



KBC Group

Company presentation Winter 2006

Web site: www.kbc.com

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



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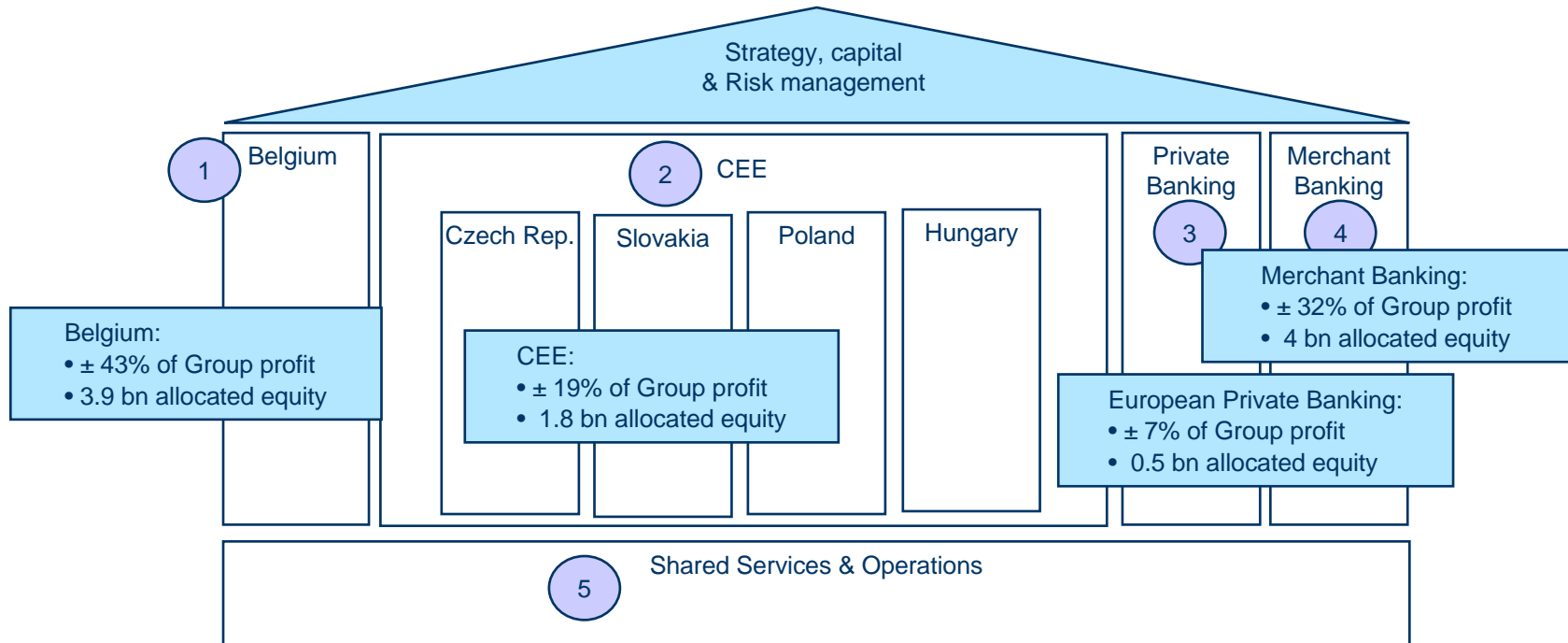
1. Company profile and strategy
2. Q3 2006 financial highlights
3. Additional information to the accounts
4. Closing remarks on the valuation of the share



1

Company profile
and strategy

Strong, attractive franchises



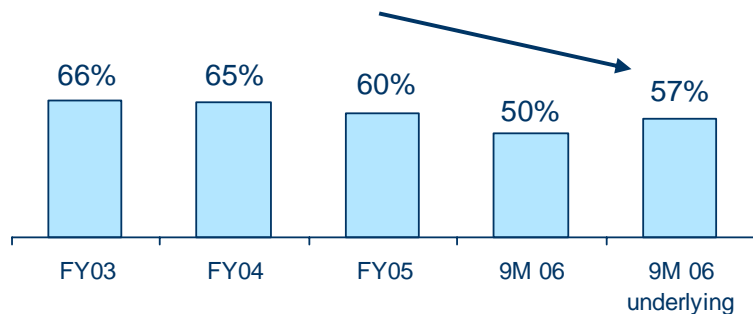
N.B.: Profit contribution of business units excluding non-recurring items as at 30 Sept.2006.

- Over the past few years, KBC has strengthened its bancassurance position in Belgium, its traditional home market, while building up an additional franchise in 4 CEE countries and holding a top-3 position in that region
- Earnings growth in Belgium has been surprisingly high, driven by strong savings flows, an underleveraged consumer base and intensive cross-selling of banking, insurance and AM products
- KBC also operates in selected merchant banking and private banking markets, primarily focusing on niche strategies

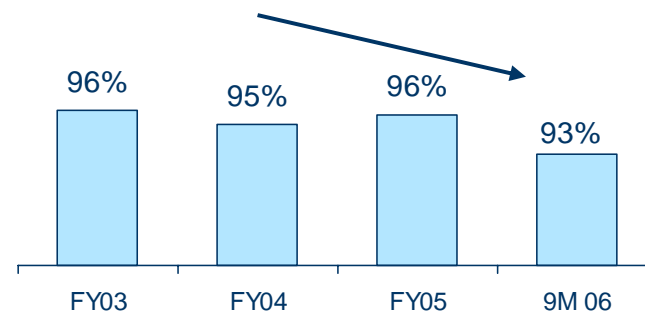


Financial track record

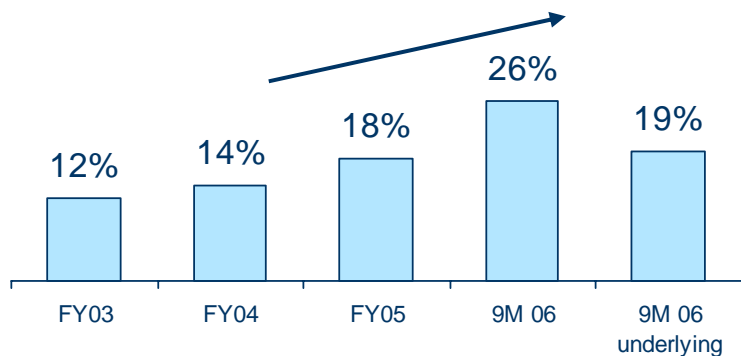
Cost/income, banking



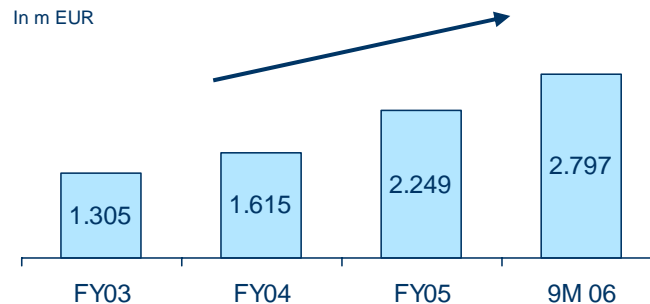
Combined ratio, non-life



Return on equity

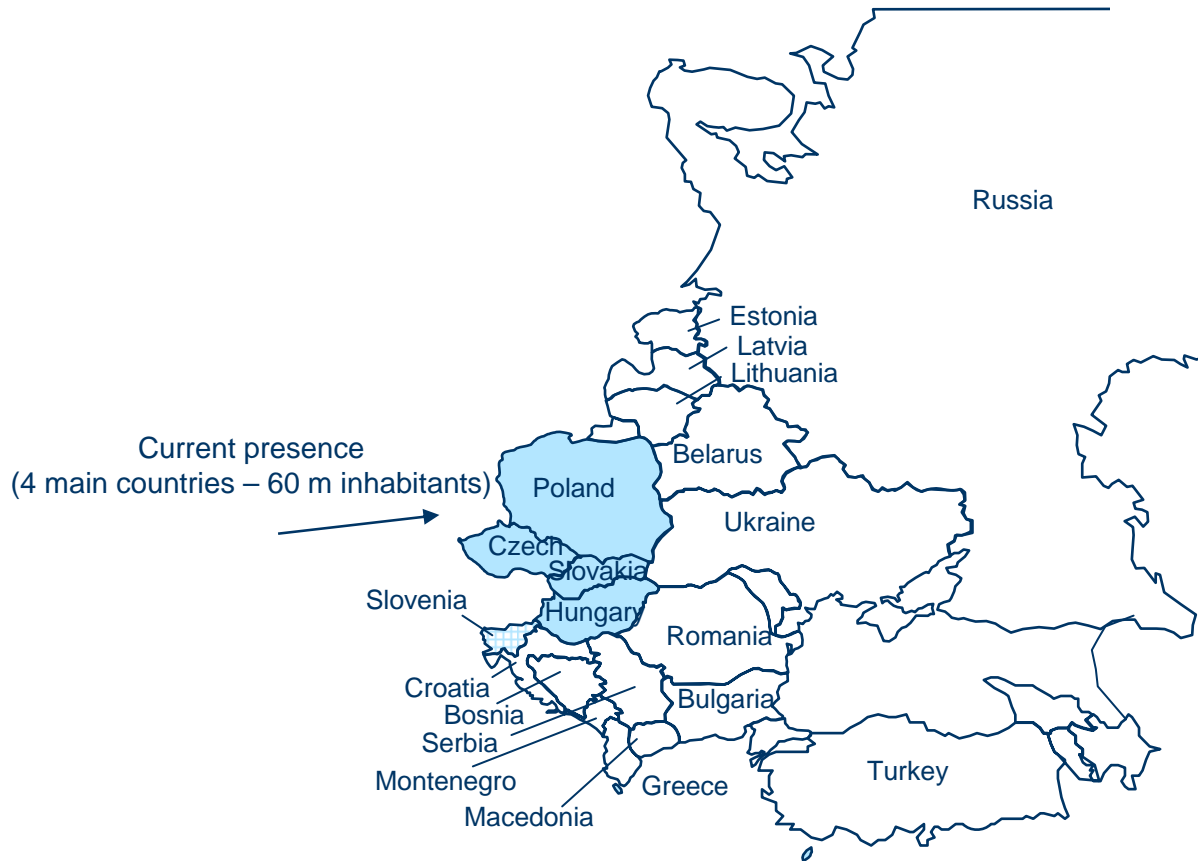


Net profit growth



- KBC has delivered well on its financial targets and is committed to sustain high performance levels further whilst maintaining a conservative risk culture and solid solvency levels.
- KBC will update its mid-term financial targets on the Investor Day, on December 7 in Prague

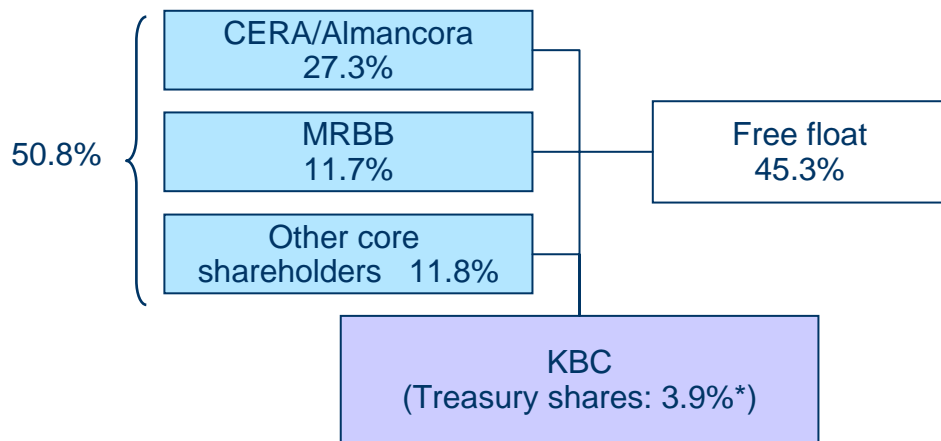
Geographical presence in CEE



- KBC's CEE strategy entails accelerating organic growth and making selected add-on investments.
- New acquisitions will be assessed on the basis of a set of conservative parameters, both strategic and financial, in line with our past track record in this respect.

