital and liquidity positions further strengthened
  - Tier-1 ratio of 13.6% in 2Q12 at KBC Group, up from 13.1% in 1Q12, despite impact of impairments on the planned divestments
  - Estimated B3 CET at the end of 2013: 10.7% phased in (9.5% fully loaded), factoring in 4.67bn EUR repayment of YES instruments by end 2013
  - Continued strong liquidity position, with 2012 funding needs covered

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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

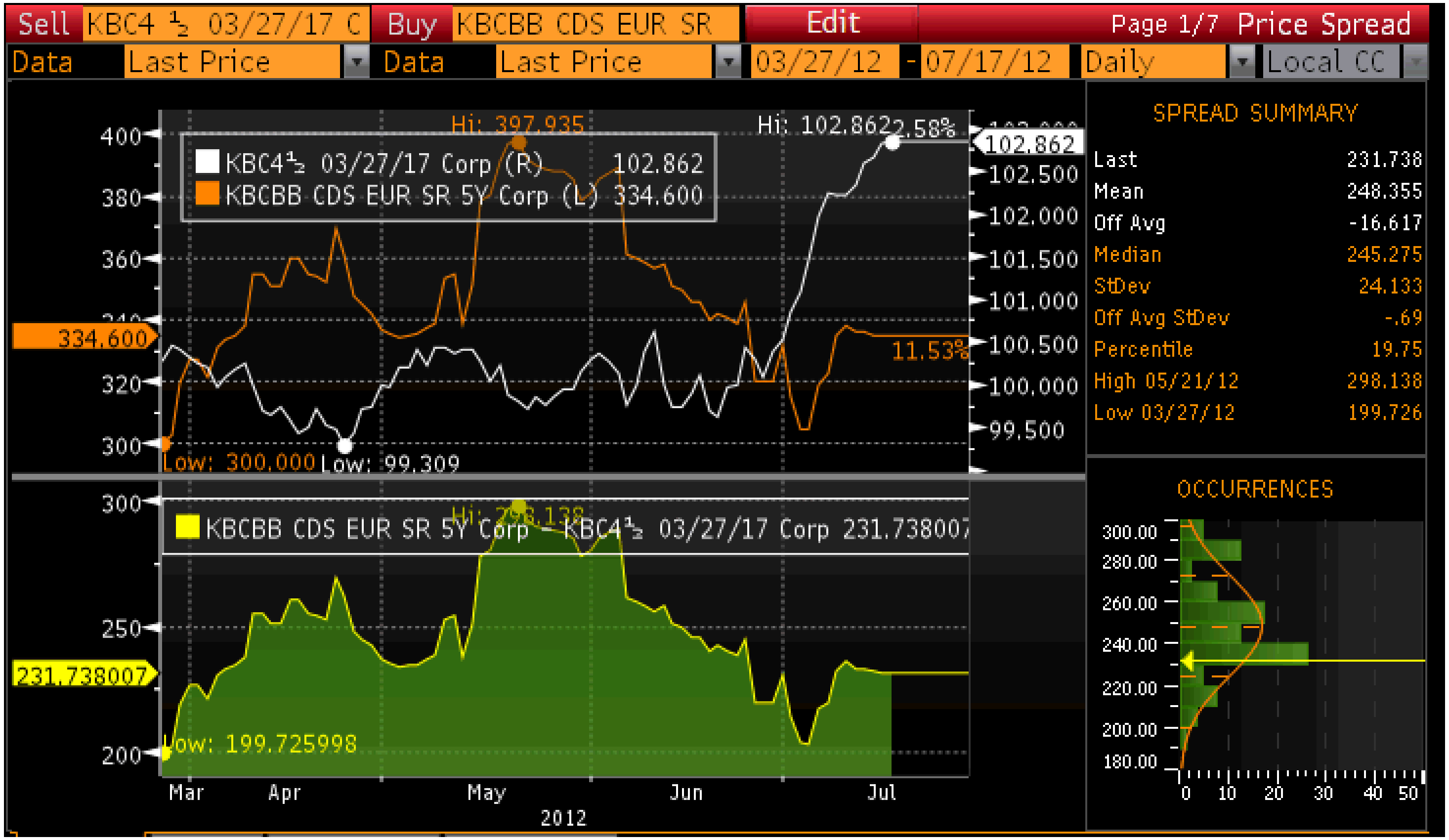
KBC 2012 Benchmarks

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

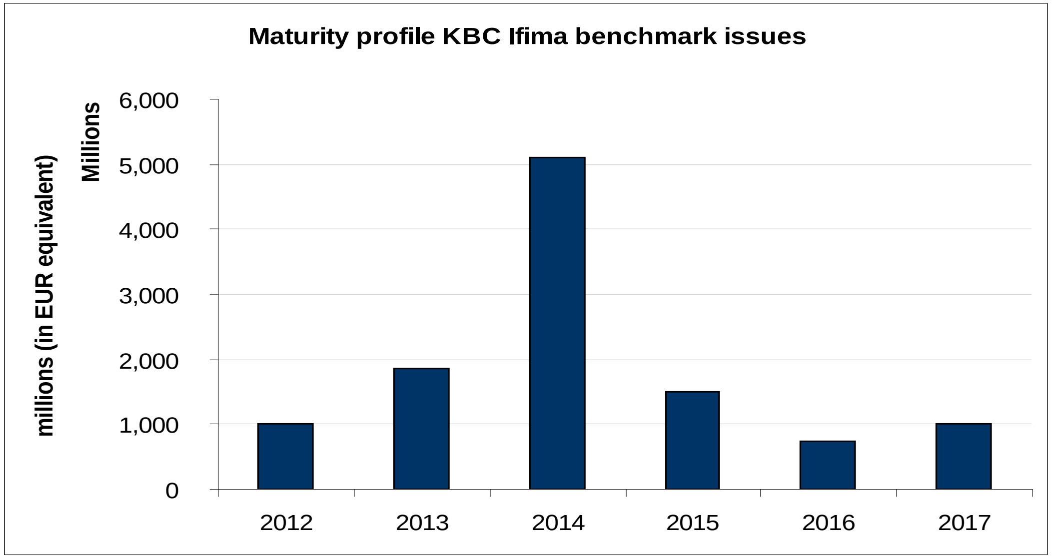
KBC 2012 Benchmarks



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 161,700,000	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 + 390bps	3m gbp libor + 193bps	no step-up	no step-up
First (next) call date	30/09/2012	2/11/2012	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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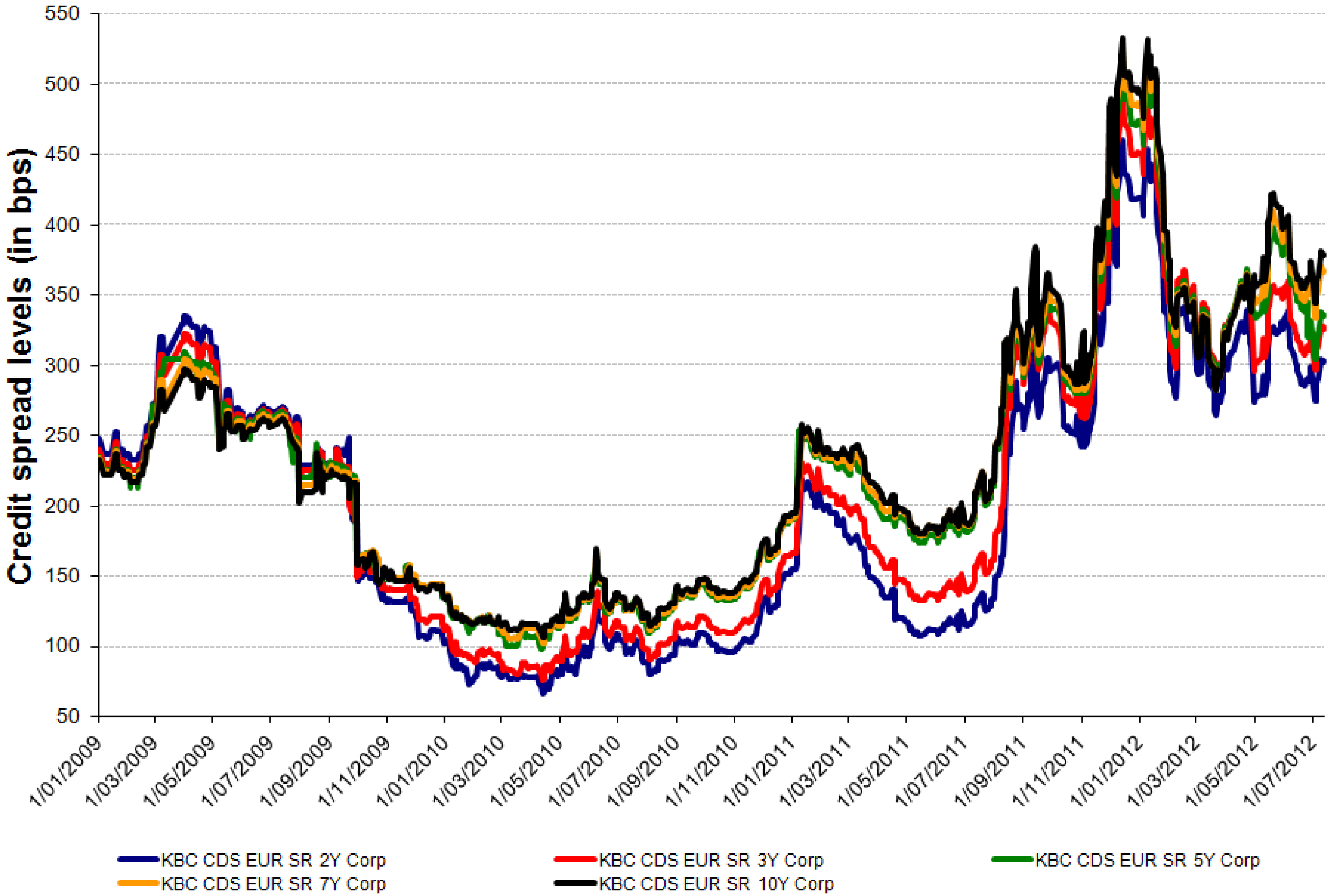
KBC Bank CDS levels since January 2009



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

In preparation/work-in-progress for 2012/2013 a.o.

- Absolut Bank
- KBC Banka
- NLB
- Antwerp Diamond Bank
- KBC Bank Deutschland

