KBC Group / Bank
Debt Roadshow
November 2013

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Executive summary 3Q2013 (KBC Group)

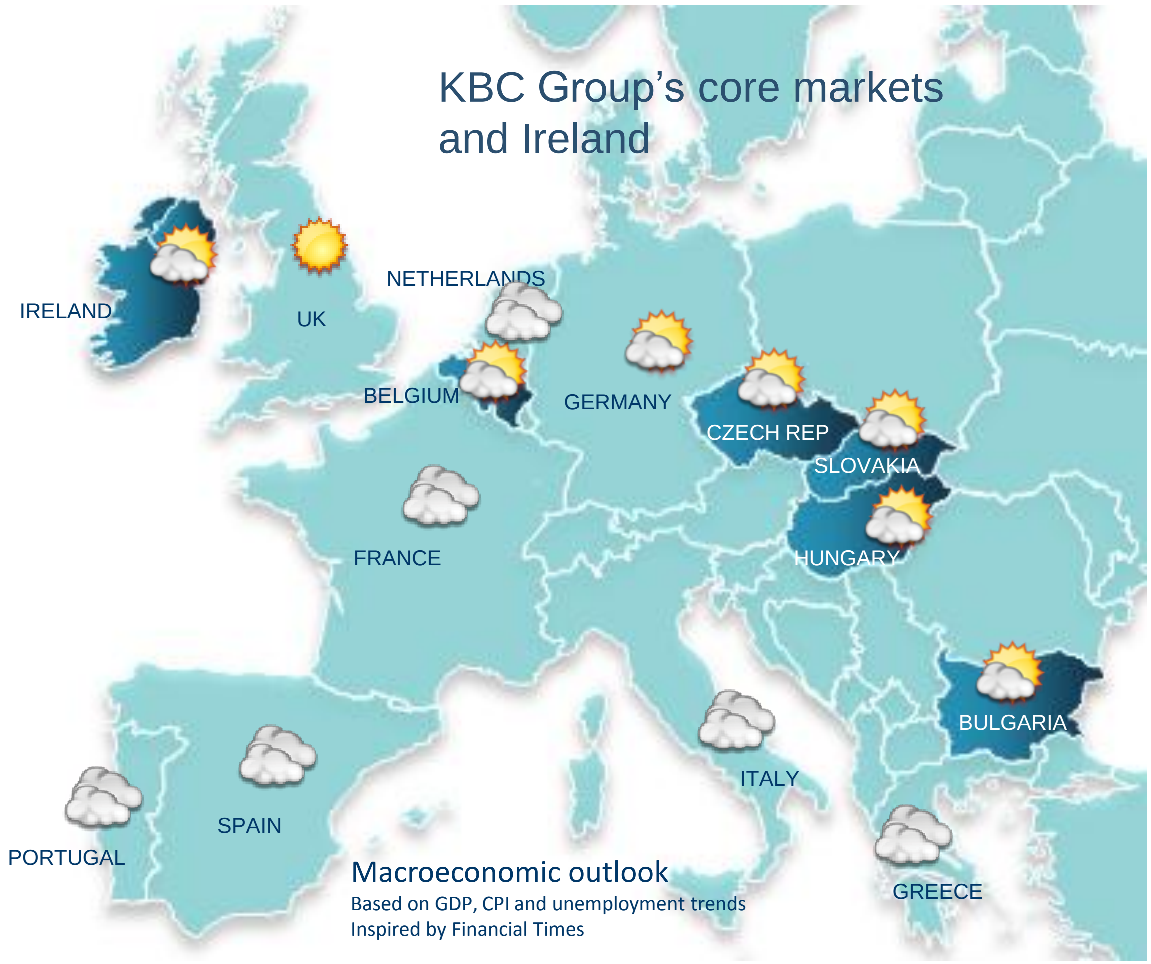
- **SOLID CAPITAL AND ROBUST LIQUIDITY POSITIONS**
  - **Common Equity ratio** (BIII fully loaded[1]) of 12.5% at end 9M13
  - **Continued strong liquidity position** (NSFR at 108% and LCR at 132%)[2]. Unencumbered assets are almost 4 times the amount of short-term wholesale funding
- **RESILIENT BUSINESS PERFORMANCE IN 3Q13**
  - **Net reported profit of 272m EUR,** which was negatively impacted by impairment of 231m EUR on the remaining divestments
  - Continued good **adjusted[3] net result of 457m EUR (KBC Group ROE of 16% in 3Q13)**, as result of:
    - strong commercial bank-insurance franchises in our core markets and core activities,
    - slightly higher net interest income and net interest margin,
    - good Net fee and commission income albeit impacted by seasonal effect,
    - good combined ratio,
    - excellent cost/income ratio and
    - lower impairment charges
- **LOAN BOOK REASSESSED IN VIEW OF EBA/ESMA PAPER AND UPCOMING AQR**
  - **Specific focus on Ireland**, also in the light of CBI guidelines and MARS implementation status[4]. **We expect:**
    - additional provisions due to reclassification of 2.0bn EUR restructured mortgage loans from non-impaired PD 1-9 to impaired PD 10[5]
    - Additional provisions for corporate loans due to a more prudent outlook on future cashflows and collateral values

    In total, this will lead to an impairment in Ireland of up to 775m EUR in 4Q13
    - Going forward, loan loss provisions in the range of 150m-200m EUR for FY14 and 50m-100m EUR for each of FY15 and FY16
    - To be profitable in Ireland from 2016 onwards
  - **For all other countries**, the currently estimated impact is considered to be immaterial

1. *Including remaining State aid of 2.33bn EUR*
2. *NSFR: Net Stable Funding Ratio; LCR: Liquidity Coverage Ratio*
3. *Adjusted net result is the net result excluding a limited number of non-operational items, being legacy CDO and divestment activities and the M2M effect of own debt instruments due to own credit risk*
4. *AQR: Asset Quality Review; CBI: Central Bank of Ireland; EBA: European Banking Authority; ESMA: European Securities and Markets Authority; MARS: Mortgage Arrears Resolution Strategy*
5. *PD: Probability of Default. According to EBA, PD 10 (currently impaired but performing) will be classified as non-performing*

Contents

Well-defined core markets provide access to 'new growth' in Europe



MARKET SHARE, AS OF END 2012

	BE[1]	CZ	SK	HU	BG
Loans and deposits	20%	20%[2]	10%	8%	2%
Investment funds	35%	30%	8%	20%	
Life insurance	17%	8%	5%	3%	13%
Non-life insurance	9%	6%	3%	4%	11%

REAL GDP GROWTH OUTLOOK FOR CORE MARKETS[3]

	BE	CZ	SK	HU	BG
% of Assets	66%	15%	3%	4%	1%
2013e	0,1%	-1,3%	0,5%	0,4%	1,0%
2014e	1,2%	1,5%	1,5%	1,5%	1,8%
2015e	1,4%	2,5%	1,7%	1,5%	2,5%

1. Excluding Centea and Fidea
2. Including 55% of the joint venture with CMSS
3. Source: KBC data, November 2013

Overview of KBC Group

- STRONG **BANK-INSURANCE GROUP PRESENT WITH LEADING MARKET POSITIONS IN CORE GEOGRAPHIES** (BELGIUM AND CEE)
  - A leading financial institution in both Belgium and the Czech Republic
  - Turnaround potential in the International Markets Business
  - Business focus on Retail, SME & Midcap clients
  - Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients

- **INTEGRATED BANCASSURANCE BUSINESS MODEL**, LEADING TO HIGH CROSS-SELLING RATES
  - Strong value creator with good operational results through the cycle
  - Integrated model creates cost synergies by avoiding overlap of supporting entities and generates added value for our clients through a complementary and optimized product and service offering

Overview of key financial data at 3Q 2013

KBC Group

- Market cap (14/11/13): 17bn
- Adjusted net result (9M 2013): EUR 1.3 bn
- Total assets: EUR 250bn
- Total equity: EUR 15bn
- T1 ratio: 15.8%
- CT1 ratio: 13.4%

KBC Bank

- Adjusted net result (9M 2013): EUR 1.2bn[1]
- Total assets: EUR 219bn
- Total equity: EUR 13bn
- T1 ratio: 16.7%
- CT1 ratio: 14.0%
- C/I ratio (9M 2013): 51%

KBC Insurance

- Adjusted net result (9M 2013): EUR 0.3bn
- Total assets: EUR 37bn
- Total equity: EUR 3.2bn
- Solvency I ratio: 312%
- Combined operating ratio (9M 2013): 91%

Credit ratings of KBC Bank

	S&P (Dec 2012)	**Moody's** (Jun 2012)	**Fitch** (Nov 2013)
Long-term	**A-** (Positive)	**A3** (Stable)	**A-** (Stable)
Short-term	A-2	Prime-2	F1