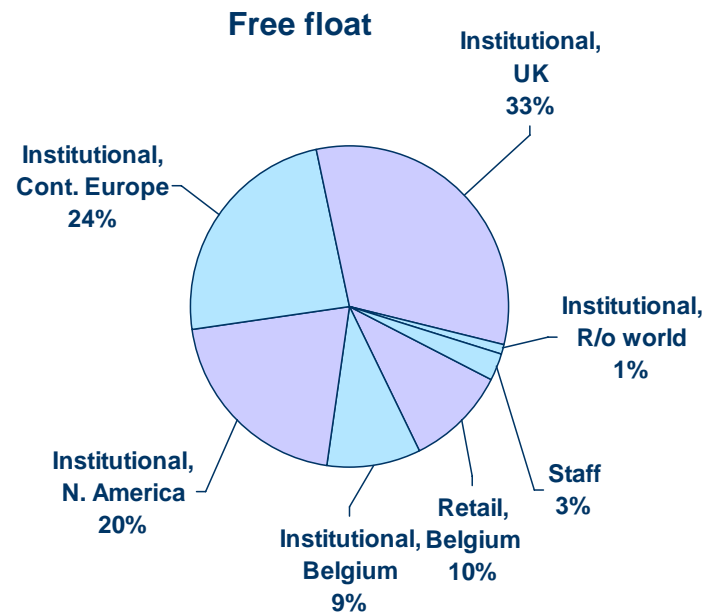


Shareholder structure



Situation as at 30 Sept 2006

*Including ESOP hedge and shares bought back according to the 2006 1 bn share buy back plan



Shareholder identification survey as at 31-Dec-05

- KBC is 50%-owned by a syndicate of shareholders, providing continuity to pursue long-term strategic goals. Committed holders include the Cera/Almanora Group (co-operative investment company), a farmers' association (MRBB) and a group of industrialist families
- The free float is chiefly held by a large variety of international institutional investors (>50% UK or US – based)



Dividend policy

| (euros) | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------------------------|------|------|------|------|------|
| EPS | 3.39 | 3.42 | 3.68 | 4.48 | 6.26 |
| DPS | 1.48 | 1.52 | 1.64 | 1.84 | 2.51 |
| Payout | 44% | 44% | 45% | 41% | 40% |
| Yield ¹ | 3.6% | 4.2% | 4.9% | 3.7% | 3.8% |

¹ Gross DPS versus average share price - average share price 2005 = 66.4 EUR

- It is KBC's policy to maintain a steadily growing dividend. Gross DPS increased at a CAGR of 12% over the last 5 years.
- The historical average cash payout stands at 40-45%



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Q3 2006
financial highlights



Reminder: Additional non-IFRS data

- KBC decided to introduce additional, non-IFRS data for the market in order to fully grasp the revenue trends

- We use the following principles:
 - Income components related to capital market activities are grouped as “trading income”

 - 'Net interest income' is defined as interest expense related to ALM hedging derivatives, together with interest income on the underlying assets



Group financial performance

Financial performance per business unit



Q3 at a glance – main developments

- Impact from market trends:
 - Negative NIM impact from deposit re-pricing in Belgium offset by sustained volume growth and higher NIM in CEE
 - Upward mortgage re-pricing in September in Belgium
 - Negative impact from marking-to-market of hedging instruments in IFRS accounts (FV income), mainly in Belgium
 - Assets under management: strong growth in Q3

- Seasonality:
 - Seasonal slowdown in sales, mainly in Belgium and private banking (F&C income)
 - Lower trading activity (FV income)
 - Cost growth remains very moderate, although seasonally upward in CEE

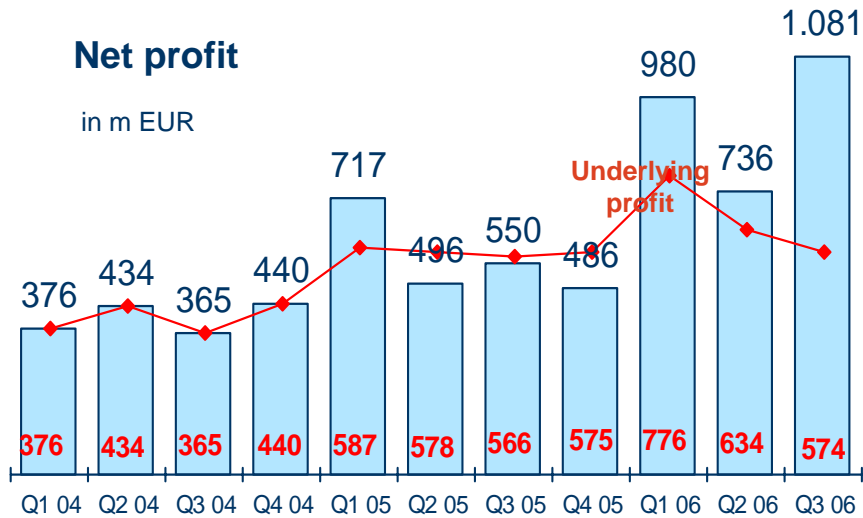
- One-offs:
 - Banco Urquijo: divestment gain of 495m (net), but negative deconsolidation impact on individual P&L lines (mainly NII, F&C and operating expenses)

- Sustained trend in low impairment charges

Q3 at a glance – financial headlines

Net profit

in m EUR



- Q3 2006 net profit of 1 081m
- Underlying profit at 574m (i.e. excl. one-offs such as capital gains on the sale of *Banco Urquijo* (495m) and impact from MTM of banking book)
- As expected and in line with the normal seasonal pattern, net underlying profit was down 9% q/q. (Over the past 5 years, third quarter net profit was down 20% on average vis-à-vis the preceding quarter.)
- Retail loan growth remained solid: e.g. +4% for mortgages
- Assets under management: + 5%.
- Life insurance reserves up by 4% q/q.
- Favourable cost development: cost level down 4% q/q and y/y.
- Limited loan-loss charges (18m consolidated), also in Central Eastern Europe



Q3 at a glance

| Q3 2006 results (m euros) | Q3 Result as according to IFRS | Q3 Non- recurring items | Q3 Underlying result |
|------------------------------|--------------------------------------|-------------------------------|-------------------------|
| Gross income | 3 171 | 502 | 2 669 |
| Operating expenses | -1 126 | | -1 126 |
| Technical charges, ins. | -772 | | -772 |
| Impairment | -19 | | -19 |
| Taxes | -148 | 13 | -161 |
| Minority int. & associates | -25 | -7 | -18 |
| Net profit | 1 081 | 508 | 574 |

- Q3 2006 non-recurring items include:
 - Mark-to-market adjustments on ALM hedging instruments: -37m (pre-tax, mainly in Belgium)
 - Gain on the sale of *Banco Urquijo* (495m net in European Private Banking)
 - Fair value gain on the equity portfolio of the Group (31m, non-taxable)



9M at a glance

- Profit of 2 797m, generating a return on equity of 26%
- Underlying profit (excl. one-offs* and M2M of banking book) 1 984m, up 15% y/y. Underlying ROE is at 19%
- Solid sales turnover in all areas (deposits, loans, AUM and life insurance volumes up 6%, 13%, 20% and 29%, respectively, compared to September 2005)
- Still favourable cost trend: cost/income ratio, banking, down to 50% (57% excluding one-off items). Expenses up by 1% y/y
- Low loan-loss provisions: loan-loss ratio at 0.07% only
- Strong technical result, non-life: combined ratio 93%

*One-offs relate, among other things, to the integration of *Gevaert*, the sale of *Banco Urquijo*, *Agfa-Gevaert* and CSOB office buildings, and the increase in the free float of *Kredyt Bank*



Revenue trend close-up: volumes

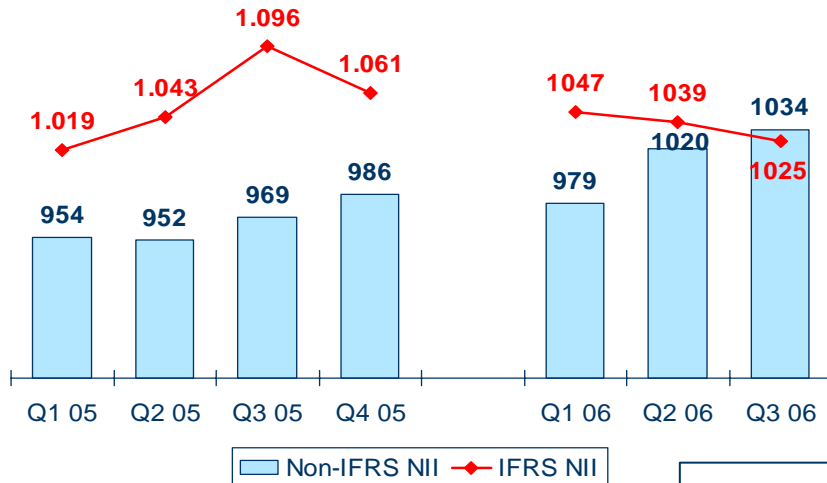
| | Total loans | Of which mortgages | Customer deposits | Life reserves | AUM |
|---------------------|-------------|--------------------|-------------------|---------------|------|
| Outstanding (in bn) | 122 | 38 | 179 | 21 | 205 |
| Growth, y/y | +13% | +20% | +6% | +29% | +20% |
| Belgium | +10% | +13% | -1% | +28% | +21% |
| CEE | +19% | +37% | +13% | +35% | +37% |
| - CZ/Slovakia | +24% | +42% | +11% | +22% | +22% |
| - Hungary | +19% | +35% | +13% | +70% | +99% |
| - Poland | +9% | +39% | +13% | +59% | +38% |
| Merchant banking | +16% | - | +24% | - | - |
| Private banking | - | - | - | +39% | +18% |
| Growth, q/q | +1% | +4% | -1% | +4% | +5% |
| Belgium | -2% | +2% | -6% | +3% | +6% |
| CEE | +7% | +11% | +2% | +12% | +15% |
| - CZ/Slovakia | +7% | +10% | +0% | +8% | +6% |
| - Hungary | +1% | +5% | -4% | +9% | +54% |
| - Poland | +4% | +13% | +12% | +21% | +14% |
| Merchant banking | +6% | - | +9% | - | - |
| Private banking | - | - | - | +5% | +3% |