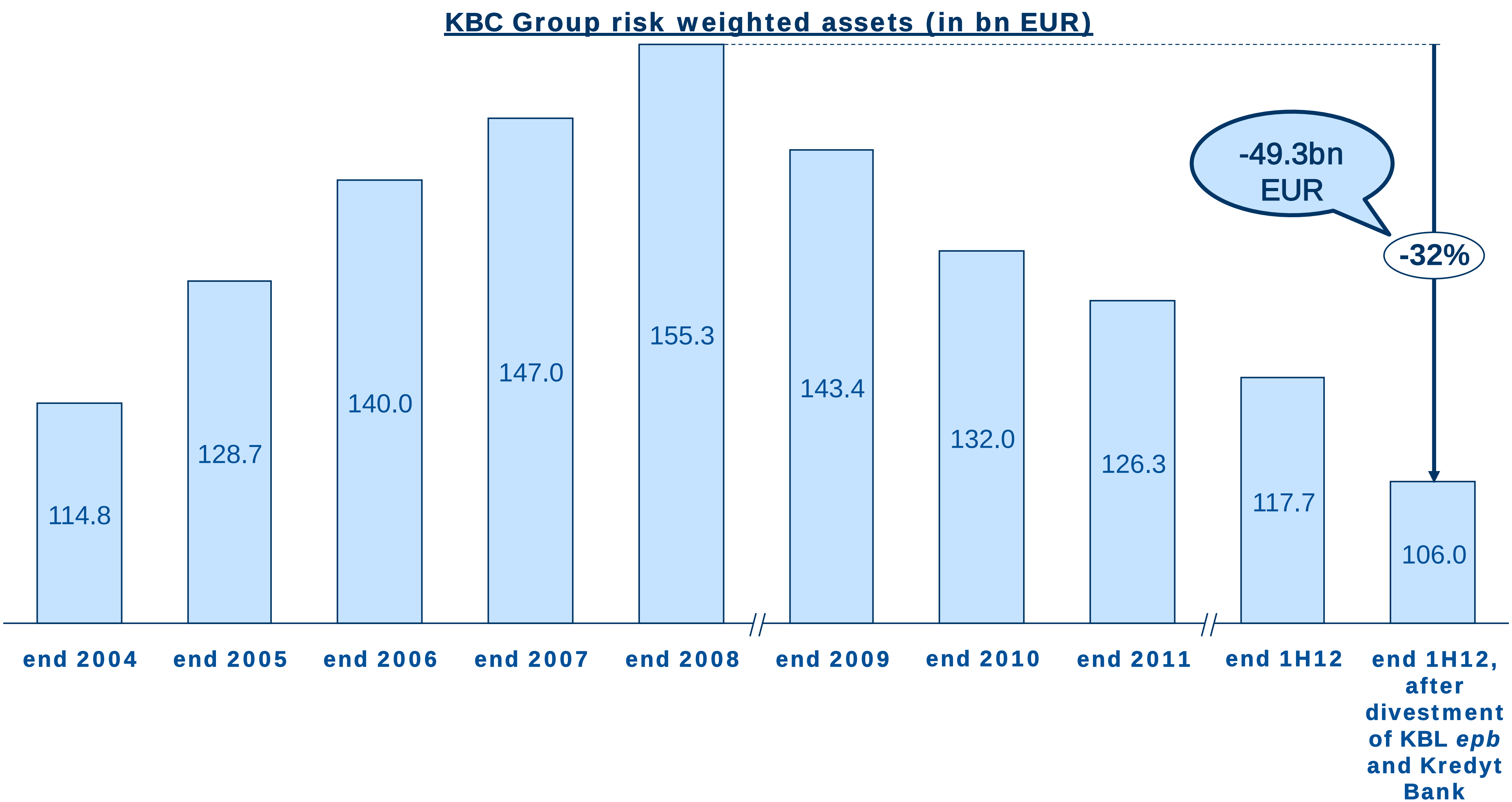
Divestment programme: momentum maintained

Closed	
KBL *epb* (closed in 3Q12)	Capital relief of 1.4bn EUR
Zagiel (closed in 3Q12)	
Signed	
Kredyt Bank (closing expected in 4Q12)	

In preparation/work-in-progress for 2012/2013 a.o.	
Absolut Bank	Expected capital relief of 0.6bn EUR (mainly from RWA reductions)
KBC Banka	
NLB	
Antwerp Diamond Bank	
KBC Bank Deutschland	

- KBC decided to reclassify the remaining planned divestments under IFRS 5
- Impairments of 1.2bn EUR to reflect the current market environment in 2Q12, markedly reducing the downside P&L volatility upon final divestment
- Impairments are largely related to goodwill. As such, the regulatory capital impact is substantially lower at 0.6bn EUR
- Negative capital impact will be reversed entirely at closing (spread out over 2012-2013), mainly through the release of RWAs (5bn EUR in total)

RWA reduction better than initially planned



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GIIPS exposure down by 52% since 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 1H12
Greece	0.6	0.6	0.5	0.3	0.2	0.0	0.0
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	1.4
Portugal	0.3	0.3	0.3	0.1	0.1	0.1	0.1
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**	**2.3**