1 Includes KBC Asset Management ; excludes holding company eliminations

Business profile

CFO SERVICES

CRO SERVICES

BELGIUM

CZECH REPUBLIC

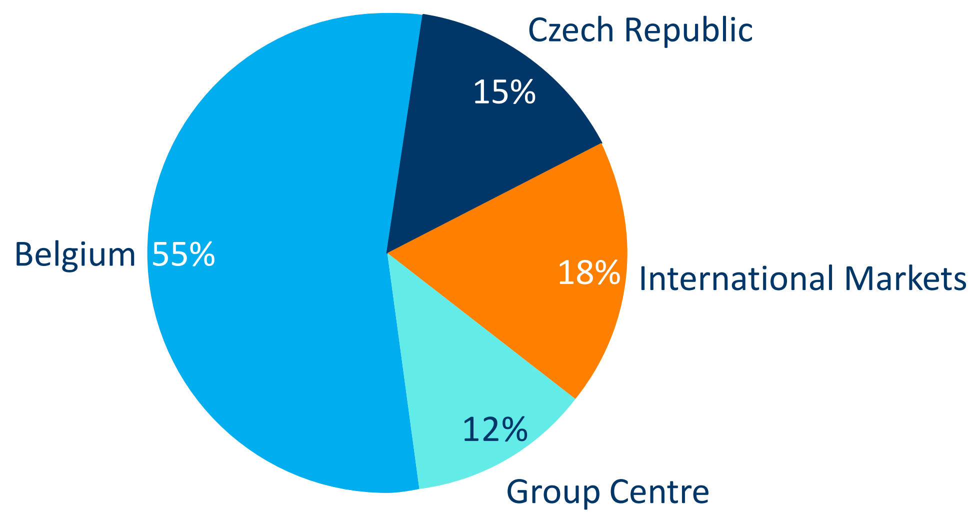
INTERNATIONAL MARKETS

INTERNATIONAL PRODUCT FACTORIES

CORPORATE STAFF

CORPORATE CHANGE & SUPPORT

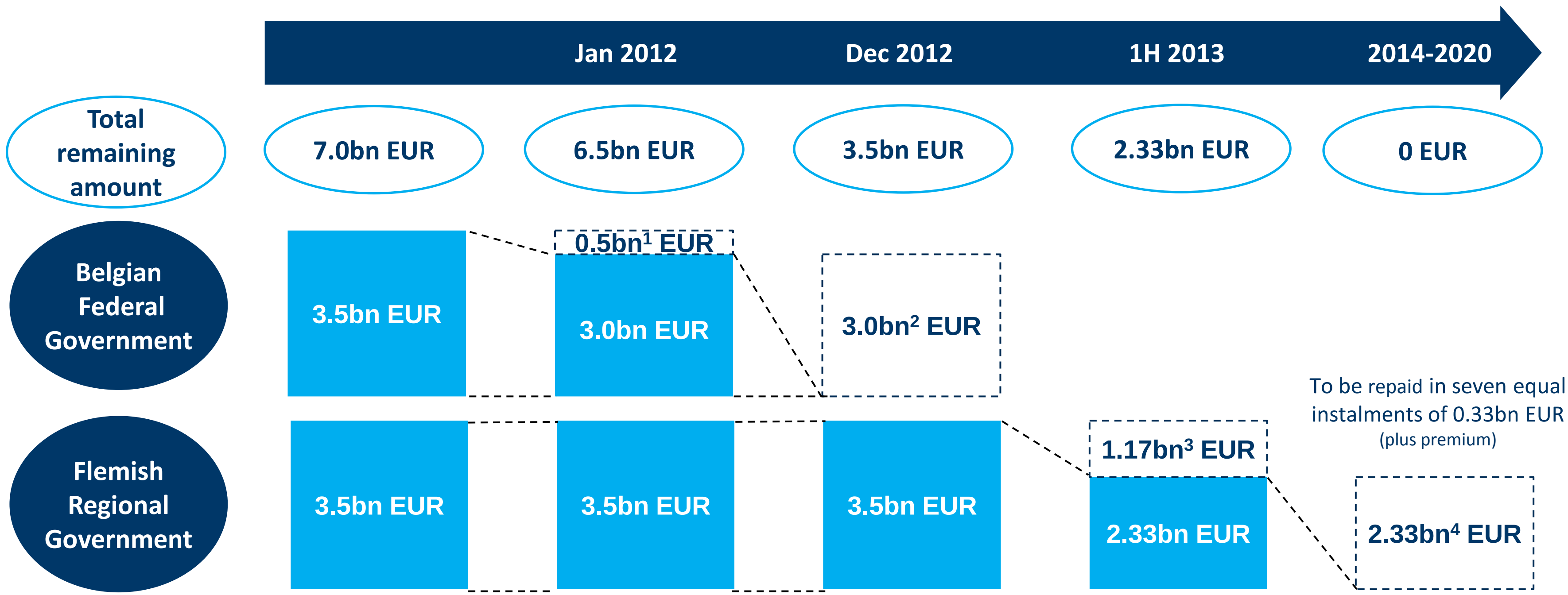
BREAKDOWN OF ALLOCATED CAPITAL BY BUSINESS UNIT AT 30 NOVEMBER 2013



*Covers inter alia results of companies to be divested, impact legacy & own credit risk and results of holding company

Assessment of the State aid position & repayment schedule

- KBC made accelerated full repayment of 3.0bn EUR of State aid to the Belgian Federal Government in December 2012 and the accelerated repayment of 1.17bn EUR of State aid to the Flemish Regional Government mid-2013, approved by the NBB
- KBC is committed to repaying the remaining outstanding balance of 2.33bn EUR owed to the Flemish Regional Government in seven equal installments of 0.33bn EUR (plus premium) over the 2014-2020 period (KBC however has the option to further accelerate these repayments)



1. Plus 15% premium amounting to 75m EUR
2. Plus 15% premium amounting to 450m EUR
3. Plus 50% premium amounting to 583m EUR
4. Plus 50% premium amounting to 1,165m EUR

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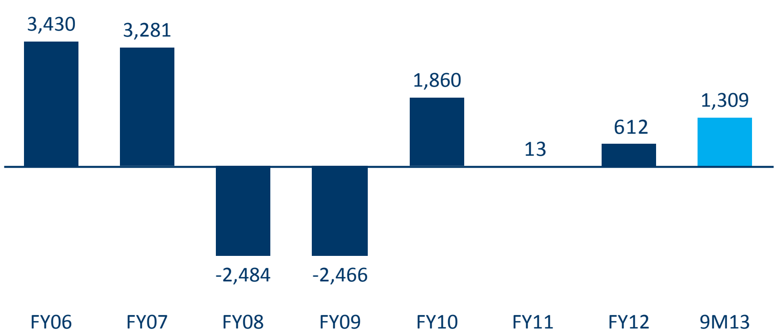
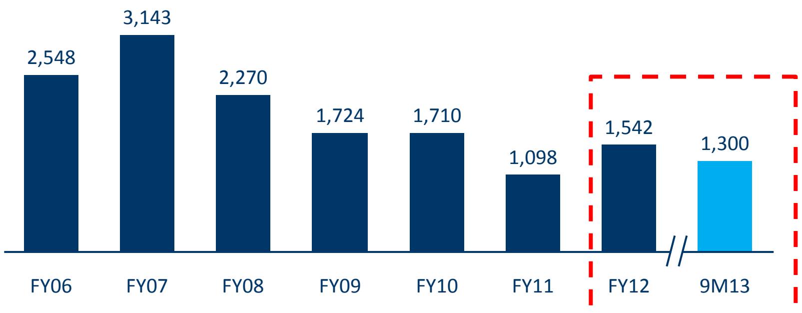
Earnings capacity

NET RESULT[1]

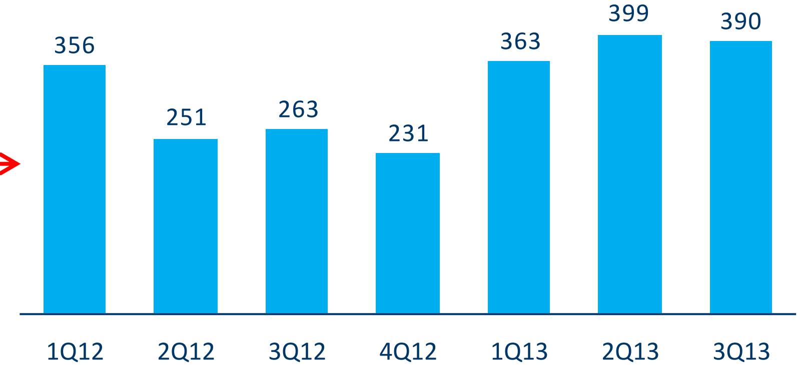


Excluding adjustments

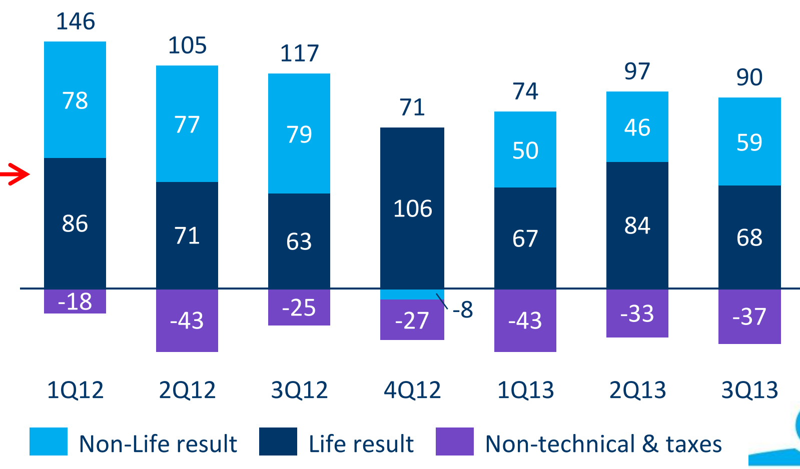
ADJUSTED NET RESULT[1,2]



CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP ADJUSTED NET RESULT[1,2]



CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP ADJUSTED NET RESULT[1,2]

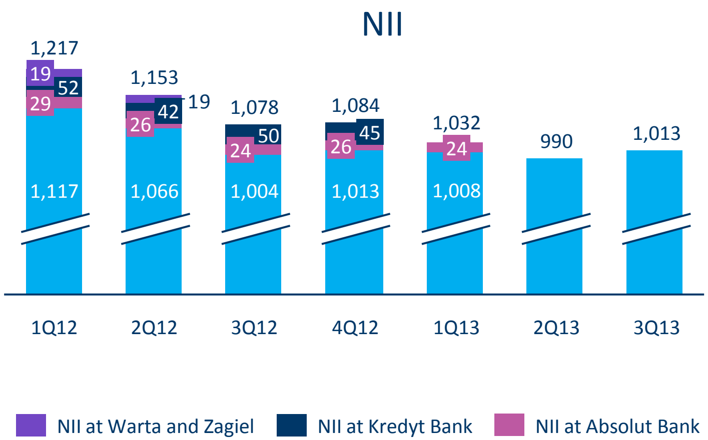


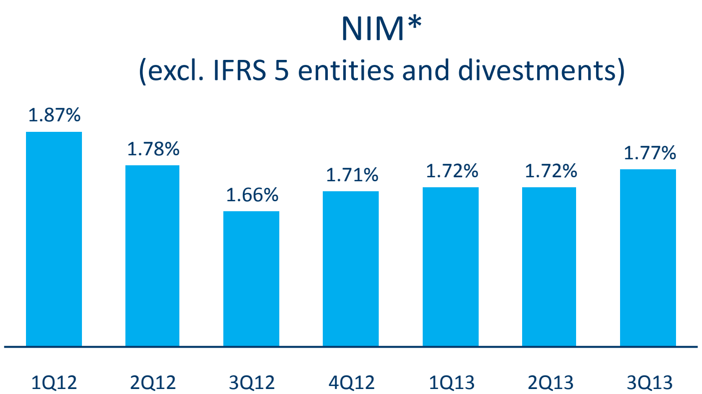
1 Note that the scope of consolidation has changed over time, due partly to divestments