Note 1 : growth trend excl. (reverse) repo and interbank activity and excl. *Banco Urquijo* from European Private Banking

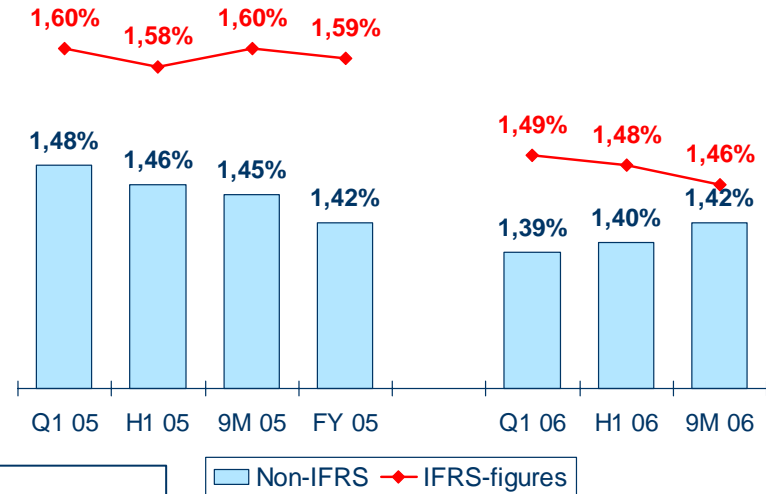
Note 2 : trends for individual CEE countries in local currency

Revenue trend close up (2): NII

Net Interest Income (m)



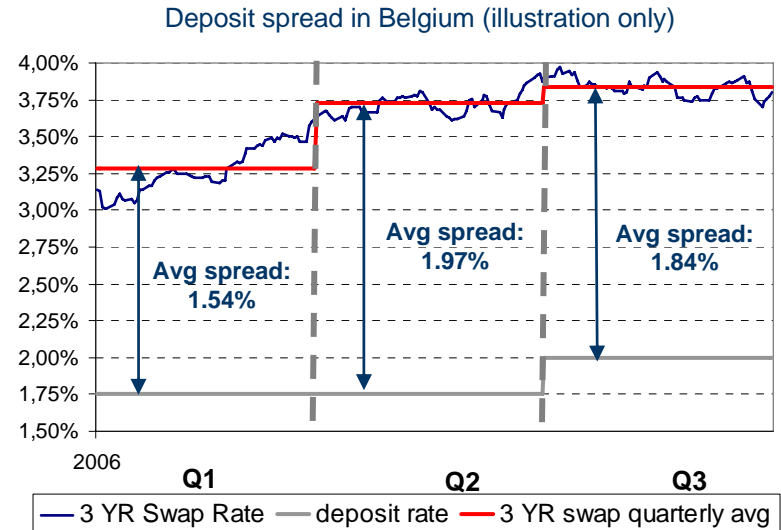
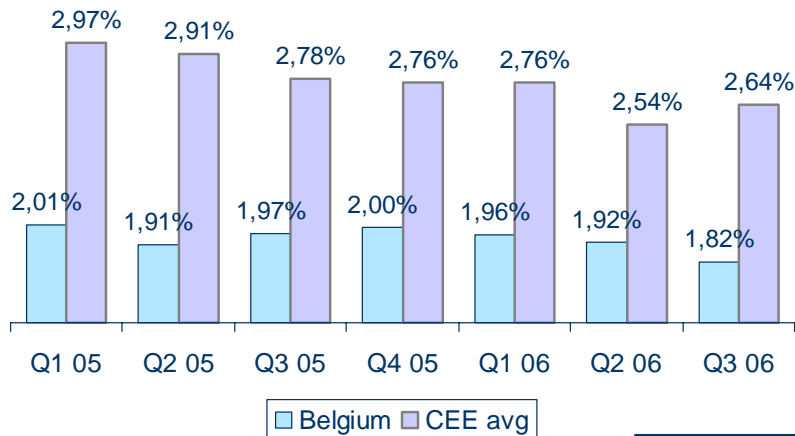
NIM evolution on consolidated level



- In Q3 non-IFRS NII up by 1% q/q due to the higher volumes and increasing NIM (up from 1.40% to 1.42%).
- In year-on-year comparison (+7%) higher volumes offset lower margins (down from 1.45% to 1.42%) mainly due to changing loan portfolio mix (mortgages outgrowing higher-margin products), lower re-mortgage fees and lower ALM revenues.
- Deconsolidation impact for *Banco Urquijo*: -10m for both q/q and y/y
- Non-IFRS NIM increased for the second consecutive quarter.

Revenue trend close up (3): NIM

Non-IFRS NIM in Belgium and in CEE



- NIM in CEE benefited from higher short-term interest rates
- NIM in Belgium is adversely impacted by re-pricing (+25 bp) of saving deposits (market trend)

IR sensitivity

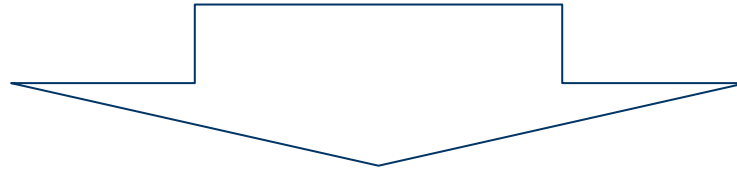
| Impact of 50 and 100 bp paralell shift of the yield curve | | | | |
|---|---------|--------|--------|---------|
| In EUR mln p.a., post tax | -100 bp | -50 bp | +50 bp | +100 bp |
| Impact on FV income | | | | |
| Group total | -95 | -47 | 43 | 95 |
| Impact on NII | | | | |
| Group total | +90 | +44 | -48 | -95 |
| Net impact of Parallel Shift | | | | |
| Group total | -5 | -3 | -5 | 0 |



- The P&L impact of a parallel shift in the yield curve is quasi zero.*
- The change in MTM of hedging derivatives is mostly offset by the impact on NII.

*Assumptions: Half of the change in market rate is passed on to the customers' deposit rate

| Impact p.a. of a flattening / steepening of the yield curve | | |
|---|------------|------------|
| In EUR mln p.a., post tax | Flattening | Steepening |
| Group total | -68 | 67 |

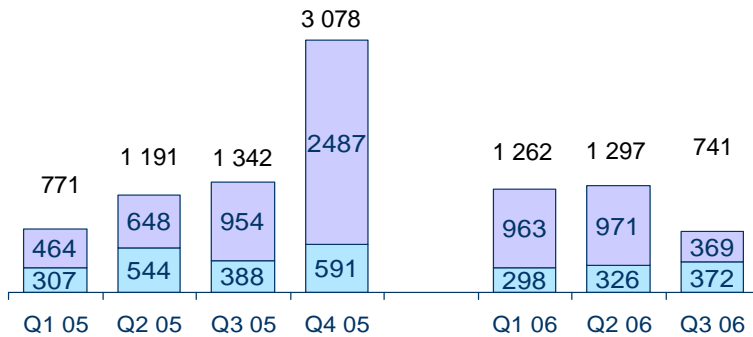


- The P&L impact of a flattening scenario is 68m lower NII.*
- The result of a steepening scenario would be 67m higher NII.*

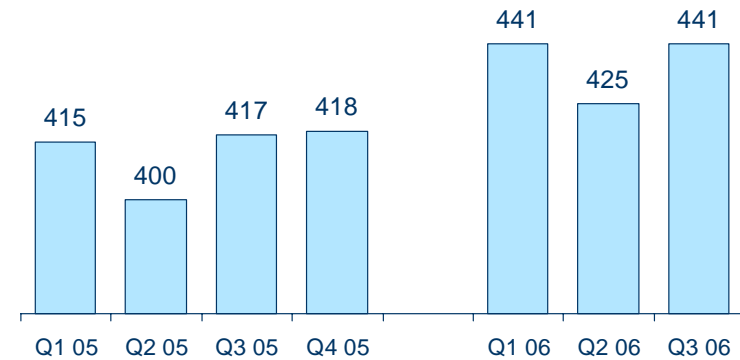
***Assumptions:** Flattening scenario: ST interest rate +50bp, LT interest rate stable.
Steepening scenario: ST interest rate -50bp, LT interest rate stable.

Revenue trend close up (4): premiums

Sales of life insurance: guaranteed rate (bottom) and unit-linked (top)



Premium income, non-life (m)

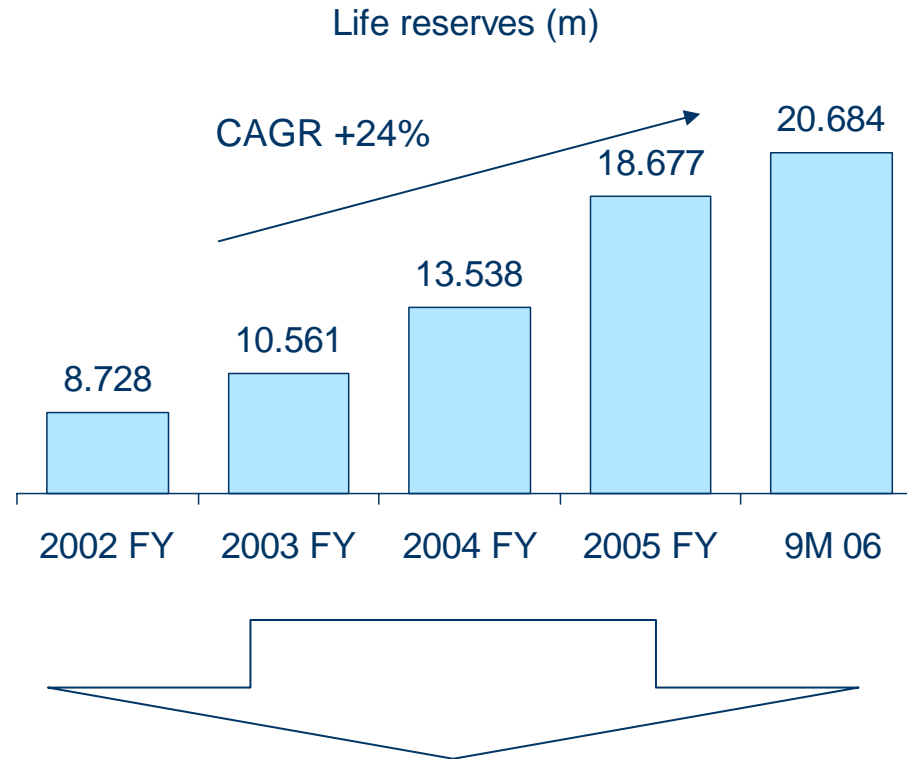


- Q3 life sales down 42% q/q (seasonal) and 45% y/y due to extremely strong third quarter of 2005
- 9M life sales stable:
 - -14% in Belgium
 - +42% in CEE
- Reminder according to IFRS, out of the total 3.3 bn life sales only 1.1bn recognised as 'premium income'

- Q3: non-life premiums were up 6% y/y, and by 4% q/q (seasonal)
- For 9M premium income rose 6%:
 - +5% in Belgium
 - +7% in CEE
 - +8% for the reinsurance business (R/I)