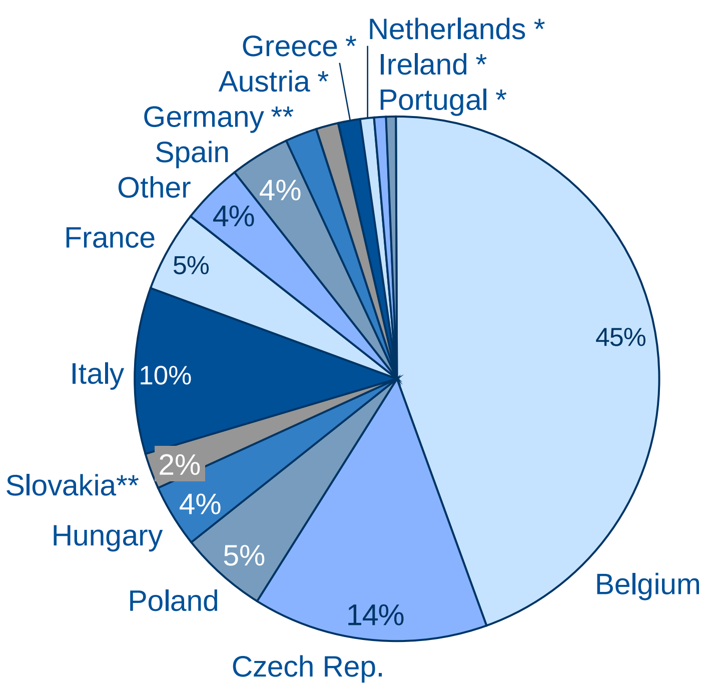
Year-to-date, KBC reduced its GIIPS exposure (carrying amount) by roughly 52%:

- Greece: reduction of 0.2bn EUR
- Italy: reduction of 0.7bn EUR
- Spain: reduction of 1.6bn EUR
- **TOTAL** **reduction of 2.5bn EUR**

Government bond portfolio

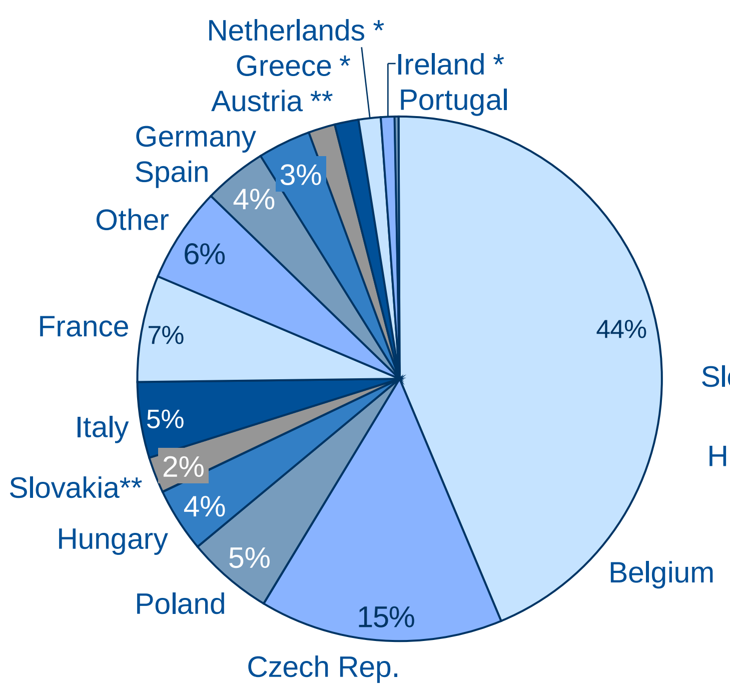
- Notional investment of 50bn EUR in government bonds (excl trading book) at end 1H12, primarily as a result of significant excess liquidity position and the reinvestment of insurance reserves into fixed income instruments

End 2010
(60bn EUR notional)



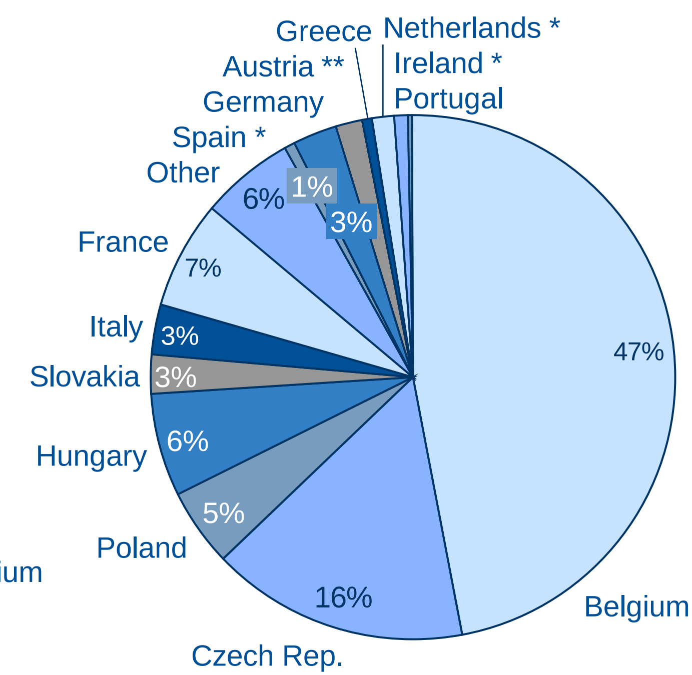
(*) 1%, (**) 2%

End 2011
(51bn EUR notional)



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

End 1H12
(50bn EUR notional)



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

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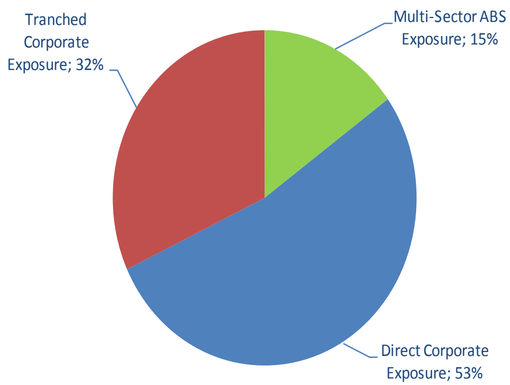
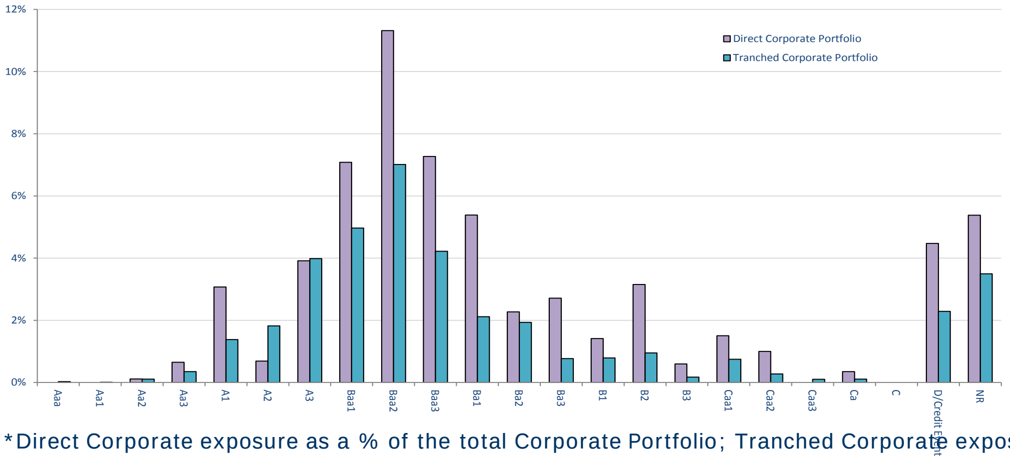
Breakdown of KBC's CDOs originated by KBC FP

