

# Response



.....  
Brussels, 11 October 2011

## KBC clarifies early redemption of CDOs

There have been a number of reports in the media today about KBC's decision to redeem customers' investments in a certain CDO before it reached maturity. KBC would like to clarify these reports.

In a press release on 13 July 2011, KBC announced its intention to sell or unwind selected ABS and CDO assets as part of its strategic plan, which will allow KBC Group to release capital at no or limited loss to the group.

Earlier this year, customers who had invested in the Lancaster CDO were repaid early and in full.

At the end of September, KBC informed all customers who had invested in the Fulham CDO that they would be paid back the full amount of capital invested and would receive a final coupon. The prospectus for that CDO contained such an option for early redemption provided certain conditions were met. The unwinding of the Fulham CDO generated enough funds to allow KBC to exercise that option.

The prospectuses for certain other CDOs also contain an early redemption option. KBC is looking at each CDO individually to establish whether such option can be exercised.

KBC Group NV  
Havenlaan 2 - 1080 Brussels  
Viviane Huybrecht:  
General Manager, Group  
Communications &  
Spokesperson, KBC Group  
Tel. +32 2 429 85 45

Press office  
Tel +32 2 429 65 01  
Fax +32 2 429 81 60  
E-mail: [pressofficekbc@kbc.be](mailto:pressofficekbc@kbc.be)