2 Difference between adjusted net result at KBC Group and the sum of the banking and insurance contribution are the holding-company/group items

Amounts in m EUR

Net interest income and margin





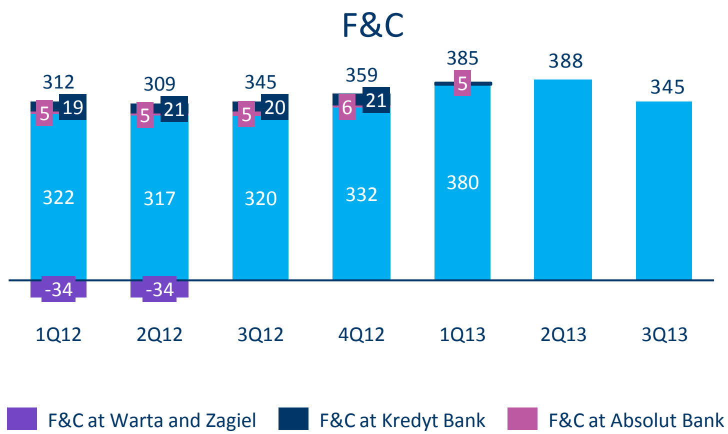
- **Net interest income**
  - Rose by 2% q-o-q and 1% y-o-y (across all business units), excluding deconsolidated entities
  - Both q-o-q and y-o-y increases were due mainly to sound commercial margins, a rise in deposit volumes (5% y-o-y on a comparable basis) and 1 extra calendar day (q-o-q), despite deliberately decreasing the loan portfolio at the foreign branches and the legacy Project Finance portfolio

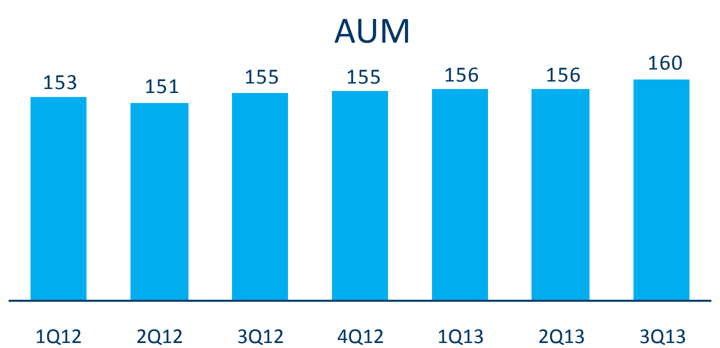
- **Net interest margin (1.77%)**
  - Up by 5bps q-o-q and 11bps y-o-y
  - Q-o-q, sound commercial margins, lower funding costs at KBC Group level (not allocated to specific BUs) and better ALM yield management more than offset the negative impact from lower reinvestment yields and higher subordination costs

* Net interest margin: net interest income divided by total interest bearing assets excl. reverse repos of KBC Bank

Amounts in m EUR

Net fee and commission income and AUM





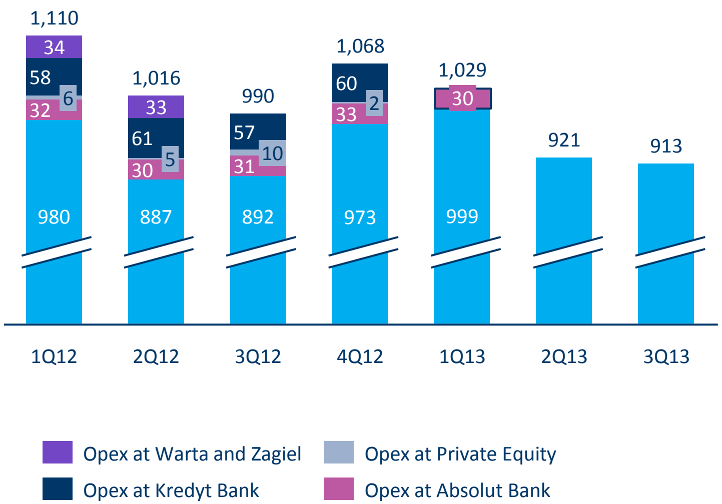
- **Strong net fee and commission income**
  - Decreased by 11% q-o-q, but increased by 8% y-o-y excluding deconsolidated entities
  - Y-o-y increase driven by higher entry and management fees on mutual funds
  - Q-o-q decrease was caused in part by seasonal effects (holiday season), which led to lower entry fees (less transactions) on both mutual funds and unit-linked life insurance products

- **Assets under management (160bn EUR)**
  - Rose by 3% y-o-y thanks to a positive price effect
  - Up 2% q-o-q as a result of both net new entries (+1%) and positive price effects (+1%)

Amounts in m EUR

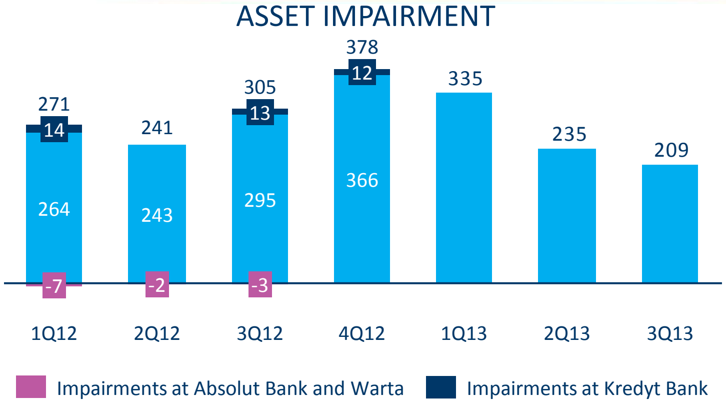
Operating expenses and cost/income ratio

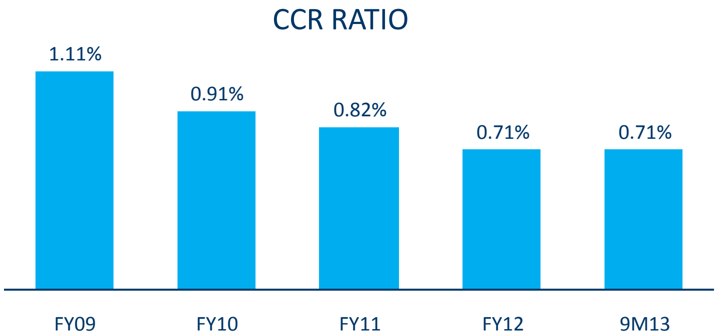
OPERATING EXPENSES

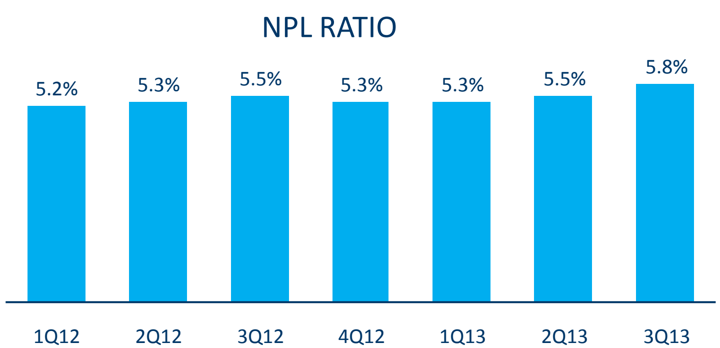


- **Cost/income ratio (banking) at excellent 51% YTD**
  - Driven by the high M2M impact of ALM derivatives, the realisation of AFS assets and high other net income
  - Adjusted for specific items, the C/I ratio amounted to roughly 56% in 9M13
  - Operating expenses went up by 2% y-o-y excluding deconsolidated entities, accounted for almost entirely by higher bank tax in both the Belgium BU and Hungary (FTL in 2013), one-off costs related to staff transition arrangements in the Belgium Business Unit and higher staff expenses in Ireland (increased number of FTEs, particularly in the MARS support unit). Excluding all one-offs, operating costs fell by 2% y-o-y
  - Operating expenses decreased by 1% q-o-q excluding deconsolidated entities due mainly to lower bank tax (as a consequence of an additional one-off FTL-related charge in Hungary in 2Q13, partly offset by a reimbursement of amounts from the Deposit Guarantee Scheme in Belgium in 2Q13). Excluding all one-offs, operating costs fell by 2% q-o-q

Asset impairment, credit cost and NPL ratio







- **Lower impairment charges**
  - Q-o-q decrease of 31m EUR in loan loss provisions (186m EUR* in 3Q13), mainly the result of lower impairments in the Belgium BU (especially for corporates, but also for retail and foreign branches), despite an increase at KBC Bank Ireland (98m in 3Q13 compared with 88m EUR in 2Q13)
  - Compared with the pro forma level recorded in 3Q12 (274m EUR), loan loss provisions were down by 88m EUR given the higher level recorded in the Belgium BU in 3Q12 (for the Belgian corporate entities and foreign branches), KBC Finance Ireland (Project Finance) and KBC Bank Ireland (3Q12 included 129m EUR in loan loss provisions)
  - Impairment of 2m EUR on AFS shares and other impairments of 22m EUR, related mainly to real estate

- The **credit cost ratio** amounted to 0.71% in 9M13, in line with 2012 as a deterioration in the SME portfolio and a few large corporate files in the Belgium Business Unit was offset by lower impairments in the Czech Republic, at KBC Bank Ireland and KBC Finance Ireland. Excluding KBC Bank Ireland and the one large corporate file in 1Q13, the CCR stood at 0.43% in 9M13

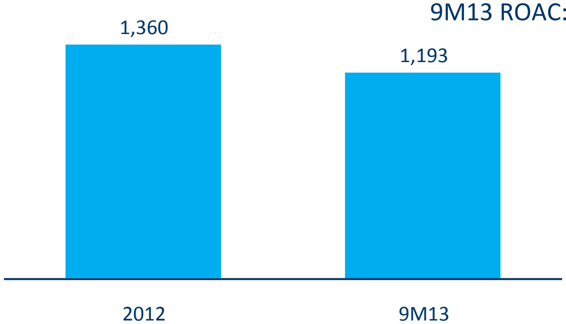
- The **NPL ratio** rose to 5.8%, typically lagging impairments

* Excludes the impairment of 45m EUR on the NLB subordinated loan, which is booked under legacy & OCR