Breakdown of assets underlying KBC's CDOs originated by KBC FP*



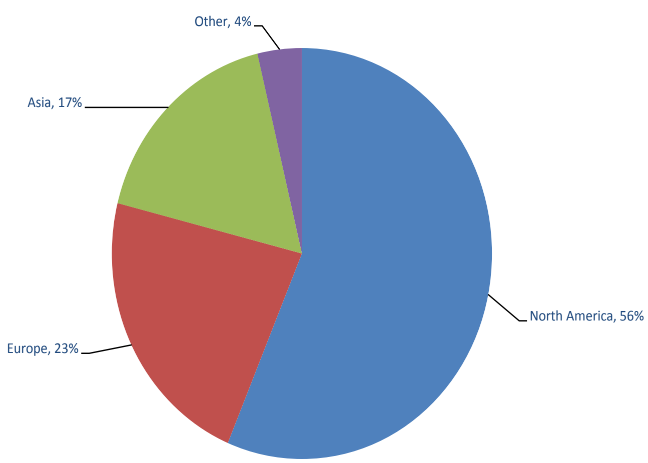
* % of total initial deal exposure; figures at 9 July 2012

Corporate breakdown by ratings *



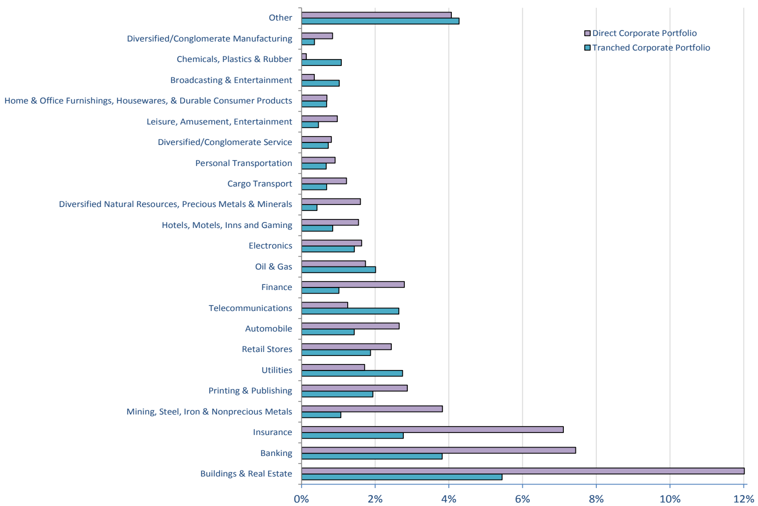
*Direct Corporate exposure as a % of the total Corporate Portfolio; Tranched Corporate exposure as a % of total Corporate Portfolio; Figures as of 9 July 2012, based on Moody's Ratings

Corporate breakdown by region*



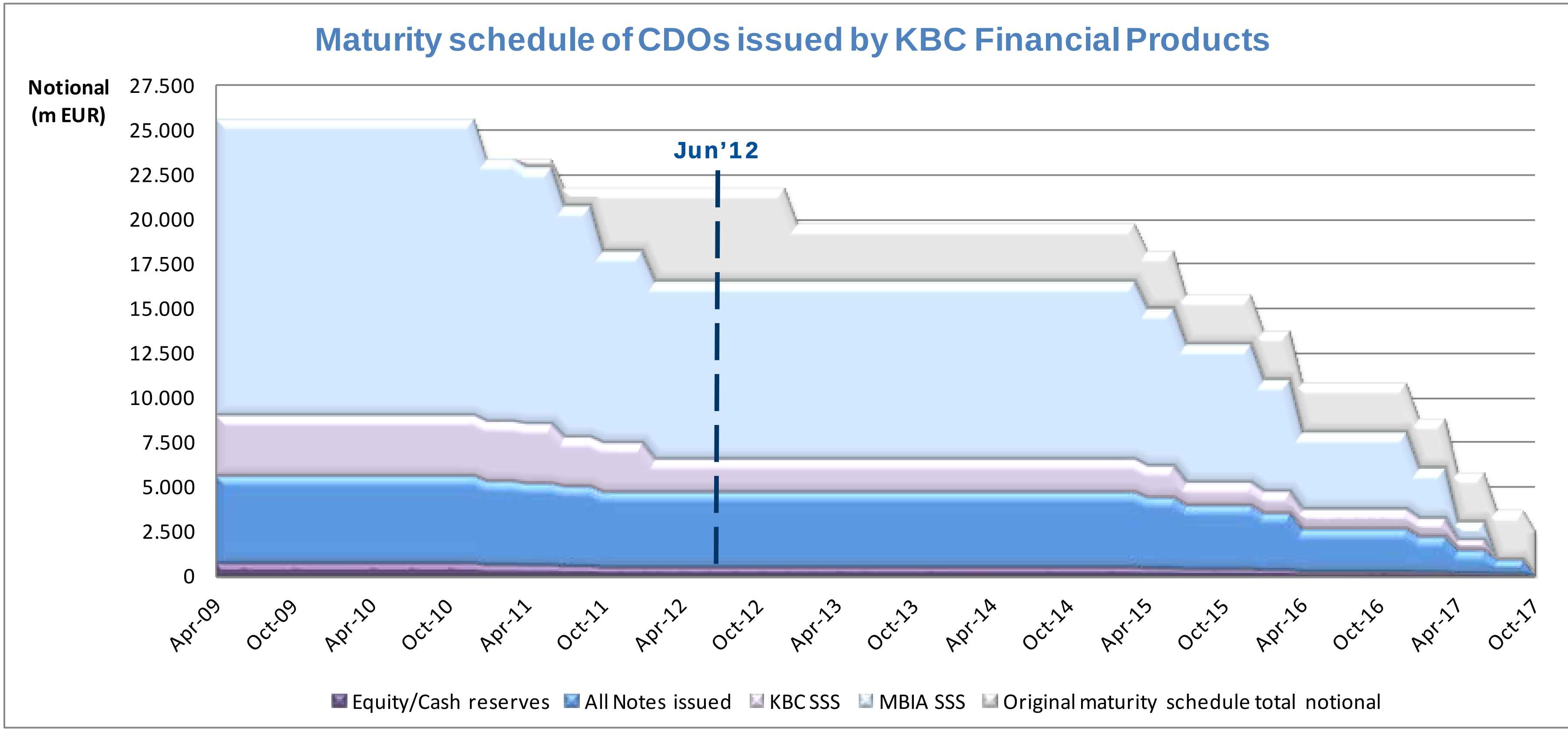
* Direct and Tranched Corporate exposure as a % of the total Corporate Portfolio; figures as of 9 July 2012

Corporate breakdown by industry *



*Direct Corporate exposure as a % of the total Corporate Portfolio; Tranched Corporate exposure as a % of the total Corporate Portfolio; figures as of 9 July 2012

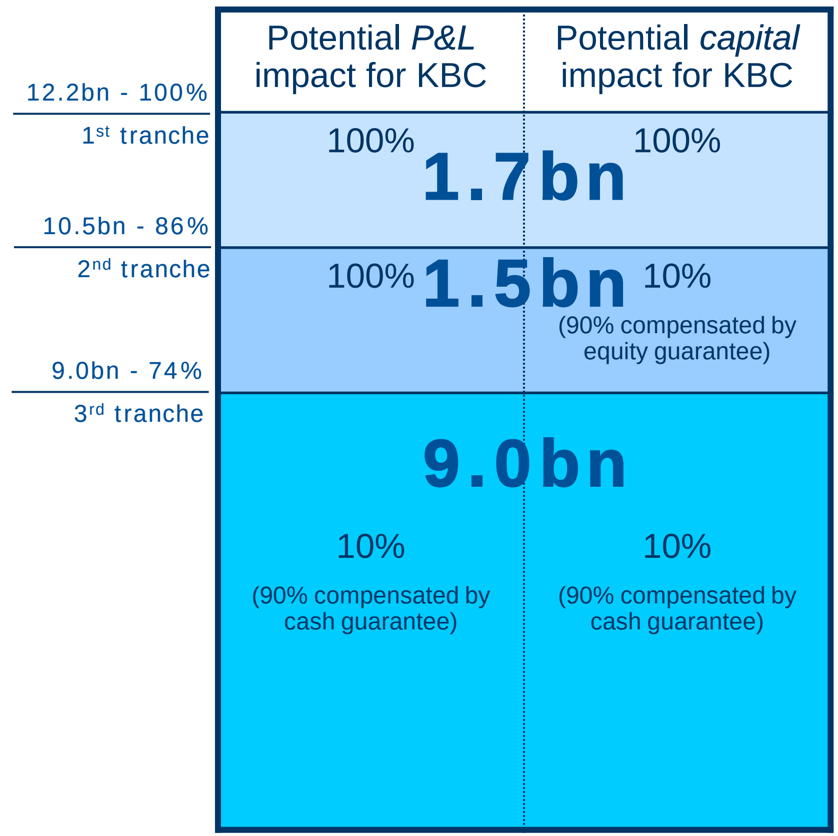
Maturity schedule for CDO portfolio



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 CDO positions

Summary of government transactions (2)

