

Press Release

Brussels, 27 October 2011 – during trading hours

KBC Bank meets new EBA capital target

KBC Bank confirms that, based on the information of the European Banking Authority, it meets the new capital target as announced on 26 October 2011. The EBA announced that European banks must meet a 9% threshold for their core Tier 1 ratio under the EBA definition* which includes valuing sovereign bond holdings at market rates. Based on the EBA press release, KBC Bank meets this 9% core Tier 1 ratio threshold.

Should these stress tests also have been applied to KBC Group as a whole, also KBC Group would meet the 9% core Tier-1 ratio threshold.

On 10 November 2011 KBC will announce its full third quarter results.

Today, KBC can already confirm that it has responded to market developments in recent months by further reducing in an efficient manner its government bond exposure to PIIGS countries from 9.6 billion euros as per 30 June 2011 to 6.7 billion euros as per 30 September 2011. Since 30 September 2011 KBC stayed alert to further market developments and further reduced its exposure with a nominal amount of 1.6 billion euros.

**EBA methodology :*

- *sovereign exposure as per 30 June 2011 – marked down at 30 September 2011*
- *capital composition as per 30 June 2011 according to Basel 2.5 and corrected with the abovementioned marked down sovereign exposures*

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