Overview of results based on new business units

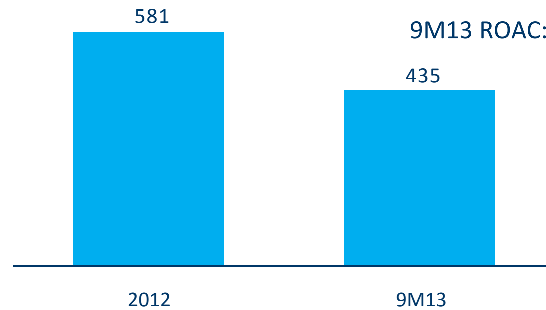
NET PROFIT - **BELGIUM**

9M13 ROAC: 29%



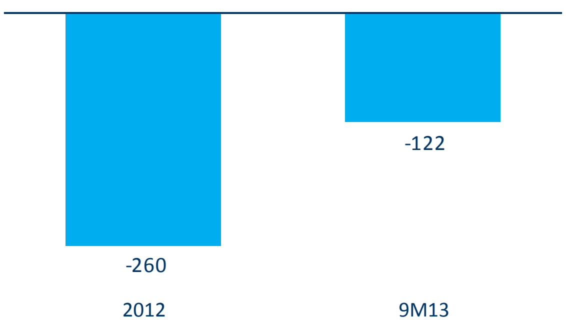
NET PROFIT – **CZECH REPUBLIC**

9M13 ROAC: 36%

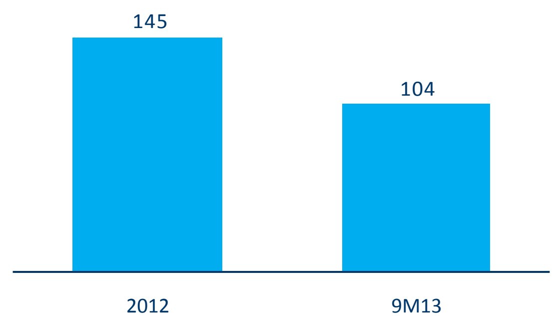


NET PROFIT - **INTERNATIONAL MARKETS**

9M13 ROAC: -11%



NET PROFIT - **INTERNATIONAL MARKETS EXCL. IRELAND**



Amounts in m EUR

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Balance sheet risks
(KBC Bank consolidated at 30 September 2013)

Total Assets: 219bn EUR	Total Liabilities & Equity: 219bn EUR
Tangible & intangible fixed assets (incl. Investment property): 4bn EUR	Parent shareholders' equity: 12bn EUR
Loan book: 130bn EUR (Loans and advances to customers)	Funding and deposit base: 171bn EUR
Trading assets: 13bn EUR	
Investment portfolio: 42bn EUR	Trading liabilities: 11bn EUR
Other (incl. interbank loans): 30bn EUR	Other (incl. interbank deposits): 25bn EUR

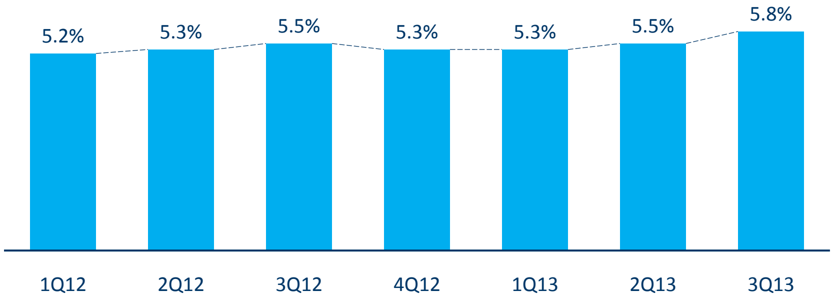
1. Credit quality
2. Trading exposure
3. 'Toxic' assets
4. Sovereign bonds

Capital adequacy

Liquidity position

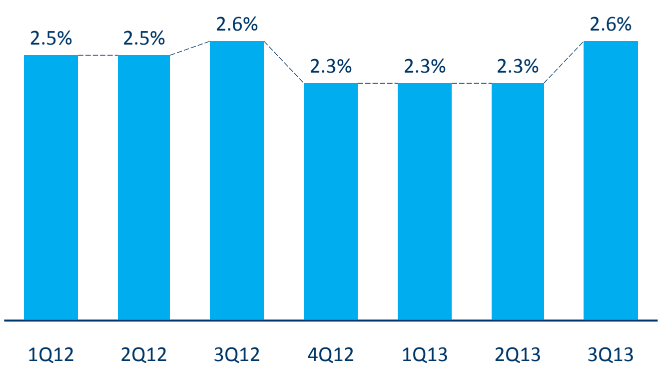
NPL ratios at KBC Group and per business unit

KBC GROUP

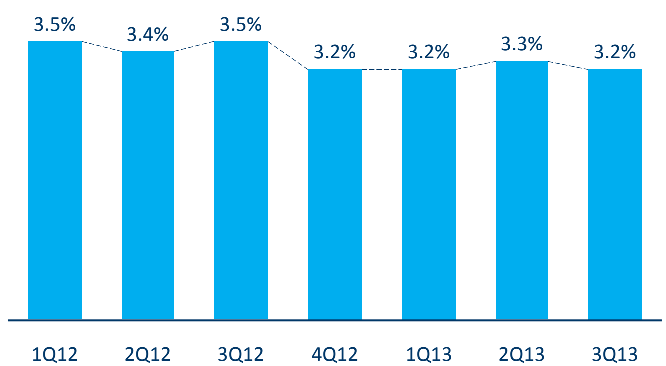


- CUSTOMER LOAN BOOK: 130bn EUR at end 3Q13
  - 42% residential mortgages
  - 3% consumer finance
  - 14% other retail loans
  - 41% SME/corporate loans
- LARGELY SOLD THROUGH OWN BRANCHES

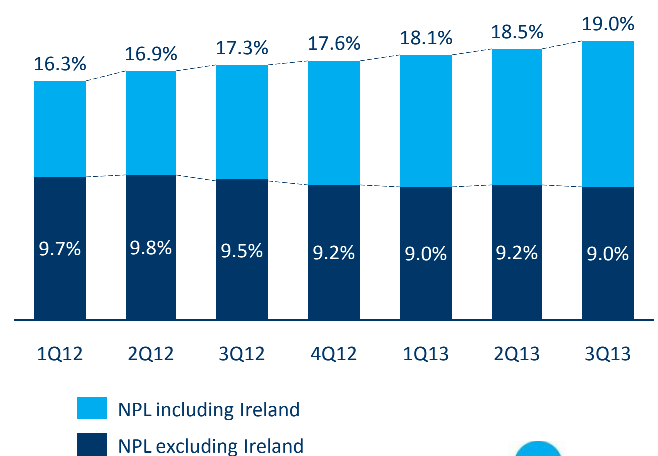
BELGIUM BU



CZECH REPUBLIC BU



INTERNATIONAL MARKETS BU



Loan loss experience at KBC Group

	9M13 CREDIT COST RATIO	FY 2012 CREDIT COST RATIO	AVERAGE '99 –'12	PEAK '99 –'12
Belgium	**0.39%**	**0.28%**	n.a.	n.a.
Czech Republic	**0.24%**	**0.31%**	n.a.	n.a.
International Markets	**1.78%***	**2.26%***	n.a.	n.a.
Group Centre	**1.83%**	**0.99%**	n.a.	n.a.
Total	**0.71%****	**0.71%****	**0.50%**	**1.11%**

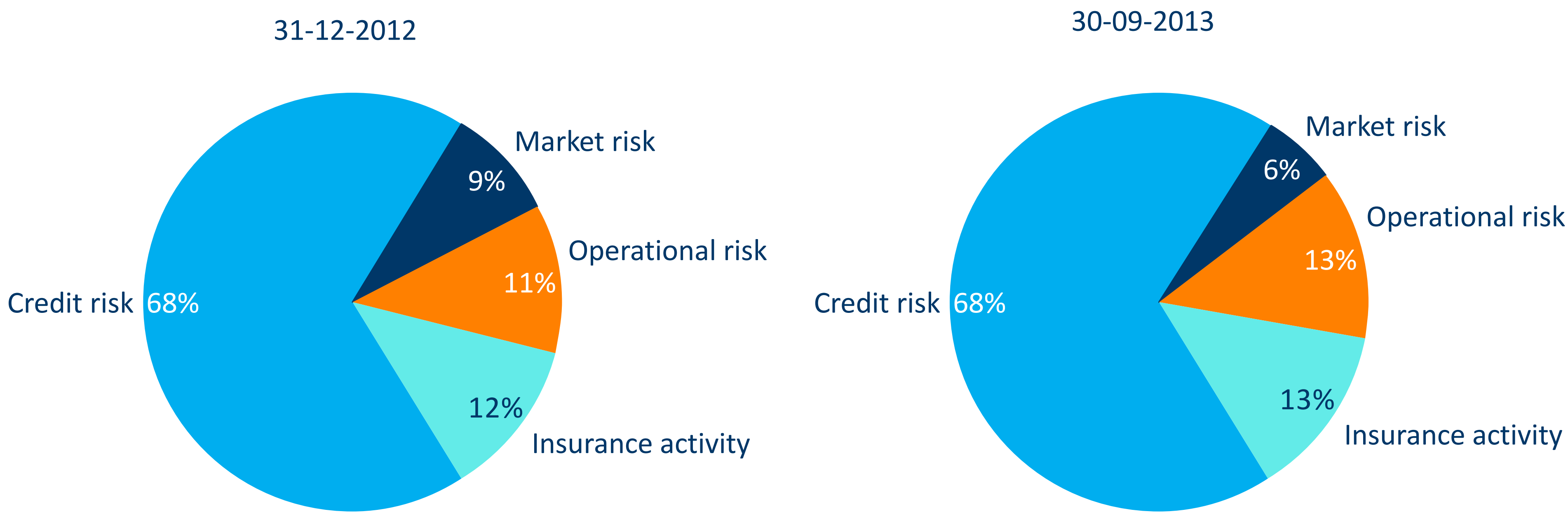
Credit cost ratio: amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

* The high credit cost ratio at the International Markets BU is due in full to KBC Bank Ireland. Excluding Ireland, the CCR at this business unit amounted to 82bps in 9M13

** Credit cost ratio amounted to 0.71% in 9M13 (in line with FY 2012). Excluding KBC Bank Ireland and the one large corporate file in 1Q13, the credit cost ratio stood at 0.43% in 9M13

Limited trading activity at KBC Group

BREAKDOWN ACCORDING TO RWA

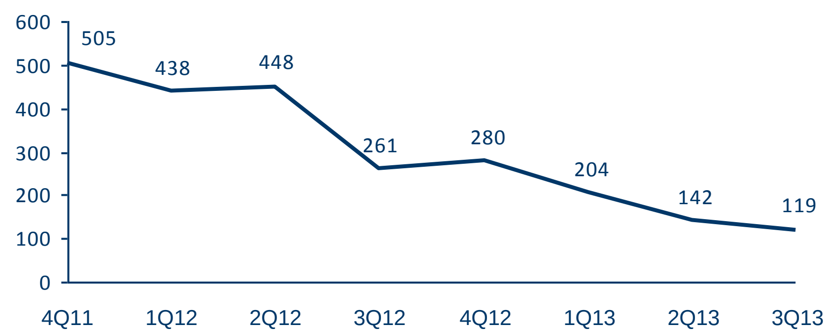


Traditional dealing rooms, Brussels by far the largest, focus mainly on trading in interest rate instruments and for client-related business. Abroad, dealing rooms focus primarily on providing customer service in money and capital market products, on funding local bank activities and engage in limited trading for own account in local niches.