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

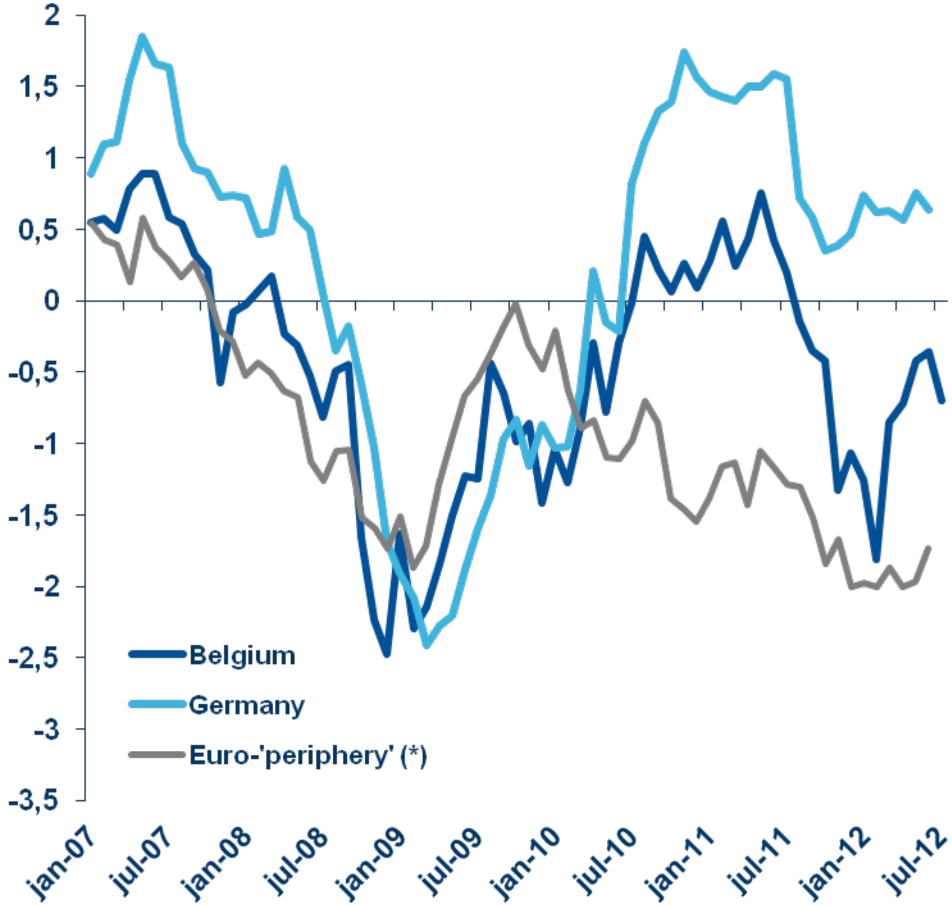
	Belgian State	Flemish Region
Amount	**3.5bn**	**3.5bn**
Instrument	Perpetual fully paid up new class of non-transferable securities qualifying as core capital	
Ranking	Pari passu with ordinary stock upon liquidation	
Issuer	KBC Group Proceeds used to subscribe ordinary share capital at KBC Bank (5.5bn) 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

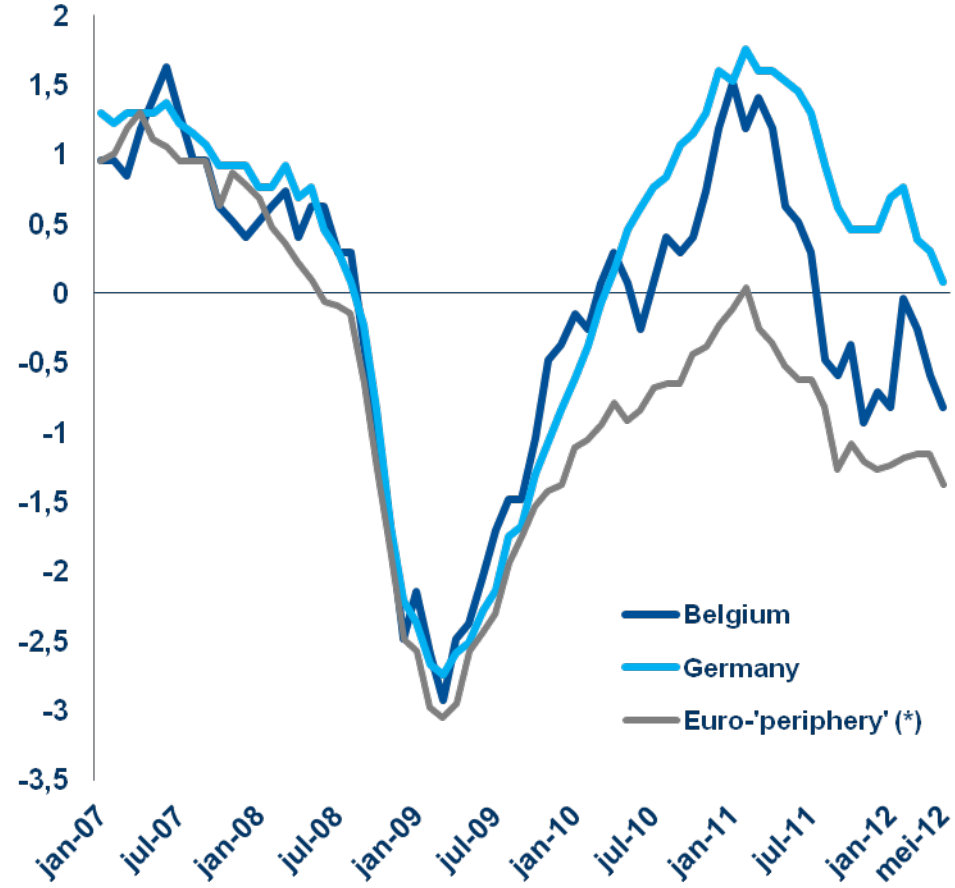
- KBC 2011 benchmarks + overview of outstanding benchmarks
- KBC Bank CDS levels
- Refocused KBC taking shape
- Sovereign risk at KBC Group
- Additional info about our CDO portfolio
- Macroeconomic views

Confidence indicators down again

Consumer confidence (standard deviation from LT-average)



Producer confidence (standard deviation from LT-average)