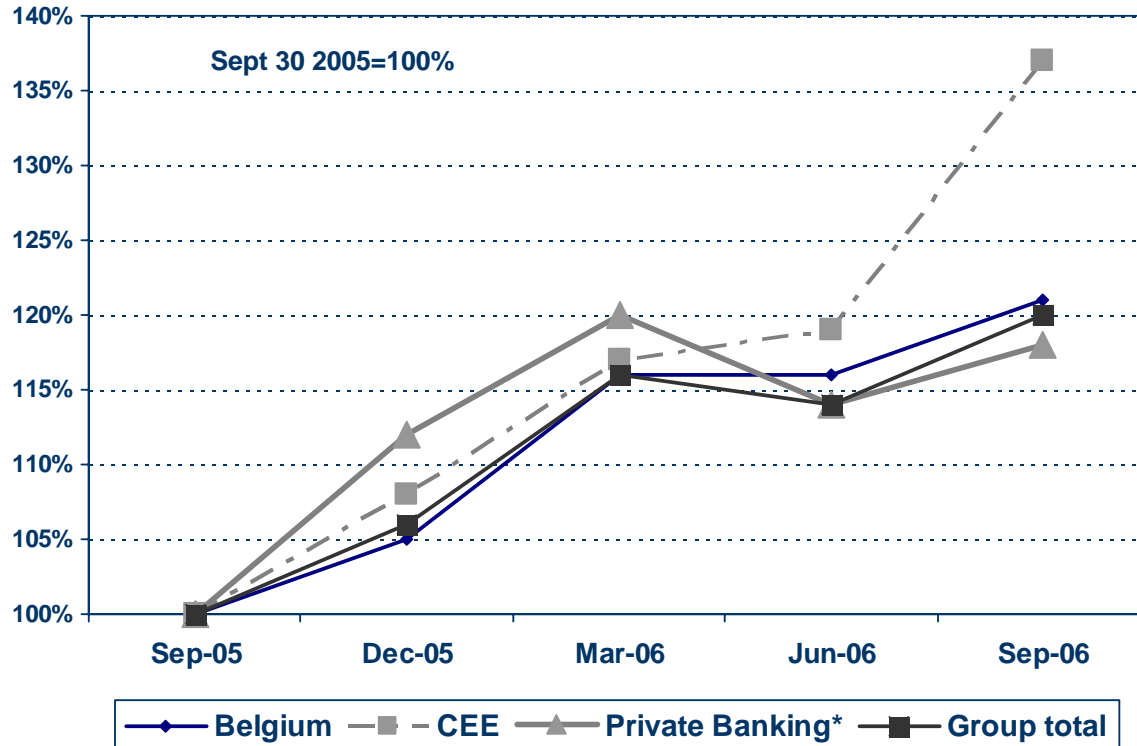
Growing life reserves



- Continuous growth of life reserves is a clear evidence of the success of the integrated bancassurance concept



Revenue trend close up (5): evolution of AUM



CEE: +37% y/y

Belgium: +21% y/y

Private Banking: +18% y/y

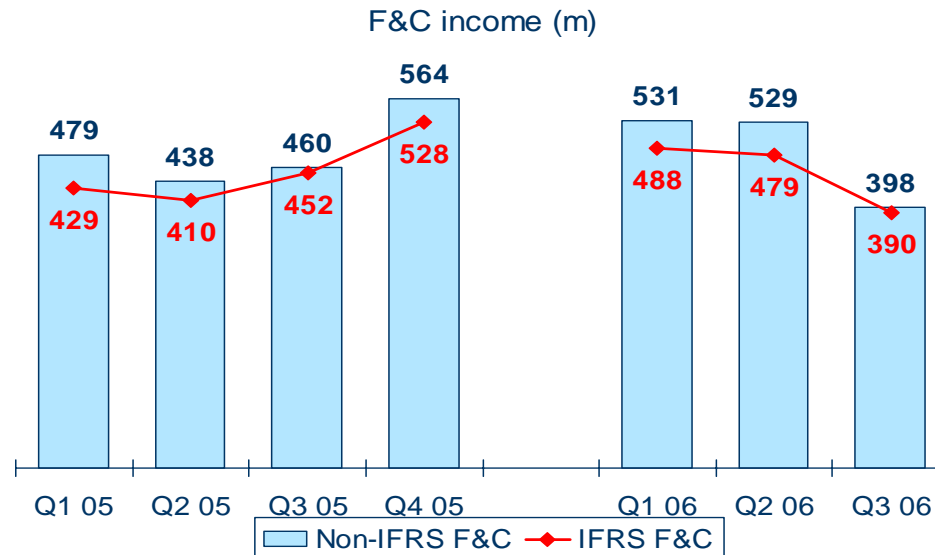
Group total: +20% y/y

TOTAL AUM: 205bn euros

*PB historical data without Banco Urquijo

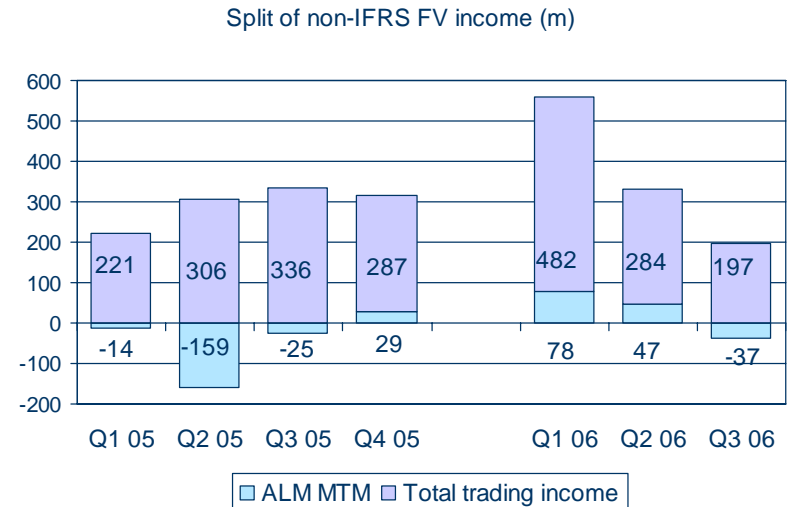
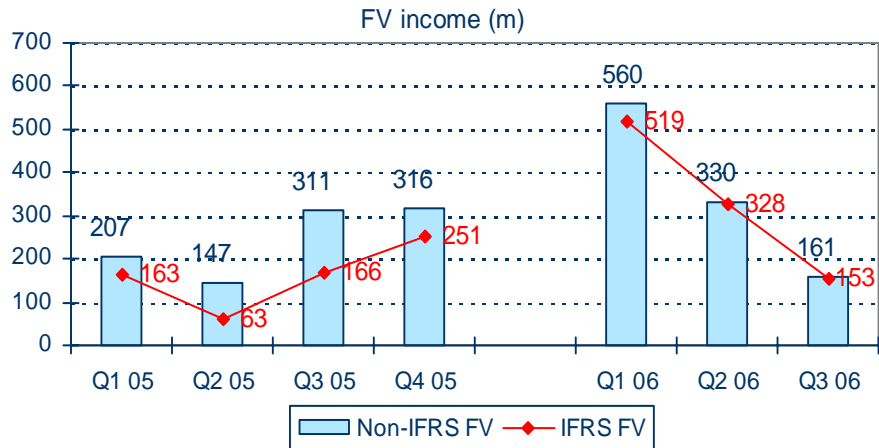
Upward trend restored in Q3 for asset management
Successful quarter, especially in CEE – trend is accelerating

Revenue trend close up (6): F&C



- F&C income down by 19% q/q (mainly seasonal). Q2 F&C income also includes dividend income related to securities lending which was previously included in dividend income (38m gross). Deconsolidation impact from *Banco Urquijo* is 17m q/q.
- F&C down by 14% y/y compared to the exceptionally strong results of Q3 05. Deconsolidation impact from *Banco Urquijo* is 17m y/y.

Revenue trend close up (7): FV income

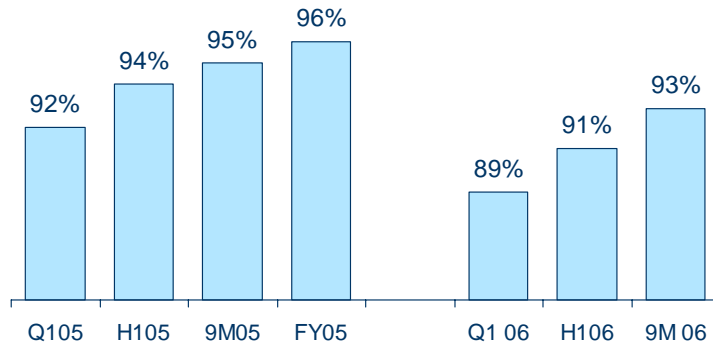


- Fair value income down 51% q/q and 48% y/y:
 - Trading income: weak performance
 - MTM of ALM derivatives: down 84m q/q and -12m y/y

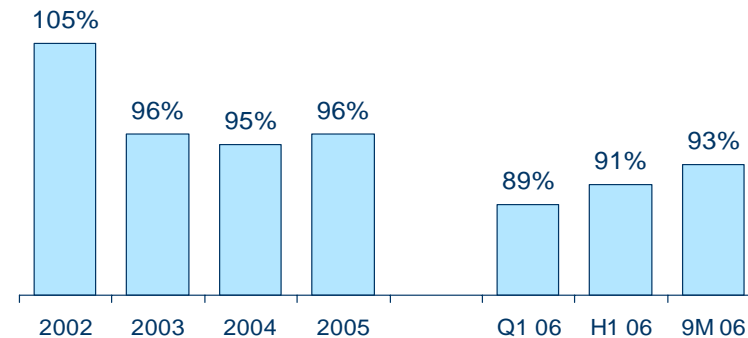


Excellent underwriting result, non-life

Net combined ratio, non-life



Net combined ratio, non-life

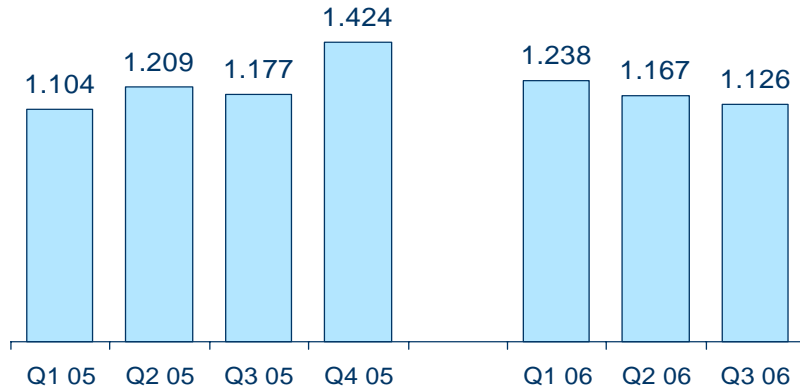


- Q3: sustained favourable claims environment in Q3, combined ratio up somewhat q/q, mainly due to seasonalities
- 9M: combined ratio at 93% on the back of an overall favourable claims experience. Claims reserve ratio stable at 176%.