Net CDO exposure KBC Group significantly reduced YTD

IN BN EUR	NET CDO EXPOSURE	OUTSTANDING MARKDOWNS
▪ CDO exposure protected with MBIA ▪ Other CDO exposure	5.3 1.1	-0.1 -0.3
TOTAL	6.3	-0.4

NEGATIVE P&L IMPACT[1] (m EUR) OF A 50% WIDENING IN CORPORATE AND ABS CREDIT SPREADS



1. Taking into account the guarantee agreement with the Belgian State

Exposure reduction (YTD) to the tune of 9.2bn EUR owing mainly to the collapsing of several CDOs in 1Q13 and 2Q13 (6.1bn EUR in total)
Please note that the net CDO exposure excludes all expired, unwound or terminated CDO positions and is after settled credit events (3.1bn EUR)

REMINDER: CDO exposure largely covered by a State guarantee

We continue to look at our CDO exposure in an opportunistic way: we will reduce further if the net negative impact is limited (taking into account the possible impact on P&L, the value of the State guarantee and the reduction in RWA)

P&L sensitivity decreased by 161m EUR YTD following the tightening credit spread for the names underlying the deals

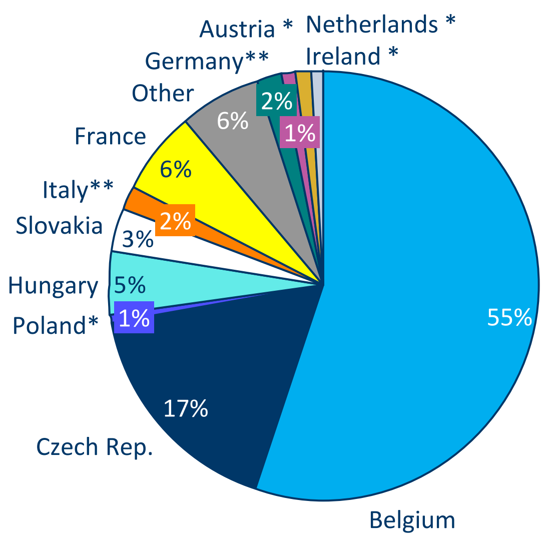
Note that in 2Q13, the provision rate for MBIA was lowered from 80% to 60% after strong improvements in its creditworthiness

For more info, see slides 63-64 in annex

Government bond portfolio KBC Group – Carrying value

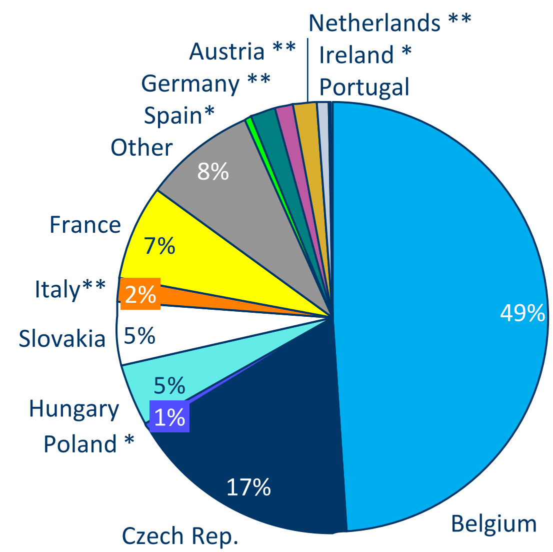
- Carrying value of 47.9bn EUR in government bonds (excl. trading book) at end of 9M13, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves into fixed-income instruments
- Carrying value of GIIPS exposure amounted to 1.6bn EUR at end of 9M13

END 2012
(48.8bn EUR carrying value)
(47bn EUR notional amount)



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

END 9M13
(47.9bn EUR carrying value)
(45.2bn EUR notional amount)

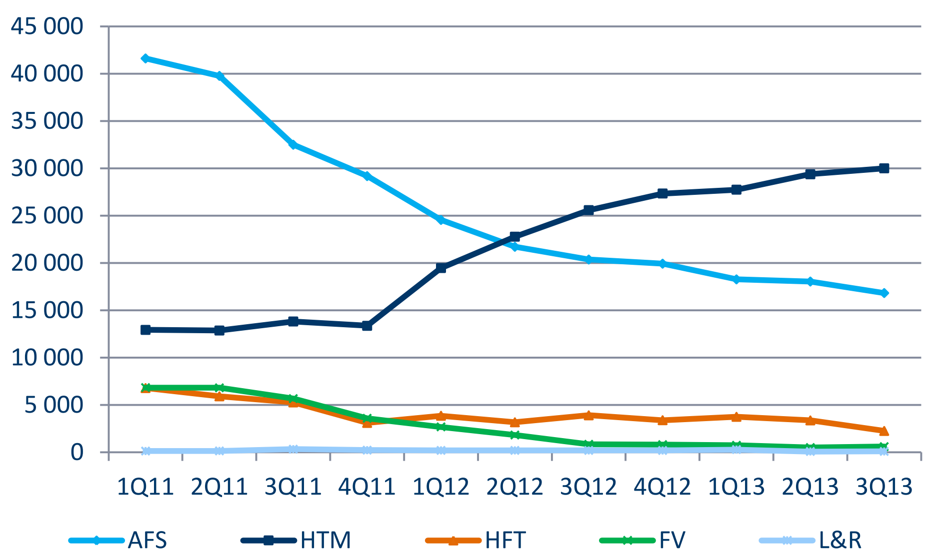


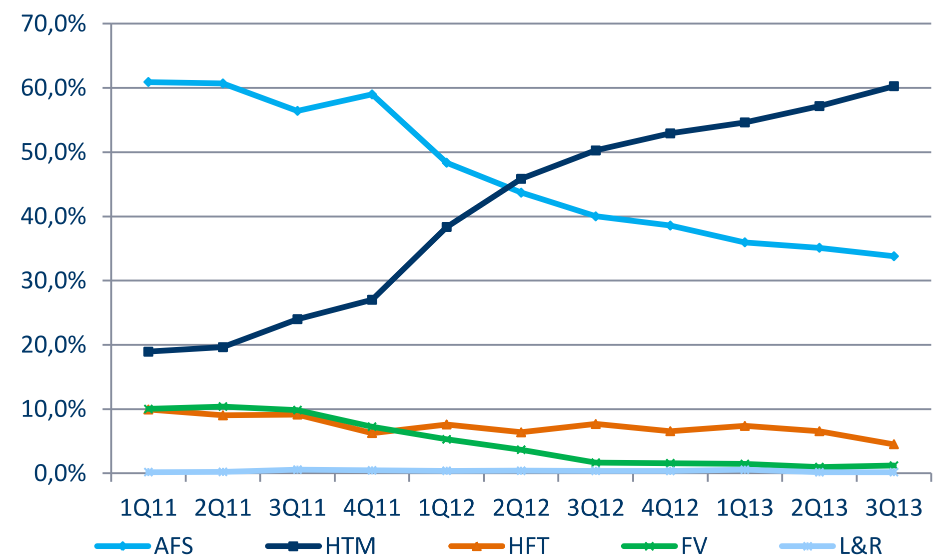
(*) 1%, (**) 2%

* Carrying value is the amount at which an asset [or liability] is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

Government bond portfolio KBC Group – Carrying value

- Reclassification of the government bond portfolio from available-for-sale to held-to-maturity



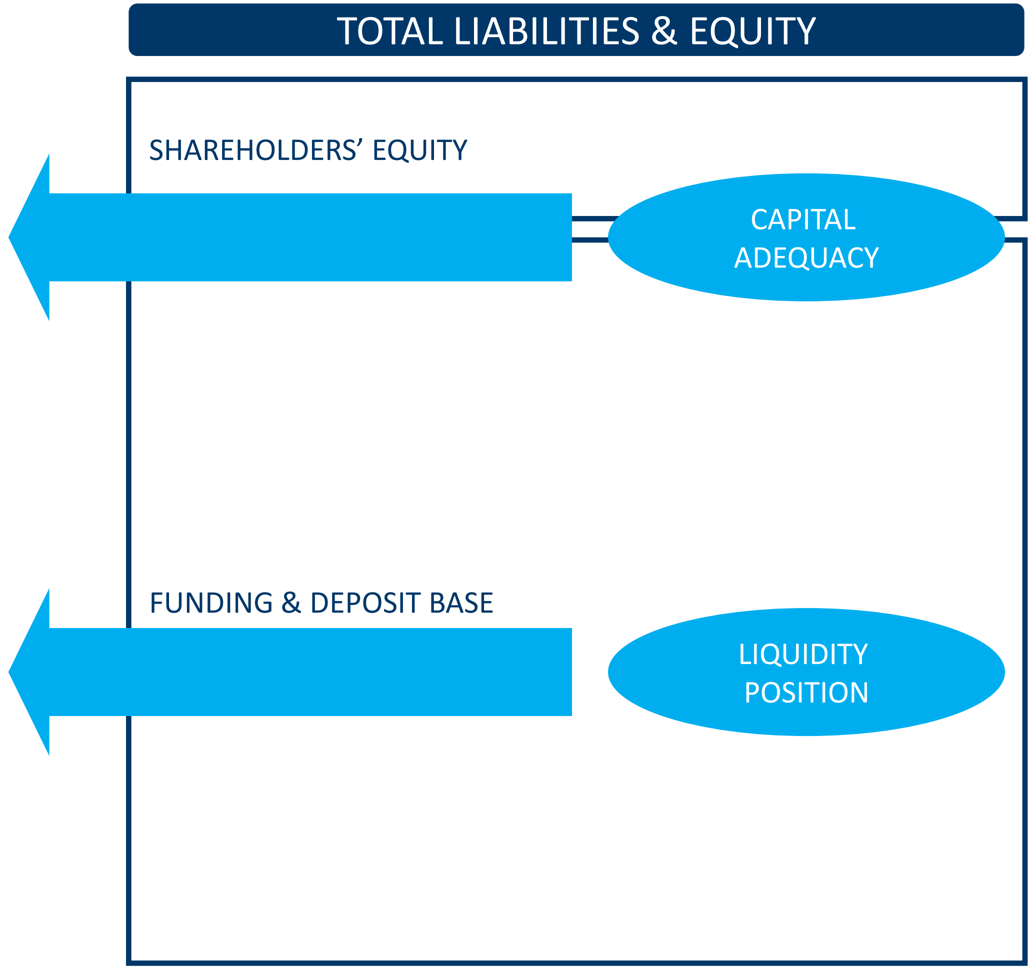


Contents

Solvency and liquidity position

- With a Basel 2.5 core tier-1 ratio of 14.0% at KBC Bank and 13.4% at KBC Group, KBC is well positioned to pursue organic growth