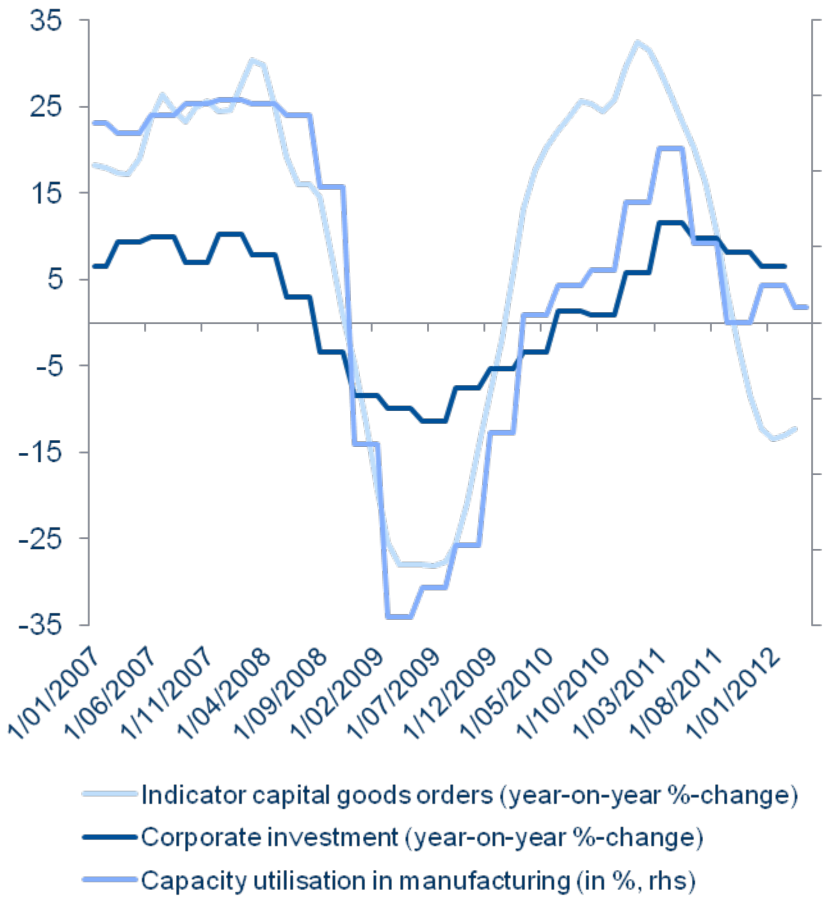


(*) Euro-'periphery' = Portugal, Ireland, Italy, Greece & Spain

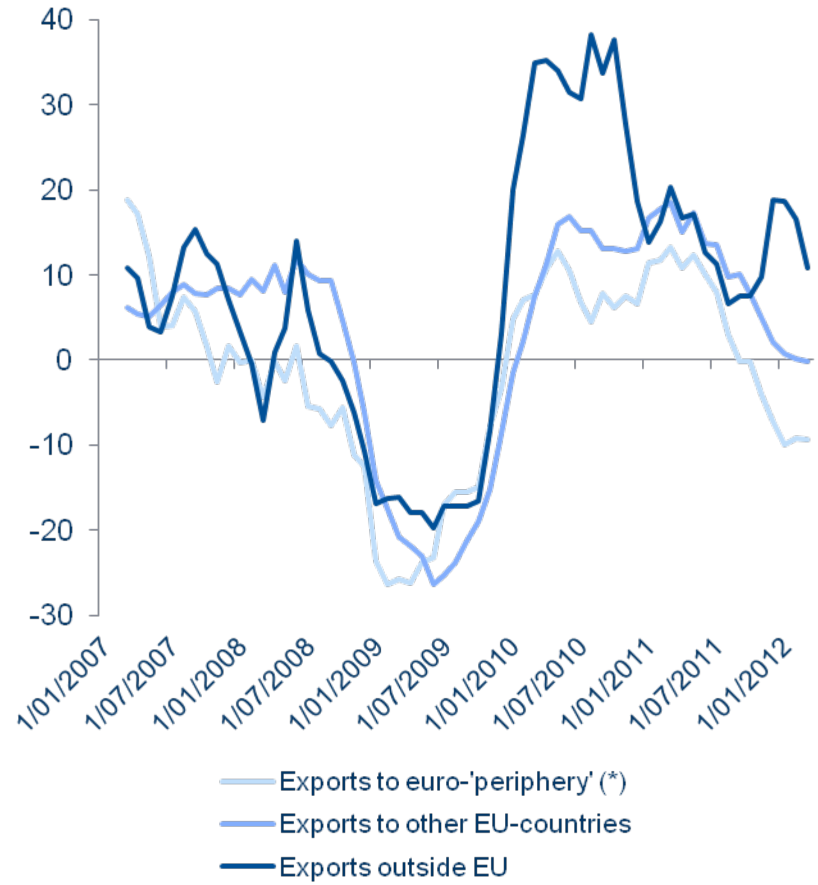
Source: KBC, Group Chief Economist Department

EMU debt crisis impacting Belgium as well

Weak corporate investment growth



Slump in exports (year-on-year %-change)