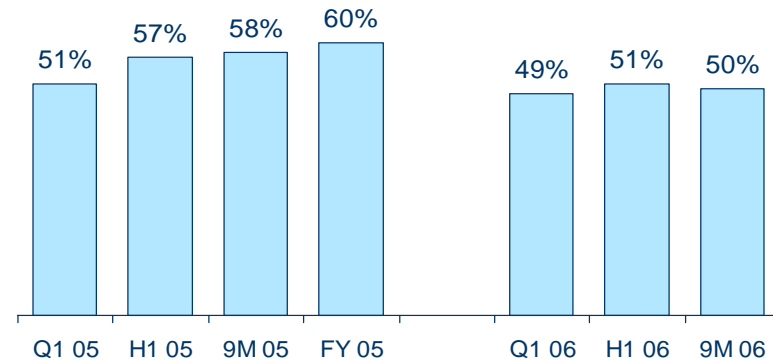
| C/R, non-life | FY04 | FY05 | 9M06 |
|---------------|------|------|------|
| Belgium | 92% | 95% | 91% |
| Czech Rep. | 99% | 98% | 101% |
| Slovakia | 138% | 120% | 102% |
| Hungary | 98% | 97% | 91% |
| Poland | 95% | 98% | 97% |
| R/I | 98% | 92% | 87% |
| Total | 95% | 96% | 93% |

Favourable cost/income development

Operating expenses (m)



Cost/income, banking



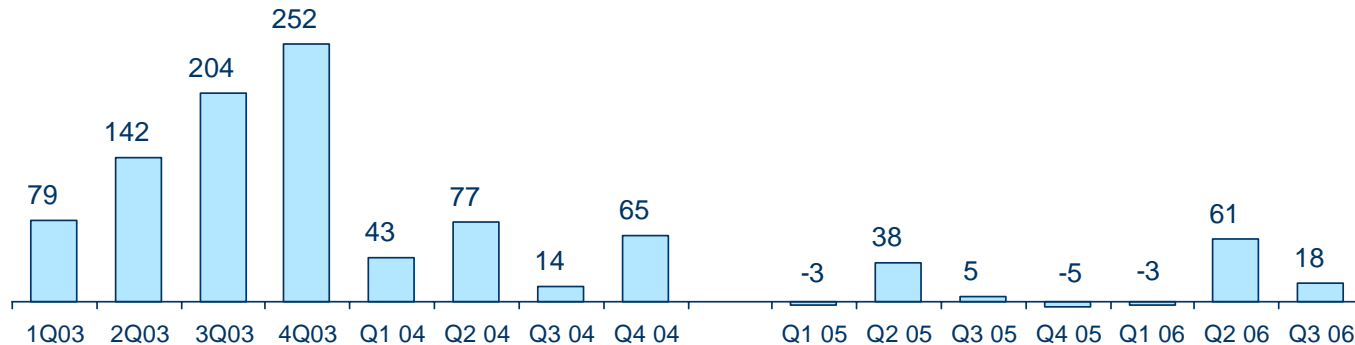
- Q3 06 cost level down by 4% q/q on the back of lower capital-market activity (income-related remuneration) and deconsolidation of *Banco Urquijo* (approximately 27m per a quarter). The latter together with a writeback of provisions at Group Centre explains the y/y cost decrease (-4%)
- YTD C/I down to 50% (underlying C/I 57%)

| C/I, banking | FY 04 | FY 05 | 9M 06 |
|------------------|-------|-------|-------|
| Belgium | 72% | 61% | 55% |
| CR/SR | 61% | 53% | 51% |
| Hungary | 74% | 69% | 65% |
| Poland | 79% | 78% | 66% |
| Private banking* | 85% | 72% | 63%* |
| Merchant banking | 47% | 49% | 49% |
| Total* | 65% | 60% | 57%* |

*underlying C/I

Historically low loan impairments

Loan impairment charges (m)*



- Q3: Loan impairments at very low level (18 m).
- 9M loan impairments at 75m (or, in other words: Loan Loss Ratio at 7 bps.)
- Loan Loss Ratio limited to 38 bps in CEE thanks to lower Q3 provisions in Hungary (108 bps vs 126 bps after Q2) and some write backs in Poland.

| Loan loss ratio | FY 04 | FY 05 | 9M 06 |
|------------------|-------|-------|-------|
| Belgium | 0.09% | 0.00% | 0.06% |
| CR/Slovakia | 0.26% | 0.40% | 0.26% |
| Hungary | 0.64% | 0.69% | 1.08% |
| Poland | 0.69% | 0.00% | 0.00% |
| Merchant banking | 0.26% | 0.00% | 0.00% |
| Total | 0.20% | 0.01% | 0.07% |

* A positive amount on the chart has a negative impact on the results. Mind that 2003-2004 figures are under B-GAAP and to a pre-merger scope of consolidation and, as a consequence, not fully comparable with the 2005-2006 figures.



Group financial performance

Performance per business unit



Business Unit, Belgium

| In millions of euros | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Non-IFRS figures | | | | | |
| NII | 471 | 443 | 479 | 489 | 481 |
| Gross premiums | 522 | 722 | 452 | 469 | 504 |
| Dividends | 2 | 17 | 8 | 36 | 8 |
| FV gains | 35 | 75 | 90 | 55 | -51 |
| AFS realized gains | 27 | 83 | 87 | 27 | 83 |
| F&C | 201 | 249 | 225 | 235 | 186 |
| Other | 40 | 37 | 32 | 34 | 36 |
| Gross income | 1 298 | 1 627 | 1 373 | 1 345 | 1 247 |
| Expenses | -422 | -552 | -427 | -444 | -452 |
| Impairment | 7 | -1 | -10 | -6 | -12 |
| Gross tech. charges | -495 | -672 | -410 | -449 | -482 |
| Ceded R/I | -2 | -2 | -3 | -6 | -3 |
| Associates | 2 | -1 | 1 | 2 | 2 |
| Profit before tax | 388 | 399 | 524 | 441 | 299 |
| Taxes | -115 | -123 | -150 | -137 | -71 |
| Minority interests | -1 | 0 | -1 | -1 | -1 |
| Net profit (Underlying profit) | 272 | 276 | 373 | 304 | 228 |
| of which banking | (279) | (319) | (323) | (275) | (266) |
| of which insurance | 194 | 190 | 262 | 213 | 115 |
| | 78 | 86 | 111 | 91 | 112 |
| RWA | 35 807 | 36 123 | 38 217 | 38 540 | 38 582 |
| Allocated capital | 3 618 | 3 681 | 3 795 | 3 840 | 3 903 |
| ROAC | 30% | 30% | 40% | 32% | 24% |
| C/I, banking | 55% | 63% | 47% | 54% | 67% |
| C/R, non-life | 95% | 98% | 85% | 96% | 94% |

- NII (non-IFRS):
 - Negative impact of deposit repricing (+25 bps increase on Savings Accounts as of 1 July)
 - Slightly higher NIM on mortgages(+25-50 bps margin increase from the mid of Sept)
- Negative impact from MTM on hedging derivatives (FV income)
- F&C: down 21% q/q partly due to seasonal reasons. Q2 F&C income includes dividend income related to securities lending which previously was included in dividend income (37m gross).
- AUM volumes up 6% q/q, 21% y/y
- YTD Cost/Income at 55%
- Loan Loss Ratio at 6 bps after 9 months
- Net profit at 228m euros (266m on underlying basis)
- RWA: +8% y/y
- ROAC: 32% ytd



Business Unit, CEE

| In millions of euros | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 |
|----------------------------|-------------|-------------|--------------|--------------|--------------|
| Non-IFRS figures | | | | | |
| NII | 236 | 246 | 247 | 236 | 247 |
| Gross premiums | 207 | 236 | 236 | 217 | 255 |
| Dividends | -3 | 1 | 0 | 2 | 2 |
| FV gains | 48 | 44 | 57 | 42 | 72 |
| AFS realized gains | 10 | 0 | 5 | 4 | 5 |
| F&C | 72 | 76 | 74 | 77 | 76 |
| of which banking | 95 | 103 | 102 | 106 | 105 |
| of which insurance | -23 | -27 | -28 | -29 | -29 |
| Other | 48 | 31 | 66 | 68 | 17 |
| Gross income | 618 | 635 | 686 | 646 | 675 |
| Expenses | -333 | -373 | -302 | -311 | -328 |
| Impairment | -34 | -45 | -19 | -44 | -10 |
| Gross tech. charges | -141 | -172 | -169 | -112 | -195 |
| Ceded R/I | -6 | -8 | -7 | -10 | -12 |
| Associates | 7 | 2 | 9 | 8 | 11 |
| Profit before tax | 110 | 39 | 198 | 177 | 142 |
| Taxes | -10 | 5 | -36 | -31 | -21 |
| Minority interests | -23 | -15 | -18 | -17 | -10 |
| Net profit | 76 | 29 | 144 | 129 | 110 |
| (Underlying profit) | (79) | (33) | (125) | (136) | (110) |
| of which banking | 72 | 53 | 146 | 111 | 109 |
| of which insurance | 4 | -24 | -2 | 18 | 1 |
| RWA | 17 547 | 18 199 | 19 053 | 19 854 | 21 608 |
| Allocated capital | 1 455 | 1 508 | 1 577 | 1 625 | 1 760 |
| ROAC | 23% | 8% | 38% | 33% | 26% |
| C/I, banking | 69% | 76% | 55% | 59% | 67% |
| C/R, non-life | 104% | 100% | 99% | 93% | 101% |

- NII (non-IFRS) up by 5% q/q and y/y
 - Loan volumes up 19% y/y and 7% q/q
 - Deposit volumes up 13% y/y, 2% q/q
 - NIM: -14 bps y/y, +10bps q/q
- Fast growing AUM volumes: +37% y/y, +15% q/q,
- Operating expenses remain stable y/y, up by 5% q/q mainly in the Czech Republic
- Significantly lower loan impairments vs Q2. Loan Loss Ratio at 26 bps in Czech Republic/Slovakia, 0 in Poland and 108 bps in Hungary
- Q3 profit at 110m, lower than the previous quarter (which includes the gain on the sale of NPL portfolio in Poland as “other income”), and higher 39%y/y
- RWA: +23% y/y
- ROAC: 32% ytd



Business Unit, CEE

- **Czech Republic and Slovakia** (57% of CEE allocated equity):
 - Q3 net profit of 64m – down 25% y/y and down 39% q/q
 - Good performance on income side, but operating expenses are up (by 24% y/y, 10% q/q) due to the higher provisions for bonuses and higher payments for the Czech Post.
 - Higher deficiency reserves q/q (-21m)
 - Rising loan portfolio (up by 24% y/y and 7% q/q) and AUM (+22% y/y and 6% q/q)
 - Low cost of risk (loan loss ratio at 26 bps)

- **Poland** (22% of CEE allocated equity):
 - Q3 net profit half of previous quarter result (of which boosted by the sale of part of bad loan portfolio)
 - Signs of recovery of commercial activities remained in place (solid growth in mortgages and asset management) providing good chance for increasing market shares.
 - First strongly quarter of growing RWA (by 416m, 13%)
 - Exhaustion of tax credit in the bank
 - No impairments