- With LCR* at 132% and NSFR* at 108%, KBC currently exceeds its own 2015 targets of 100% and 105% respectively

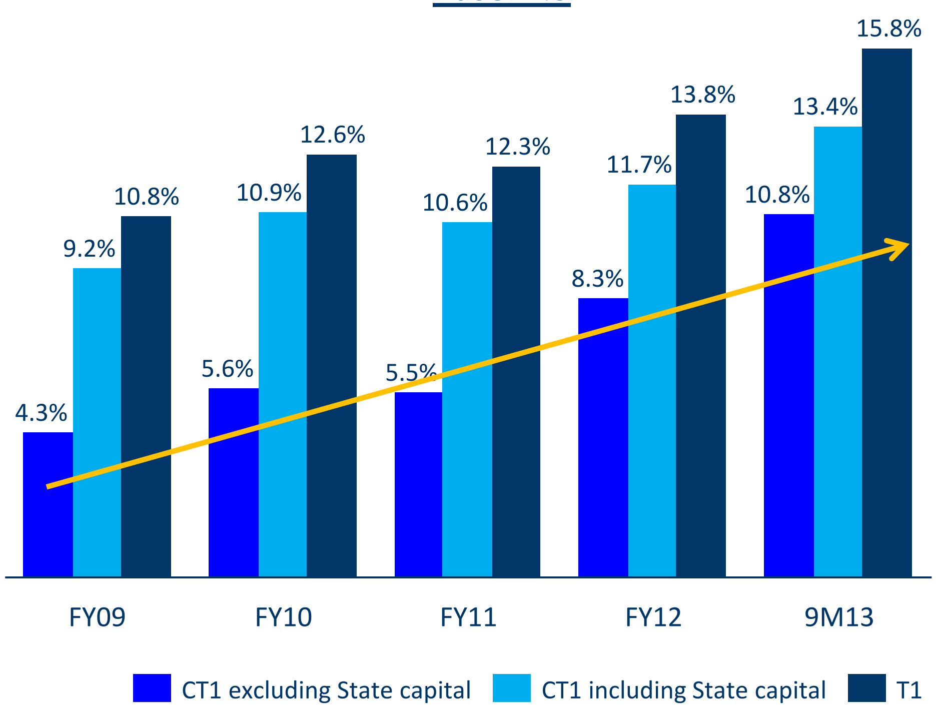


** NSFR: Net Stable Funding Ratio; LCR: Liquidity Coverage Ratio*

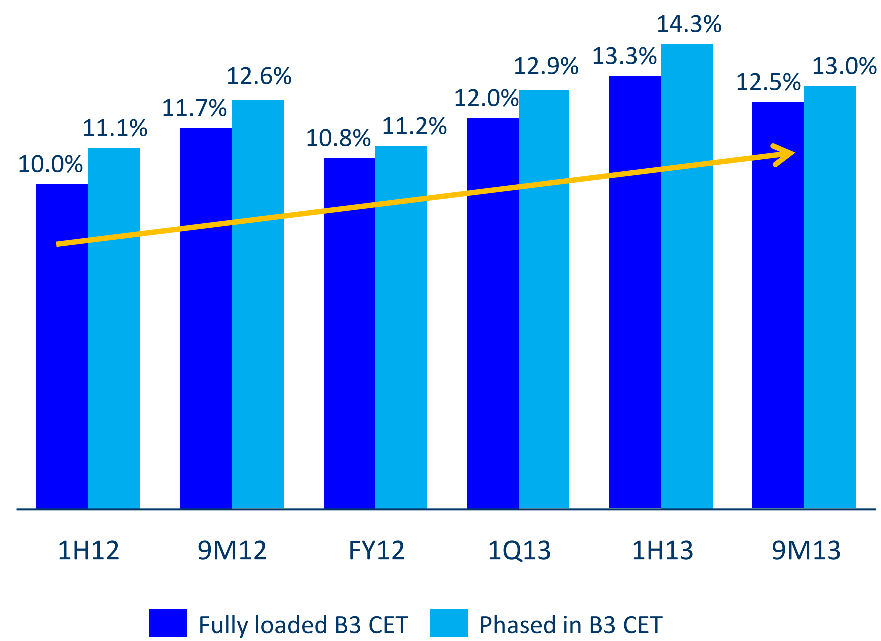
Strong capital position

- **Strong tier-1 ratio*** of 15.8% and **core tier-1 ratio*** of 13.4% under B2.5
- **Common equity ratio (B3 fully loaded*)** of 12.5%
- **Fully loaded B3 CET1 leverage ratio**: 3.8% at KBC Bank Consolidated, based on current CRR legislation

Basel 2.5



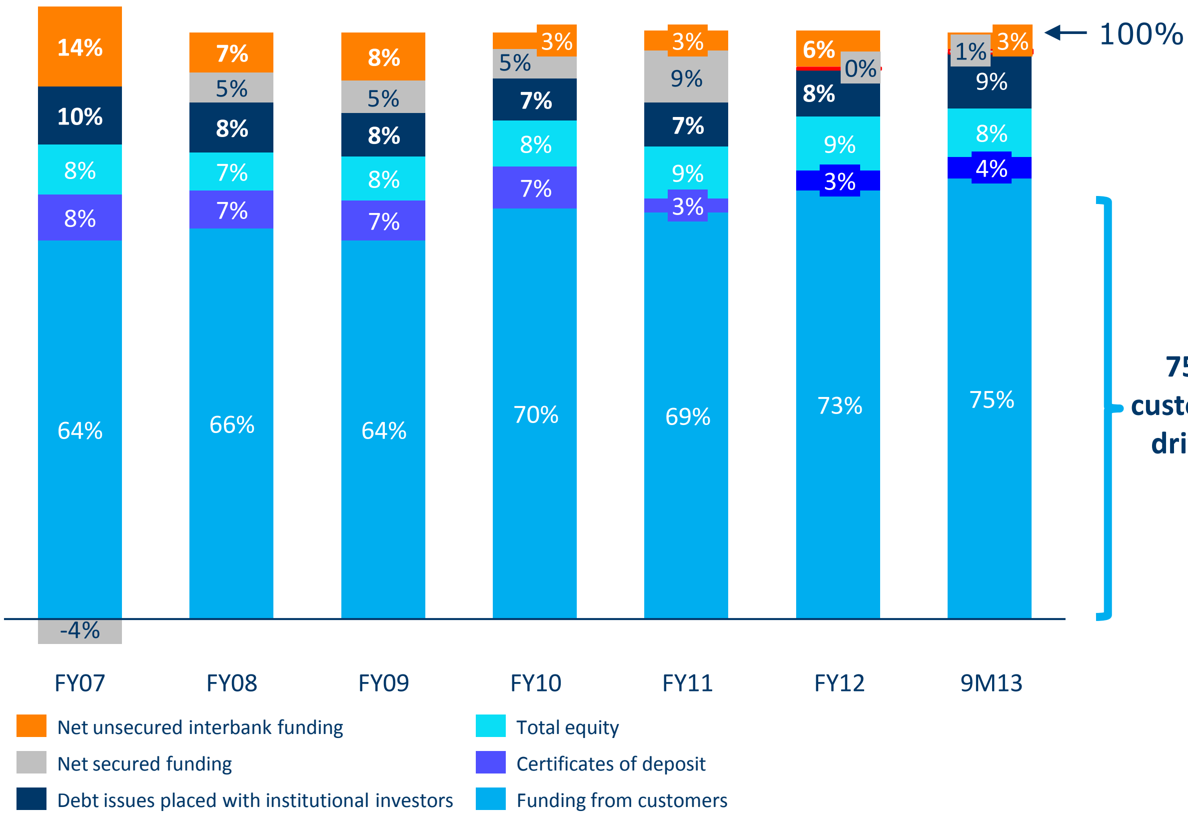
Basel 3

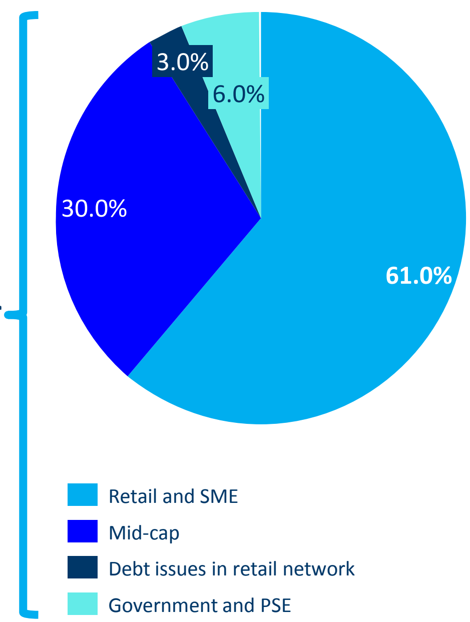


* With remaining State aid included in CET1 as agreed with local regulator

Solid liquidity position (1)