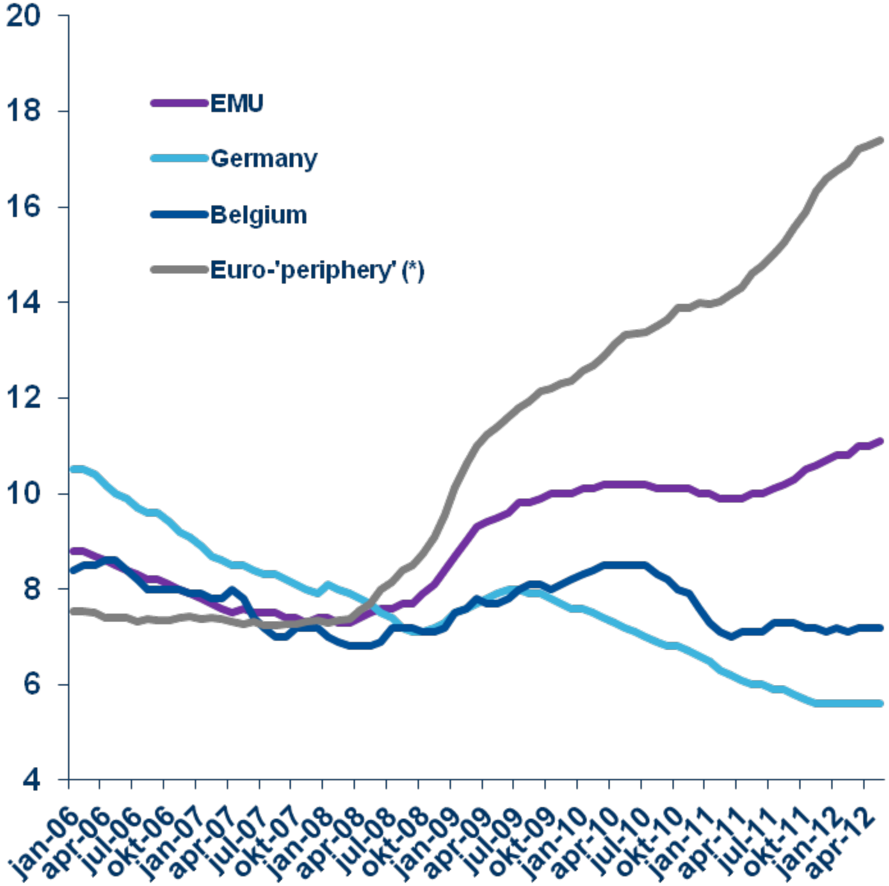


(*) Euro-’periphery’ = Portugal, Ireland, Italy, Greece & Spain

Source: KBC, Group Chief Economist Department

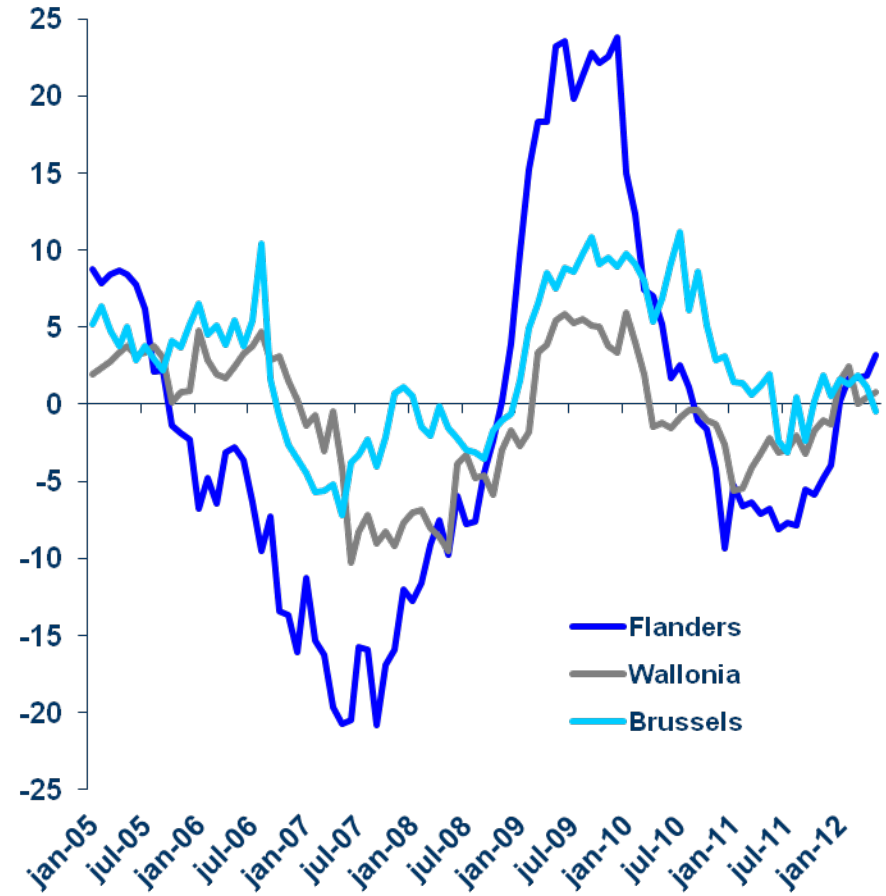
Belgian labour market keeping up quite well

Harmonised unemployment rate (% of labour force)



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

Number of unemployed (year-on-tear %-change)



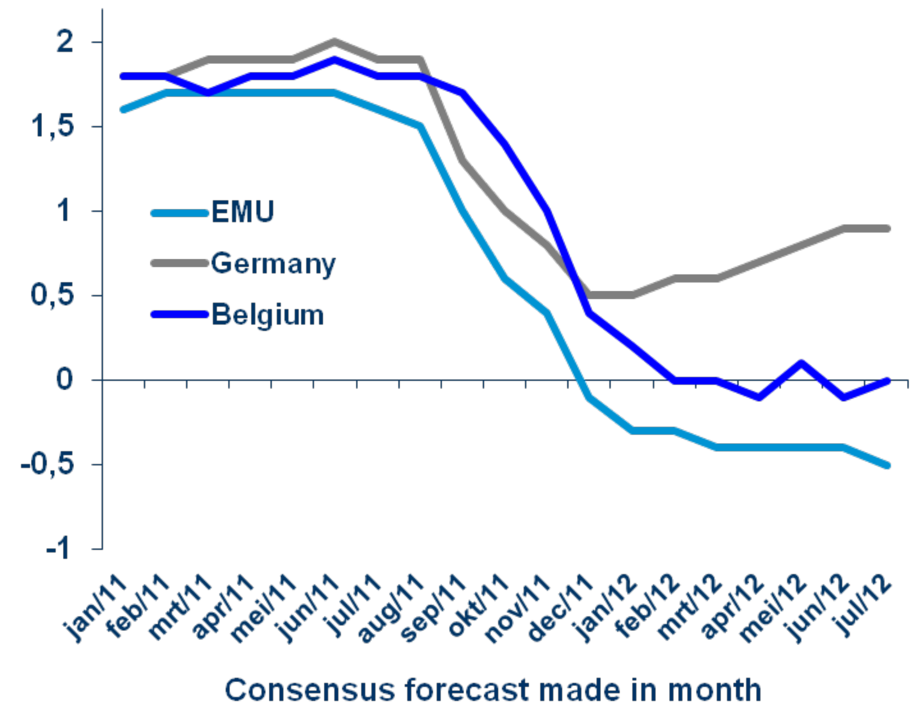
Source: KBC, Group Chief Economist Department

Belgium staying out of recessionary waters

KBC growth outlook

	Real GDP growth (in %)		
	2011	*2012*	*2013*
US	1.7	1.9	2.1
EMU	1.6	-0.5	0.6
Belgium	1.8	0.2	1.2
Czech Rep.	1.7	-0.5	1.3
Slovakia	3.3	2.2	2.5
Hungary	1.7	-1.2	0.7
Poland	4.3	2.8	2.6

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

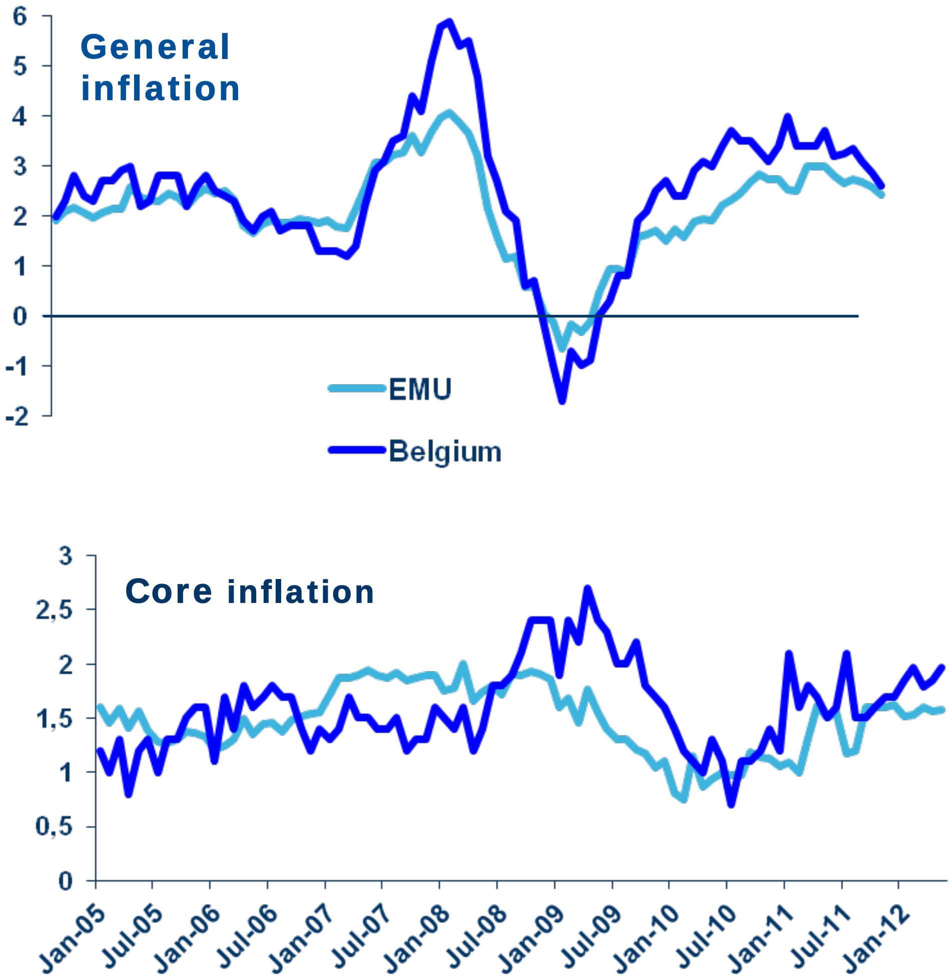


Source: Consensus Economics Inc.