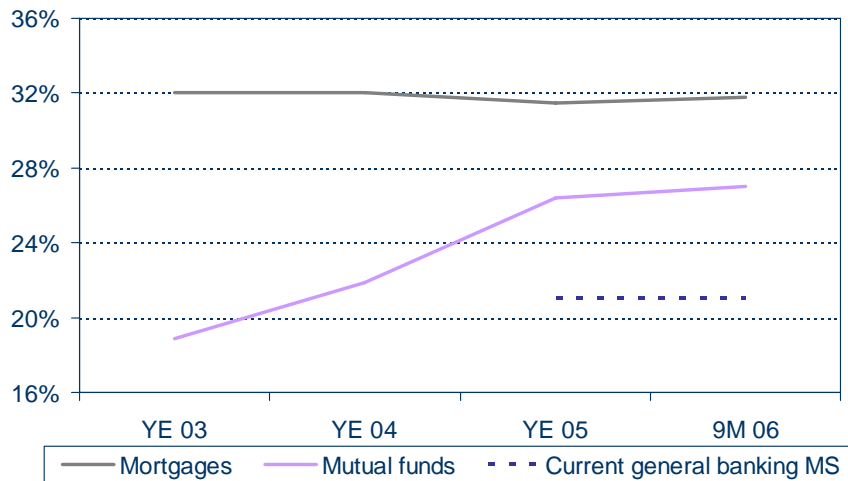
- **Hungary** (21% of CEE allocated equity):
 - Underlying net profit (Q3: 26m) up 63% y/y and 37% q/q on the back of lower loan-loss provisions
 - Very successful quarter in asset management (AUM up by 54% q/q and by 99% y/y) supported by tax regulation changes
 - Additional provision on litigations (9m), but fully offset on group level (write back in Group Centre)
 - Loan impairment charges (LLR at 1.08%) down from previous quarter

- **“Other results”** (-11m in Q3) include, amongst others, the profit contribution from Slovenia (10m in Q3), minority interests and the funding cost of the goodwill on the participations in CEE

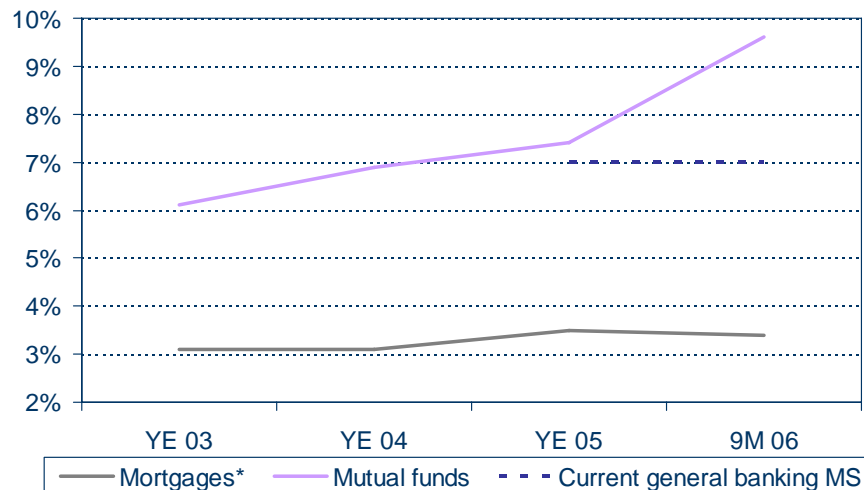


Evolution of Market Shares in CEE

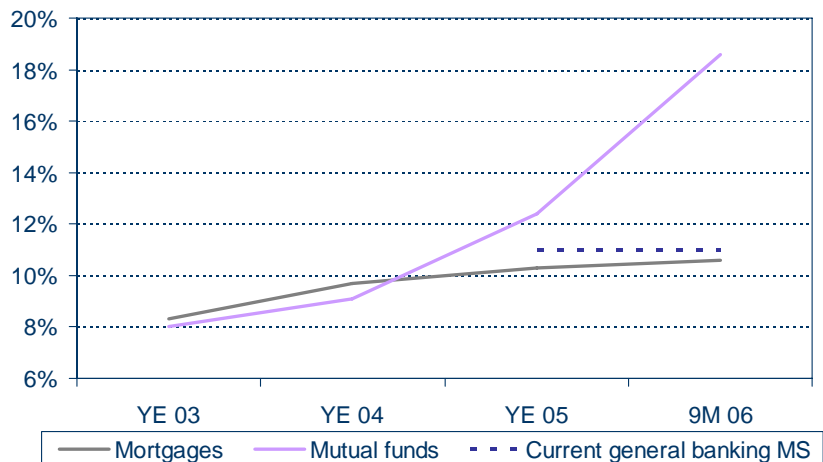
Czech Republic



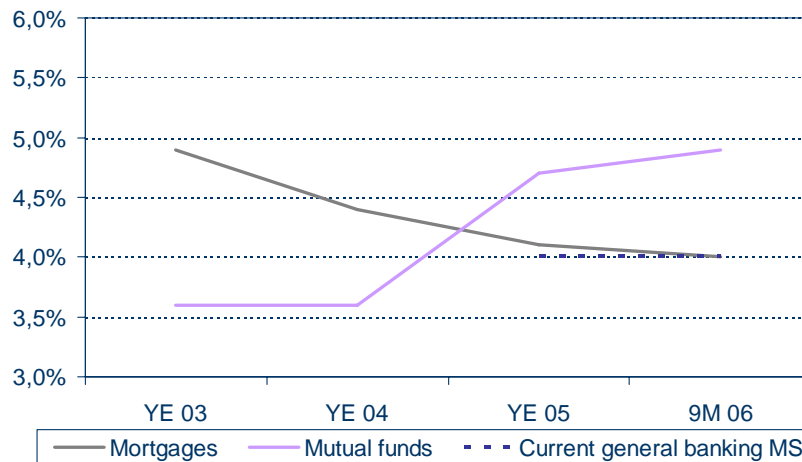
Slovakia



Hungary



Poland



*Mortgages MS figures in Slovakia are our best estimates



Business Unit, Merchant banking

| In millions of euros | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Non-IFRS figures | | | | | |
| NII | 222 | 241 | 208 | 245 | 284 |
| Gross premiums | 76 | 73 | 85 | 70 | 81 |
| Dividends | 3 | 1 | 1 | 7 | 3 |
| FV gains | 217 | 227 | 385 | 225 | 112 |
| AFS realized gains | 3 | 48 | 5 | 17 | -1 |
| F&C | 64 | 97 | 85 | 76 | 28 |
| Other | 18 | 29 | 17 | 36 | 26 |
| Gross income | 602 | 716 | 787 | 676 | 534 |
| Expenses | -258 | -335 | -336 | -299 | -242 |
| Impairment | 27 | 36 | 33 | -17 | -2 |
| Gross techn. charges | -48 | -43 | -54 | -45 | -54 |
| Ceded R/I | -3 | -18 | -5 | 2 | -7 |
| Associates | 0 | 1 | 0 | 1 | 0 |
| Profit before tax | 321 | 356 | 425 | 317 | 229 |
| Taxes | -81 | -110 | -121 | -89 | -38 |
| Minority interests | -24 | -24 | -24 | -23 | -22 |
| Net profit (Underlying profit) | 216 (226) | 223 (227) | 281 (282) | 205 (200) | 168 (162) |
| RWA | 51 015 | 54 347 | 53 891 | 55 935 | 57 837 |
| Allocated capital | 3 548 | 3 775 | 3 752 | 3 885 | 4 017 |
| ROAC | 26% | 26% | 31% | 23% | 18% |
| C/I, banking | 48% | 55% | 47% | 50% | 52% |
| C/R, non-life | 88% | 100% | 81% | 88% | 96% |

- NII (non-IFRS) up by 16% q/q and 28% y/y
- Non-interest income down by 42% q/q mainly due to the lower trading income
- No impairments worthy of mention
- Underlying net profit at 162m of which:
 - Commercial banking: 141m
 - Investment banking: 21m
- RWA: +13% y/y
- ROAC: 24% ytd



Business Unit, European private banking

| In millions of euros Non-IFRS figures | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 |
|---|-------------|-------------|-------------|-------------|-------------|
| NII | 53 | 76 | 58 | 48 | 29 |
| Gross premiums | 15 | 11 | 3 | 7 | 17 |
| Dividends | 3 | 2 | 2 | 9 | 2 |
| FV gains | -5 | -35 | 27 | 9 | 31 |
| AFS realized gains | 9 | 5 | 12 | 14 | -1 |
| F&C | 114 | 129 | 135 | 132 | 104 |
| Other | 7 | 16 | 2 | 7 | 509 |
| Gross income | 196 | 204 | 238 | 226 | 691 |
| Expenses | -147 | -131 | -147 | -144 | -118 |
| Impairment | 12 | 16 | 0 | 0 | 4 |
| Gross tech. charges | -22 | -18 | -7 | -14 | -23 |
| Ceded R/I | 0 | 0 | 0 | 0 | 0 |
| Associates | 1 | 1 | 1 | 1 | 1 |
| Profit before tax | 40 | 72 | 84 | 69 | 554 |
| Taxes | 4 | -18 | -24 | -23 | -9 |
| Minority interests | -1 | -2 | -1 | -1 | -6 |
| Net profit (Underlying profit) | 43 | 52 | 59 | 45 | 540 |
| of which banking | (41) | (49) | (55) | (44) | (44) |
| of which insurance | 39 | 51 | 56 | 42 | 539 |
| | 4 | 1 | 3 | 3 | 1 |
| RWA | 9 618 | 8 772 | 9 539 | 9 000 | 7 005 |
| Allocated capital | 711 | 653 | 704 | 673 | 539 |
| ROAC | 22% | 29% | 33% | 25% | 351% |
| C/I, banking | 86% | 71% | 65% | 69% | 18% |

- NII (non-IFRS) down by 40% q/q and by 45% y/y, in line with the strategy – interest-rate activities have been downscaled. Deconsolidation impact from *Banco Urquijo* - 10m for both q/q and y/y
- F&C down by 21% q/q due to the seasonalities, deconsolidation impact from *Banco Urquijo* (-17m) and lower income from global custody
- Assets under management up by 3% q/q (excluding deconsolidation impact of *Banco Urquijo* (13.7bn)) to the current 54bn outstanding
- No loan impairments
- Net profit at 540m boosted by the divestment gain on *Banco Urquijo* (495m net, other income)
- Underlying net profit at 44m, flat for both q/q and y/y despite the deconsolidation of *Banco Urquijo* (average quarterly impact ca. 3m)
- Underlying cost/income at 63%
- Underlying ROAC at 29%