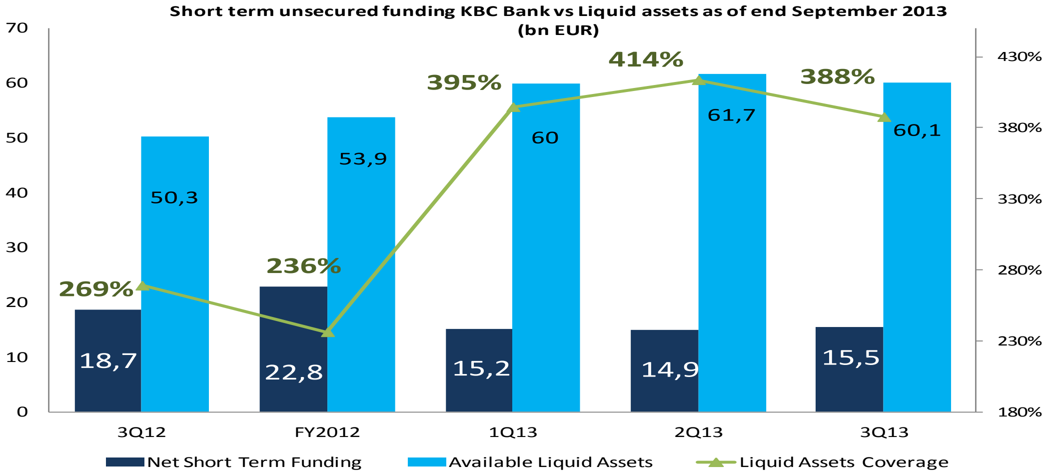
- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments & markets





Solid liquidity position (2)

(*, **)



* In line with IFRS5, the situation at the end of 3Q13 excludes the divestments that have not yet been completed (KBC Deutschland, KBC Banka and ADB)

** Graphs are based on Note 18 of KBC's quarterly report, except for the 'available liquid assets' and 'liquid assets coverage', which are based on the KBC Group Treasury Management Report

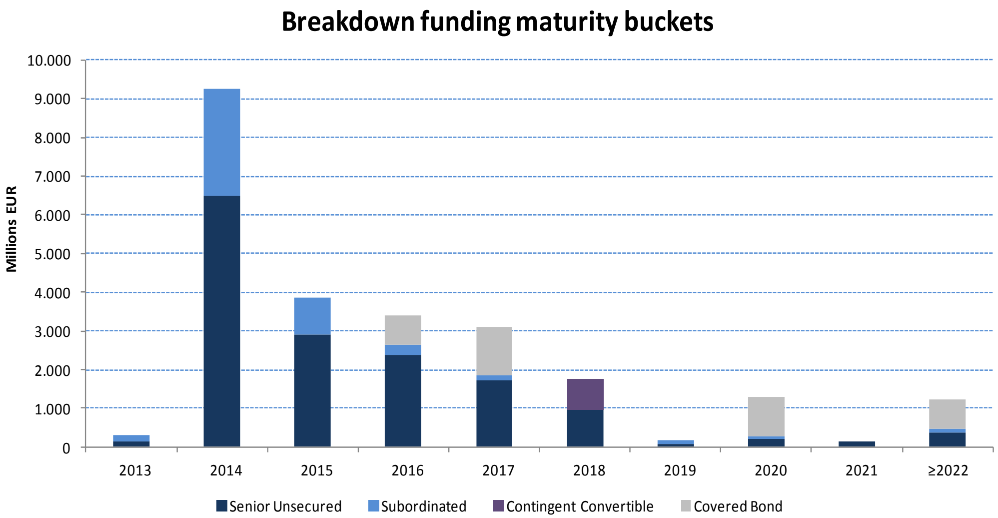
- KBC maintained **a solid liquidity position** in 3Q13 given that:
  - Available liquid assets are almost 4 times the amount of the net recourse on short-term wholesale funding
  - Funding from non-wholesale markets is stable funding from core-customer segments in our core markets

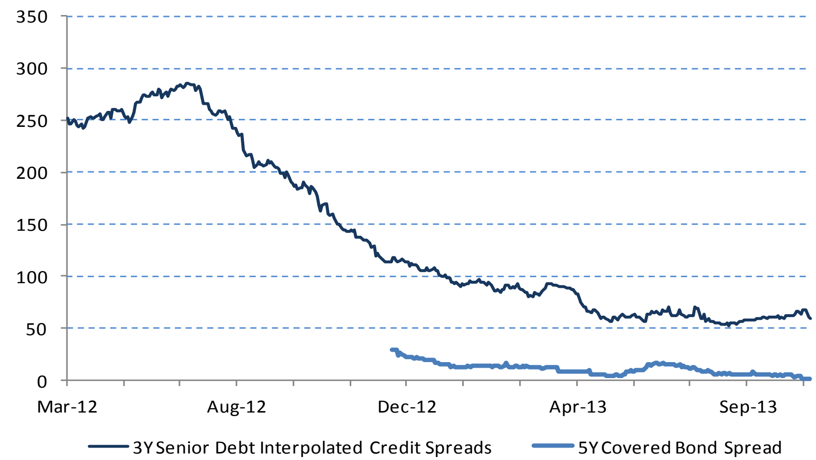
Ratios	3Q13	Target 2015
NSFR[1]	**108%**	105%
LCR[1]	**132%**	100%

[1] LCR (Liquidity Coverage ratio) and NSFR (Net Stable Funding Ratio) are calculated based on KBC's interpretation of current Basel Committee guidance, which may change in the future. The LCR can be relatively volatile in future due to its calculation method, as month-to-month changes in the difference between inflows and outflows can cause important swings in the ratio even if liquid assets remain stable

- **NSFR at 108% and LCR at 132% by the end of 3Q13**
  - In compliance with the implementation of Basel 3 liquidity requirements, KBC is targeting LCR and NSFR of at least 100% and 105%, respectively by 2015.

Upcoming mid-term funding maturities





- KBC successfully issued an additional covered bond of 750m EUR (with 3 year maturity) and senior unsecured bond of 750m EUR (with 5 year maturity) in 3Q13
- KBC's credit spreads moved within a tight range during 3Q13
- KBC Bank has 5 solid sources of long-term funding:
  - Retail term deposits
  - Retail EMTN
  - Public benchmark transactions
  - Covered bonds
  - Structured notes and covered bonds using the private placement format

Summary Covered Bond Programme (1) (details, see Annex 3)

- **KBC ALREADY ISSUED FOUR SUCCESSFUL BENCHMARK COVERED BONDS (3, 5, 7 AND 10 YEAR) FOR AN AMOUNT OF 3.75BN EUR**
  - KBC’s 10bn EUR Covered Bond Programme is rated Aaa/AAA (Moody’s/Fitch)
  - CRD and UCITS compliant / 10% risk-weighted
  - All issues performed well in the secondary market
  - Occasionally, KBC issued private placements from its programme (170 million euro)

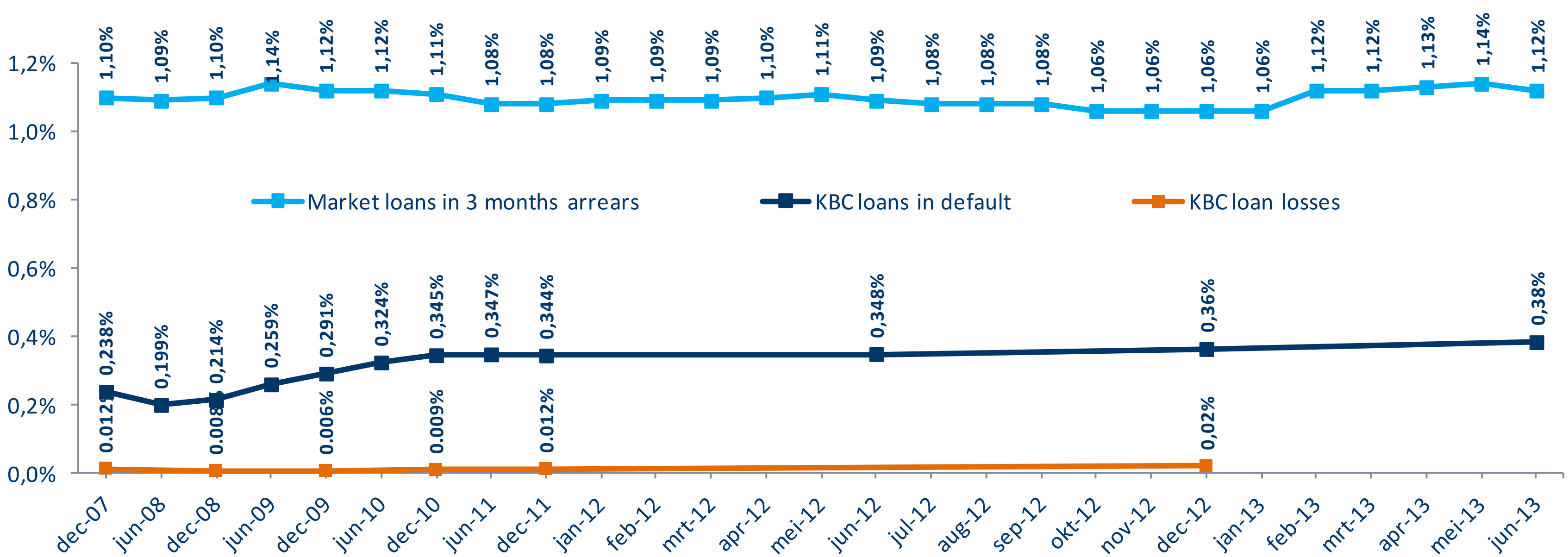
- **KBC’S COVERED BONDS ARE BACKED BY STRONG LEGISLATION AND SUPERIOR COLLATERAL**
  - Cover pool: Belgian residential mortgage loans
  - Strong Belgian legislation – inspired by German Pfandbriefen law
  - Direct covered bond issuance from a bank’s balance sheet
  - Dual recourse, including recourse to a special estate with cover assets included in a register
  - Requires license from the National Bank of Belgium (NBB)
  - The special estate is not affected by a bank insolvency. In that case, the NBB can appoint a cover pool administrator to manage the special estate in issuer ; both monitor the pool on a ongoing basis
  - The value of one asset category must be at least 85% of the nominal amount of covered bonds
  - The value of the cover assets must at least be 105% of the covered bonds (value of mortgage loans is limited to 80% LTV)
  - Maximum 8% of a bank’s assets can be used for the issuance of covered bonds

- **THE COVERED BOND PROGRAMME IS CONSIDERED AS AN IMPORTANT FUNDING TOOL FOR THE TREASURY DEPARTMENT.**
  - KBC’s intentions are to be a frequent benchmark issuer if markets permit