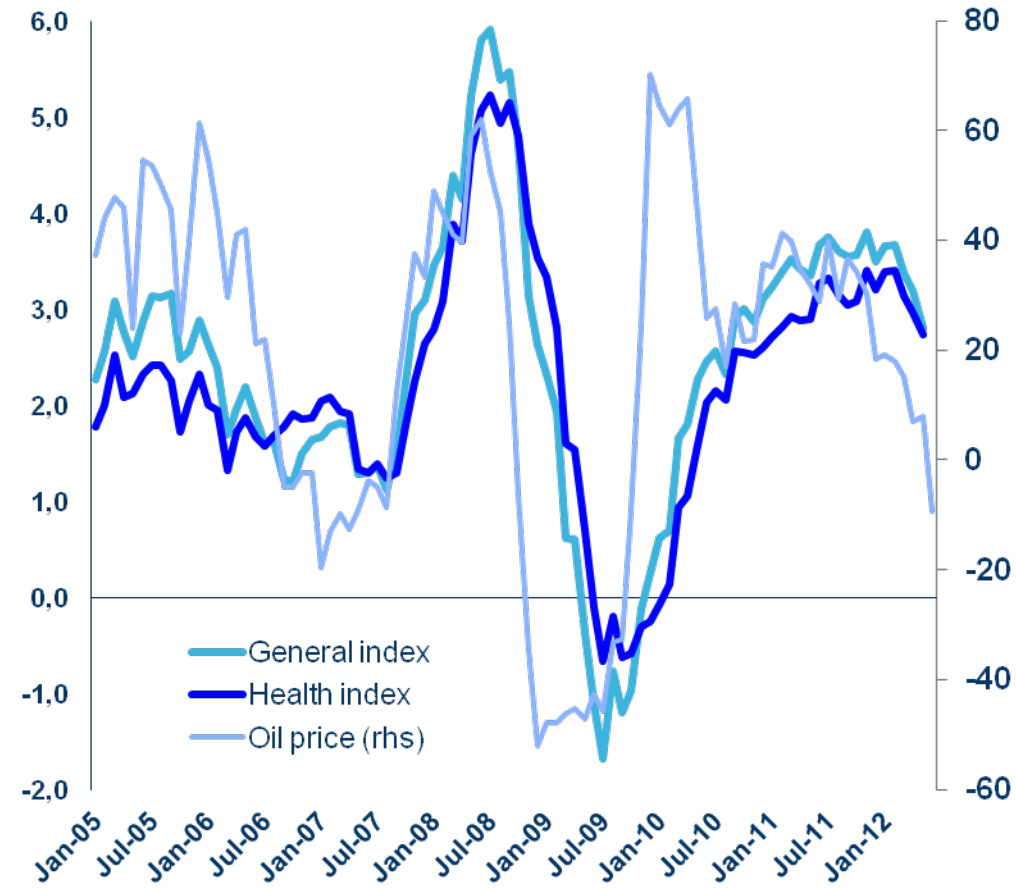
Source: KBC, Group Chief Economist Department

Inflation on a downward path

Harmonised consumer price index
(year-on-year %-change)



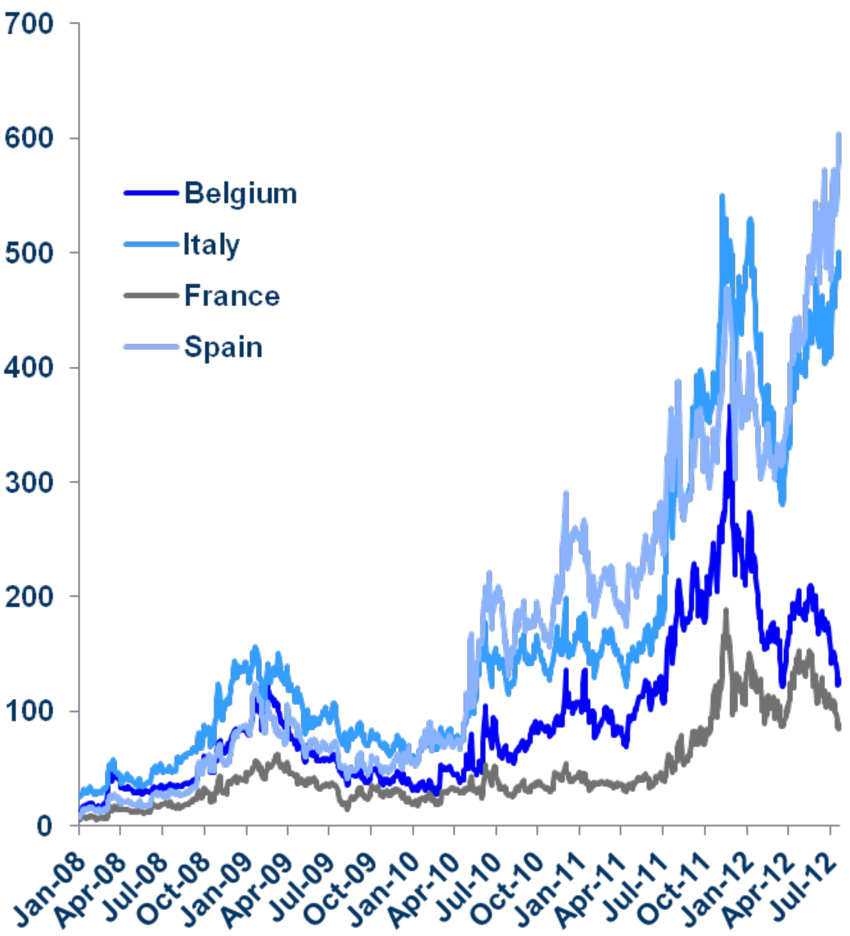
Belgium – National consumer price index (year-on-year %-change)



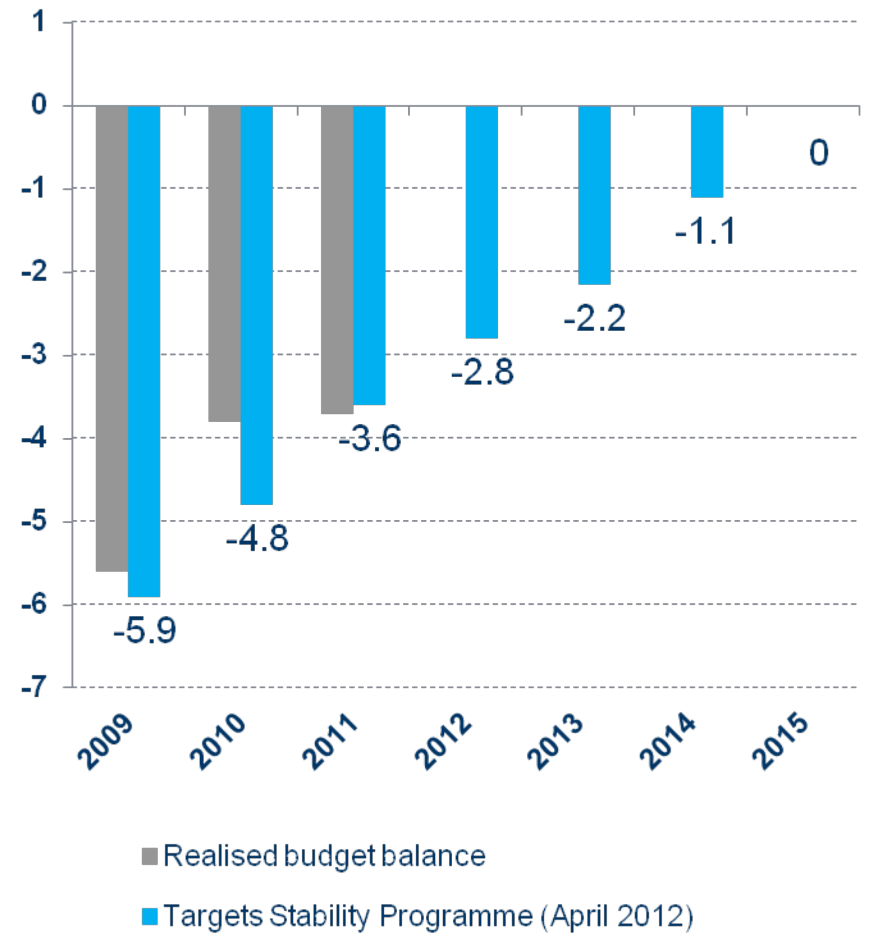
Source: KBC, Group Chief Economist Department

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