Business Unit, Group Centre

| In millions of euros | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 |
|----------------------------|--------------|--------------|-------------|--------------|-------------|
| Non-IFRS figures | | | | | |
| NII | -13 | -21 | -14 | 1 | -7 |
| Gross premiums | -11 | -8 | -7 | -9 | -5 |
| Dividends | 1 | 3 | 0 | 16 | 0 |
| FV gains | 16 | 5 | 2 | -1 | -4 |
| AFS realized gains F&C | 0 | 6 | 132 | 50 | 0 |
| Other | 8 | 13 | 12 | 9 | 4 |
| | -7 | 9 | 15 | -2 | 37 |
| Gross income | -5 | 7 | 140 | 64 | 25 |
| Expenses | -17 | -32 | -26 | 31 | 14 |
| Impairments | -8 | -55 | 0 | 0 | 0 |
| Gross technical charges | 8 | 5 | 9 | 1 | 0 |
| Ceded R/I | 2 | 3 | -3 | 8 | 5 |
| Associates | -29 | -1 | 0 | 1 | 0 |
| Profit before tax | -49 | -73 | 119 | 105 | 44 |
| Taxes | -9 | -20 | 5 | -53 | -8 |
| Minorities | 1 | 0 | 0 | 0 | -1 |
| Net profit | -58 | -93 | 123 | 52 | 35 |
| (Underlying profit) | (-58) | (-51) | (-9) | (-19) | (-8) |
| of which banking | -5 | 0 | 73 | 58 | 45 |
| of which insurance | -1 | -2 | -1 | -0 | 0 |
| of which holding | -53 | -92 | 51 | -5 | -9 |

- 9 M net profit of 211m
- 37m in profit from the holding company (includes the one-off positive impact of the divestment of *Agfa-Gevaert* and the merger of *Gevaert* and *KBC Group*)
- 172m in dividends and gains realised on the centrally managed portfolio of equity investments
- Underlying 9M net profit: -36m



Additional information about Q4

- As disclosed earlier, KBC sold its Italian private banking subsidiary, Banca KBL Fumagalli Soldan. The value of the transaction, still subject to review, will be around 44 million euros. Capital gains of around 12 million euros will be booked to the European Private Banking Business Unit at the time of closing (most probably in Q1 2007)
- Capital gains on Banksys (Belgian payment processing company) is anticipated
- We expect a higher cost level in Q4, due to amongst others the usual year-end marketing campaigns in Belgium and in CEE as well as additional pension charges in European Private Banking Business Unit (at around 8m)
- KBC will publish its 2006 full-year results on 22 February 2007



Reminder – Investor Day

- **Prague, 7 December 2006**

- **Topics:**
 - **Strategy reminder**
 - **Mid-term financial targets & capital deployment**
 - **CEE**
 - **Asset Management**



3

Additional information regarding the accounts





IR calendar

7-Dec, 2006

- 2006 Investor Day (Prague)

22-Feb, 2007

- Publication of 2006 FY results

26-Apr, 2007

- Annual General Meeting

30-Apr, 2007

- Dividend Payment

16-May, 2007

- Publication of 2007 Q1 results

9-Aug, 2007

- Publication of 2007 H1 results



YTD business developments

- Closing of the buy-out of the 40% ABN-AMRO stake in K&H Bank, Hungary (transaction amount: 0.5bn)
- Buy-out of the 25% minority stake in the Polish insurance company *WARTA* (transaction amount: 0.1bn)
- Disposal of *Agfa-Gevaert* (Belgian industrial company), as this was a non-core asset (transaction amount: 0.5 bn)
- Sale of *Banco Urquijo* in Spain (transaction amount: 0.8 bn, realised gains: 495m)
- Strategic review of our position in *NLB*, Slovenia
- Studies regarding expansion possibilities in CEE
- Implementation of the new group management structure (start: May 2006)
- Completion of 1 bn euro share buy-back programme (11.7m shares bought back at an average price of 85.07 euros per share)



Divestment of *Banco Urquijo*

| Impact of BU on KBC P&L accounts (in million euros) | FY 05 | H1 06 |
|--|------------|-----------|
| Net interest income | 39 | 21 |
| Gross earned premium | 0 | 0 |
| Dividend income | 0 | 0 |
| Net gains from FI at Fair Value | 11 | 7 |
| Net realized gains from AFS | 15 | 0 |
| Net fee and commission income | 68 | 36 |
| Other income | 3 | 1 |
| Gross income | 136 | 65 |
| Operating expenses | -119 | -43 |
| Impairments | -6 | -6 |
| Gross technical charges | 0 | 0 |
| Ceded reinsurance result | 0 | 0 |
| Share in result of associates | 0 | 0 |
| Taxes | -4 | -3 |
| Profit after tax | 8 | 3 |
| Minority interests | 0 | 0 |
| Net profit – share Group | 8 | 3 |

| Impact of BU on KBC B/S and off-B/S accounts (in billion euros) | FY 05 | H1 06 |
|--|-------|-------|
| Loans to customers | | 2.3 |
| Deposits from customers | | 1.7 |
| RWA | | 2.6 |
| AUM (off-B/S) | | 13.7 |



Reminder: Additional non-IFRS data

- Main adjustments (summary):*
 - Net interest income (non-IFRS) =
 - Reported NII (IFRS)
 - (-) Adjustment to exclude NII related to trading activities (transferred to trading income, see below)
 - (+) Adjustment to include NII on ALM derivatives (transferred from trading income, see below)
 - Net Fee & Commissions income (non-IFRS) =
 - Reported F&C (IFRS)
 - (-) Adjustment to exclude F&C related to trading activities (transferred to trading income, see below)
 - Net gains from financial instruments at fair value (non-IFRS) =
 - Reported FV (IFRS)
 - (-) Adjustment to exclude NII on ALM derivatives (transferred to NII, see above)
 - (+) Adjustment to include NII related to trading activities (transferred from NII, see above)
 - (+) Adjustment to include F&C related to trading activities (transferred from F&C, see above)

* Similar changes have been made to dividend income, net realised gains on AFS assets and other income



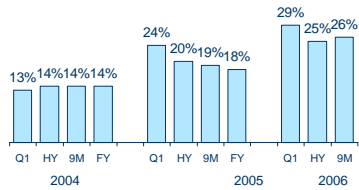
Group earnings, by quarter

| in millions of euros | Q1 05 | Q2 05 | Q3 05 | Q4 05 | Q1 06 | Q2 06 | Q3 06 | Q4 06 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| Non-IFRS figures | | | | | | | | |
| Net interest income | 954 | 952 | 969 | 986 | 979 | 1 020 | 1 034 | |
| Gross earned premium | 729 | 978 | 810 | 1 034 | 768 | 754 | 852 | |
| Dividend income | 19 | 107 | 5 | 24 | 12 | 71 | 15 | |
| Net gains from FI at Fair Value | 207 | 147 | 311 | 316 | 560 | 330 | 161 | |
| Net realized gains from AFS | 154 | 107 | 49 | 142 | 240 | 112 | 86 | |
| Net fee and commission income | 479 | 438 | 460 | 564 | 531 | 529 | 398 | |
| Other income | 215 | 115 | 106 | 123 | 132 | 142 | 625 | |
| Gross income | 2 757 | 2 843 | 2 709 | 3 189 | 3 223 | 2 958 | 3 171 | |
| Operating expenses | -1 104 | -1 209 | -1 177 | -1 424 | -1 238 | -1 167 | -1 126 | |
| Impairments | -15 | -42 | -3 | -49 | 3 | -67 | -19 | |
| Gross technical charges | -612 | -852 | -696 | -899 | -631 | -620 | -754 | |
| Ceded reinsurance result | -17 | -17 | -10 | -26 | -18 | -6 | -18 | |
| Share in result associates | 21 | 13 | -19 | 2 | 11 | 12 | 15 | |
| Taxes | -257 | -192 | -211 | -266 | -325 | -333 | -148 | |
| Profit after tax | 774 | 544 | 598 | 528 | 1 024 | 777 | 1 121 | |
| Minority interests | -57 | -48 | -48 | -41 | -44 | -41 | -40 | |
| Net profit – Group Share | 717 | 496 | 550 | 486 | 980 | 736 | 1 081 | |
| Underlying net profit | 587 | 578 | 566 | 575 | 776 | 634 | 574 | |
| Risk-weighted assets, banking | 107 607 | 111 693 | 113 990 | 117 442 | 120 706 | 122 339 | 125 055 | |
| Total equity | 13 316 | 14 383 | 15 227 | 15 751 | 15 365 | 15 198 | 16 594 | |
| Return on equity, ytd | 24% | 20% | 19% | 18% | 29% | 25% | 26% | |
| Cost/income, banking ytd | 51% | 57% | 58% | 60% | 49% | 51% | 50% | |
| Comb. ratio non-life insurance, ytd | 92% | 94% | 95% | 96% | 89% | 91% | 93% | |



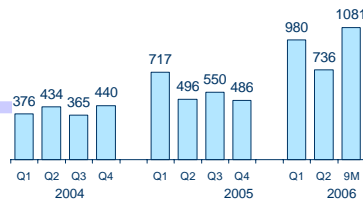
Financial performance, quick scan

ROE



Return on adjusted equity

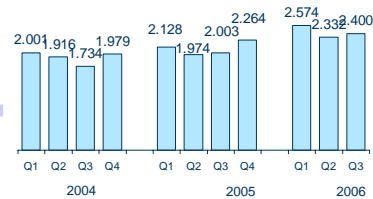
Net profit (in m)



Equity (in bn)



+ Gross income * (in m)

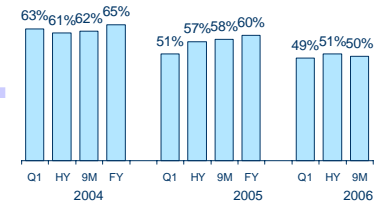


* Gross income minus technical charges, insurance

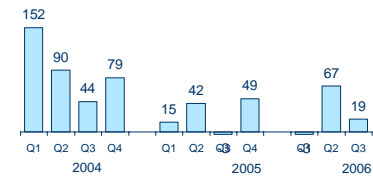
- Operating expenses (in m)



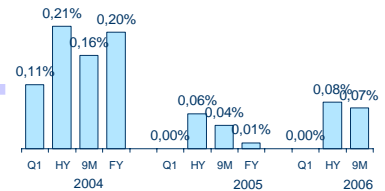
Cost/income ratio, banking



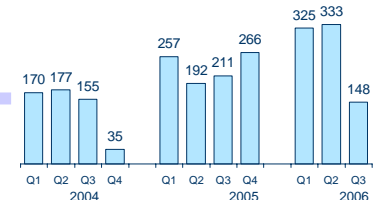
- Impairment charges (in m)



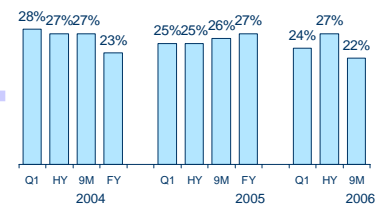
Loan-loss ratio



- Taxes (in m)

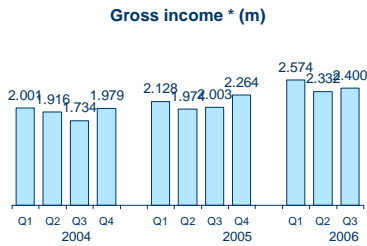


Effective tax rate



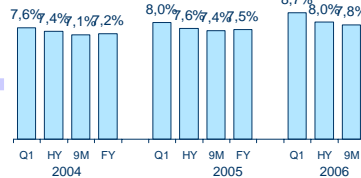


Financial performance, quick scan (2)



*Gross income minus technical charges, insurance

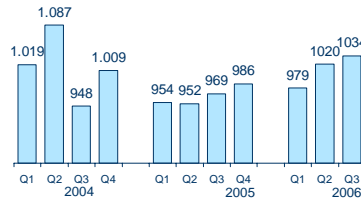
Gross margin * (on avg RWA)



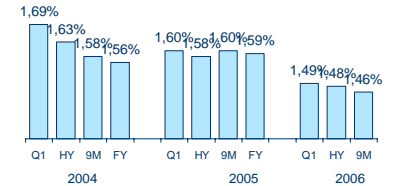
Risk-weighted assets (in bn)



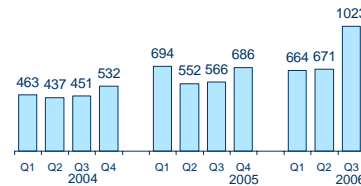
+Net Interest Income (m)



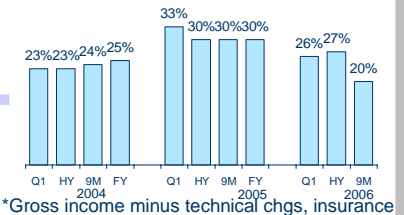
Net interest margin, banking



+ F & C income (incl other income in m)

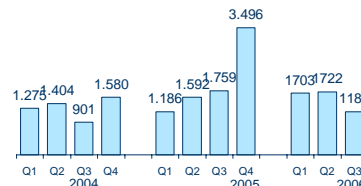


Share of F&C in gross income *



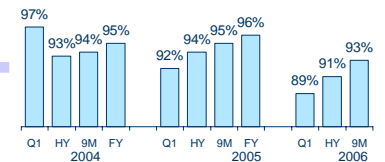
*Gross income minus technical chgs, insurance

+ Premium sales * (in m)

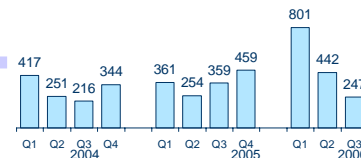


* only partly recognised as 'income'

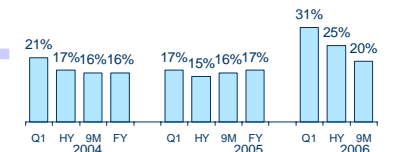
Combined ratio, non-life



+ FV income + gains on AFS assets



Share of FV/AFS gains in gross income *



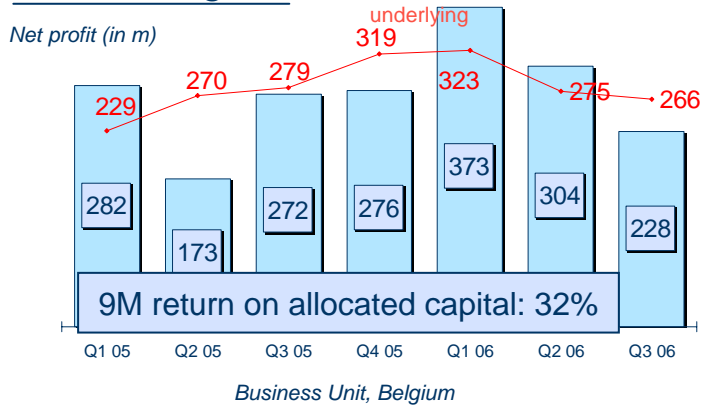
*Gross income minus technical chgs, insurance

Note: based on non-IFRS figures

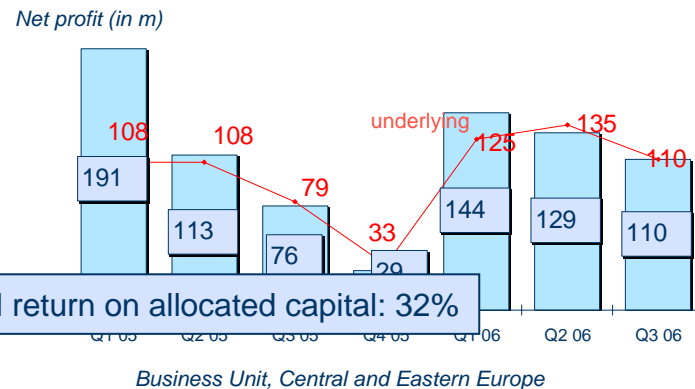


>30% return levels in home markets

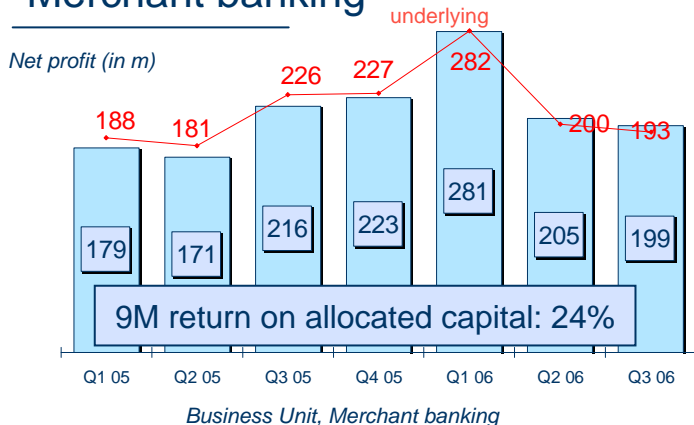
Belgium



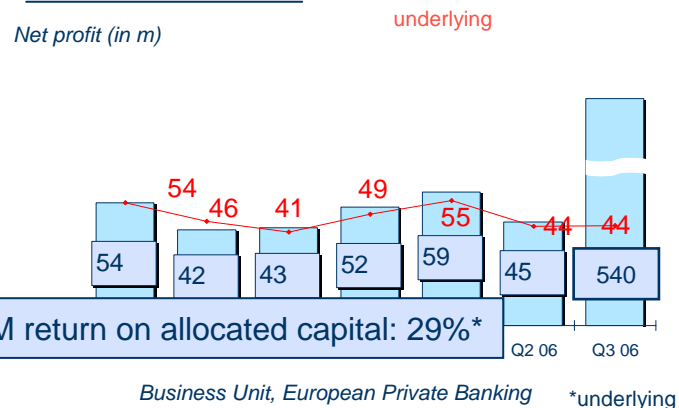
CEE



Merchant banking



Private banking





Number of shares outstanding

- As at 30 Sept. 2006, the number of ordinary shares outstanding stood at 363.1 m
- The 1 bn share buy-back programme was completed on 8 November 2006. At the average share price of 85.07 euros, this corresponds to 11.75 million shares
- At the AGM of 27 April 2006, 3.5 m shares had already been cancelled

| In millions | 31/12/05 | 30/06/06 | 30/09/06 |
|---|----------|----------|----------|
| No. of ordinary shares outstanding | 366.6 | 363.1 | 363.1 |
| Average number of shares for calculation of the basic EPS:* | | | |
| - ordinary shares | 366.6 | 363.1 | 363.1 |
| - mandatory convertibles (+) | 2.6 | 2.6 | 2.6 |
| - treasury shares (-) | -9.2 | -11.7 | -14.5 |
| - total, end of period | 360.0 | 354.1 | 351.2 |
| - total, average year-to-date | 359.1 | 356.9 | 355.5 |

*KBC reports its EPS according to a well-defined method under IFRS. The number of MCBs must be added to the number of ordinary shares, while the number of treasury shares must be deducted to come to the total number of shares outstanding. Moreover, for the calculation of the EPS, period averages are to be used .



4

Closing remarks on equity valuation

Return track record



- The increased share visibility, reinforced risk management and consecutive earnings upgrades have been beneficial for the Group's market value.
- Today, the question remains open as to whether valuation multiples fully incorporate KBC's long-term growth potential.



Current valuation

Key figures:

- Share price: 88.25 euros
- Net asset value: 47.2 euros
- Daily traded volume 9M06 : 55.2m euro

Analyst estimates:*

- 2006 EPS consensus: 9.28 euros (+48 % y/y)
- 2007 EPS consensus: 7.95 euros (-14% y/y)
- 2007 P/E: 11.10

Recommendations:

- Positive: 68%
- Neutral: 32%
- Negative: 0%

*2006 estimates contain one-off items

Valuation relative to peer group:

| | P/E 2007 |
|--------------------------------|-------------|
| CEE banks ² | 15.12 |
| CEE-exposed banks ³ | 13.38 |
| Euro-zone banks ⁴ | 11.52 |
| KBC ¹ | 11.10 |
| BEL banks ⁵ | 10.48 |

Unweighted averages of IBES data :






















¹ Smart consensus collected by KBC (22 estimates)

² OTP, Komercni, Pekao, BPH PBK, BRE

³ Erste, Unicredit, Soc. Gen., Intesa BCI, RZB Int.

⁴ Top-20 DJ Euro Stoxx Banks

⁵ Fortis, Dexia

| Broker | Analyst | Telefon | Rating | Target price |
|--|--------------------------|-------------------|------------|--------------|
|  ABN-AMRO | Ron Heydenrijk | +44 20 7678 0442 | Buy | 110 |
|  BANK de DOOF | Ivan Lathouders | +32 2 287 91 76 | Hold | 95 |
|  CHEUVREUX | Jaap Meijer | +31 20 573 06 66 | Outperform | 102 |
|  Citigroup | Kiri Vijayarajah | +44-20-7986-4258 | Buy | 98 |
|  CREDIT SUISSE FIRST BOSTON | Ivan Vatchkov | +44 20 7888 0873 | Outperform | 101 |
|  delta lloyd | Carlo Ponfoort | +32 3 204 77 11 | Accumulate | 92 |
|  Deutsche Bank | Gaelle Cibelly | +44 20 7547 6226 | Hold | 90 |
|  EXANE | Patrick Leclerc | +33 1 42 99 25 12 | Outperform | 102 |
|  FPK | Kurt Debaenst | +32 2 565 60 42 | Buy | 93 |
|  ING BANK | Britta Schmidt | +44 20 7933 4392 | Hold | 89 |
|  ING BANK | Alain Tchibozo | +33 1 56 39 32 84 | Buy | 100 |
|  IXIS Securities | Christophe Ricetti | +33 1 58 55 05 22 | Buy | 95 |
|  JPMorgan | Paul Formanko | +44 20 7325 6028 | Overweight | 92 |
|  KBW | Jean-Pierre Lambert | +44 20 7663 5292 | Outperform | 96 |
|  Kepler Equities | Albert Ploegh | +31 20 563 2382 | Buy | 97 |
|  Merrill Lynch | Manus Costello | +44 20 7996 1953 | Neutral | 89 |
|  Merrill Lynch | Scander Bentchikou | +33 1 44 51 83 08 | Buy | 95 |
|  PETERCAM | Ton Gietman | +31 20 573 54 63 | Hold | 90 |
|  PETERCAM | Bart v der Feen de Lille | +31 20 460 48 65 | Hold | 95 |
|  UBS Investment Bank | Simon Chiavarini | +44 20 7568 2131 | Buy | 114 |
|  WestLB | Ralf Breuer | +49 211 826 4987 | Add | 103 |