Summary Covered Bond Programme (2) (details, see Annex 3)

- **COVER POOL: BELGIAN RESIDENTIAL MORTGAGE LOANS**
  - Exclusively this as selected main asset category
  - Value (including collections) at least 105% of the outstanding covered bonds
  - Branch originated prime residential mortgages predominantly out of Flanders
  - Selected cover asset have low average LTV (69%) and high seasoning (30 months)

- **KBC HAS A DISCIPLINED ORIGINATION POLICY**
  - 2007 to 2012 average residential mortgage loan losses below 2 bp
  - Arrears in Belgium approx. stable over the past 10 years:
    - (i) Cultural aspects, stigma associated with arrears, importance attached to owning one's property
    - (ii) High home ownership also implies that the change in house prices itself has limited impact on loan performance
    - (iii) Well established credit bureau, surrounding legislation and positive property market



Contents

Wrap up (at KBC Group level)

- **SOLID CAPITAL AND ROBUST LIQUIDITY POSITIONS**
  - **Common Equity ratio** (BIII fully loaded[1]) of 12.5% at end 9M13
  - **Continued strong liquidity position** (NSFR at 108% and LCR at 132%)[2]. Unencumbered assets are almost 4 times the amount of short-term wholesale funding

- **RESILIENT BUSINESS PERFORMANCE IN 3Q13**
  - **Net reported profit of 272m EUR,** which was negatively impacted by impairment of 231m EUR on the remaining divestments
  - Continued good **adjusted[3] net result of 457m EUR (KBC Group ROE of 16% in 3Q13**

- **LOAN BOOK REASSESSED IN VIEW OF EBA/ESMA PAPER AND UPCOMING AQR**
  - **Specific focus on Ireland**, also in the light of CBI guidelines and MARS implementation status[4]
  - **For Ireland in total, this will lead to an impairment in Ireland of up to 775m EUR in 4Q13**
    - loan loss provisions in the range of 150m-200m EUR for FY14 and 50m-100m EUR for each of FY15 and FY16
    - profitable in Ireland from 2016 onwards
  - **For all other countries**, the currently estimated impact is considered to be immaterial

1. *Including remaining State aid of 2.33bn EUR*
2. *NSFR: Net Stable Funding Ratio; LCR: Liquidity Coverage Ratio*
3. *Adjusted net result is the net result excluding a limited number of non-operational items, being legacy CDO and divestment activities and the M2M effect of own debt instruments due to own credit risk*
4. *AQR: Asset Quality Review; CBI: Central Bank of Ireland; EBA: European Banking Authority; ESMA: European Securities and Markets Authority; MARS: Mortgage Arrears Resolution Strategy*

Appendices

1. KBC 2012 and 2013 benchmarks + overview of outstanding benchmarks
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KBC 2012 Benchmarks

- KBC 2Y Fixed – Senior Unsecured – 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 5Y Fixed – Senior Unsecured – 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 4Y Fixed – Senior Unsecured – XS0820869948
  - Notional: EUR 500m
  - Issue Date: 29 August 2012 – Maturity: 29 August 2016
  - Coupon: 3%, A, Act/Act
  - Re-offer spread: Mid Swap + 225bp (issue price 99.64%)
  - Joint lead managers: KBC, Commerzbank, Morgan Stanley, Natixis

- KBC 5Y Fixed - Covered Bond – BE6246364499
  - Notional: EUR 1.25bn
  - Issue Date: 11 December 2012 – Maturity: 11 December 2017
  - Coupon: 1.125%, A, Act/Act
  - Re-offer spread: Mid Swap + 30bp (issue price 99.638%)
  - Joint lead managers: KBC, DZ Bank, Deutsche Bank, Goldman Sachs, Natixis

KBC 2013 Benchmarks (1/2)

- KBC 10NC5Y Fixed – Contigent Capital Note – BE6248510610
  - Notional: USD 1bn
  - Issue Date: 25 January 2013 – Maturity: 25 January 2023
  - Coupon: 8%, A, Act/Act
  - Re-offer spread: USD Mid Swap + 709.7bp (issue price 100%)
  - Joint lead managers: KBC, BofA Merrill Lynch, Credit Suisse, Goldman Sachs, JPMorgan and Morgan Stanley

- KBC 10Y Fixed - Covered Bond – BE0002425974
  - Notional: EUR 750m
  - Issue Date: 31 January 2013 – Maturity: 31 January 2023
  - Coupon: 2%, A, Act/Act
  - Re-offer spread: Mid Swap + 36bp (issue price 99.24%)
  - Joint lead managers: KBC, BNP Paribas, Commerzbank and Deutsche Bank

- KBC 7Y Fixed - Covered Bond – BE0002434091
  - Notional: EUR 1 bn
  - Issue Date: 28 May 2013 – Maturity: 28 May 2020
  - Coupon: 1.25%, A, Act/Act
  - Re-offer spread: Mid Swap + 16bp (issue price 99.277%)
  - Joint lead managers: KBC, DZ Bank, LBBW and RBS

- KBC 3Y Fixed - Covered Bond – BE0002441161
  - Notional: EUR 750m
  - Issue Date: 29/8/2013 – Maturity: 29 Augustus 2016
  - Coupon: 0.875%, A, Act/Act
  - Re-offer spread: Mid Swap + 5bp (issue price 99.888%)
  - Joint lead managers: KBC, Commerzbank, DB, ING, Unicredit

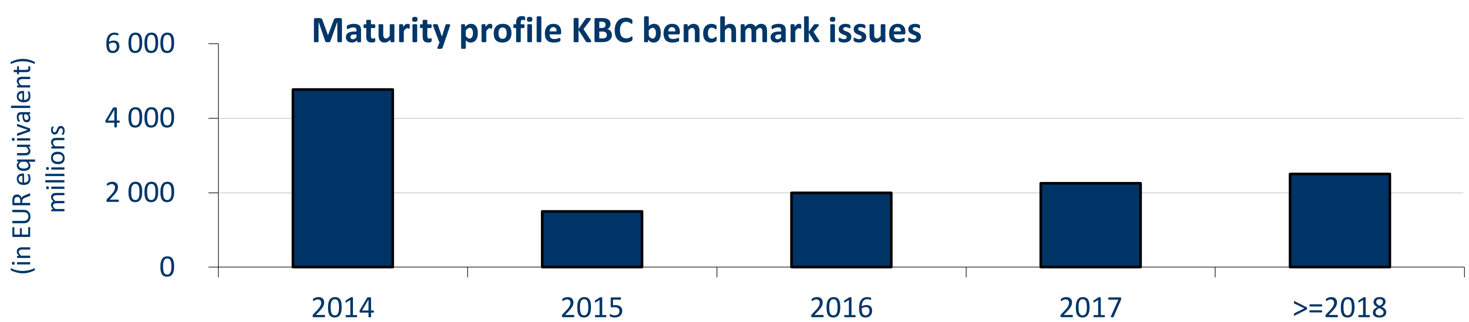
KBC 2013 Benchmarks (2/2)

- KBC 5Y Fixed – Senior Unsecured – XS0969365591

  - Notional: 750m EUR
  - Issue Date: 10 September 2013 – Maturity: 10 September 2018
  - Coupon: 2.125%, A, Act/Act
  - Re-offer spread: Mid Swap +78 (issue price 99.728%)
  - Joint lead managers: KBC, GSI, Natixis, UBS

Outstanding Benchmarks

Tranche Report							
Issuer	Curr	Amount issued	Coupon	Settlement Date	Maturity Date	ISIN	YEAR
UNSECURED							
KBC Ifima N.V.	EUR	1 274 615 000	3m Euribor +42	31/03/2008	31/03/2014	XS0340282739	2014
KBC Ifima N.V.	EUR	743 968 000	3m Euribor +50	16/05/2008	16/05/2014	XS0352674682	2014
KBC Ifima N.V.	EUR	250 000 000	4.75	26/01/2009	26/01/2014	XS0406774538	2014
KBC Ifima N.V.	EUR	1 250 000 000	4.5	17/09/2009	17/09/2014	XS0452462723	2014
KBC Ifima N.V.	EUR	750 000 000	3.875	31/03/2010	31/03/2015	XS0498962124	2015
KBC Ifima N.V.	EUR	750 000 000	5	16/03/2011	16/03/2016	XS0605440345	2016
KBC Ifima N.V.	EUR	250 000 000	3.875	14/04/2011	31/03/2015	XS0498962124	2015
KBC Ifima N.V.	EUR	500 000 000	4.375	25/05/2011	26/10/2015	XS0630375912	2015
KBC Ifima N.V.	EUR	1 250 000 000	3.625	7/03/2012	07/03/2014	XS0754262755	2014
KBC Ifima N.V.	EUR	1 000 000 000	4.5	27/03/2012	27/03/2017	XS0764303490	2017
KBC Ifima N.V.	EUR	500 000 000	3	29/08/2012	29/08/2016	XS0820869948	2016
KBC Ifima N.V.	EUR	750 000 000	2.125	10/09/2013	10/09/2018	XS0969365591	2018
COVERED							
KBC Bank N.V.	EUR	1 250 000 000	1.125	11/12/2012	11/12/2017	BE6246364499	2017
KBC Bank N.V.	EUR	750 000 000	2	31/01/2013	31/01/2023	BE0002425974	2023
KBC Bank N.V.	EUR	1 000 000 000	1.25	28/05/2013	28/05/2020	BE0002434091	2020
KBC Bank N.V.	EUR	750 000 000	0.875	29/08/2013	29/08/2016	BE0002441161	2016



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 000000	EUR 1 250 000 000	EUR 700 000 000
Tendered	EUR 161 300 000	USD 431 400 000	EUR 179 200 000	GBP 480 500 000		
Net Amount	EUR 118 700 000	USD 168 600 000	EUR 120 800 000	GBP 44 500 000		
ISIN-code	XS0099124793	USU2445QAA68 / US48239AAA79	US48239FAA66 / USU2445TAA08	BE0119284710	BE0934378747	XS0368735154
Call date	30/09/2009	02/11/2009	10/11/2009	19/12/2019		27/06/2013
Initial couon	6.88%	9.86%	8.22%	6.20%	8.00%	8.00%
Step-up coupon	3m euribor + 300bps	3m usd libor + 405bps	3m usd libor + 405bps	3m gbp libor + 193bps	no step-up	no step-up
First (next) call date	31/12/2013	02/02/2014	10/02/2014	19/12/2019	14/05/2014	27/06/2014
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 organised in September 2009

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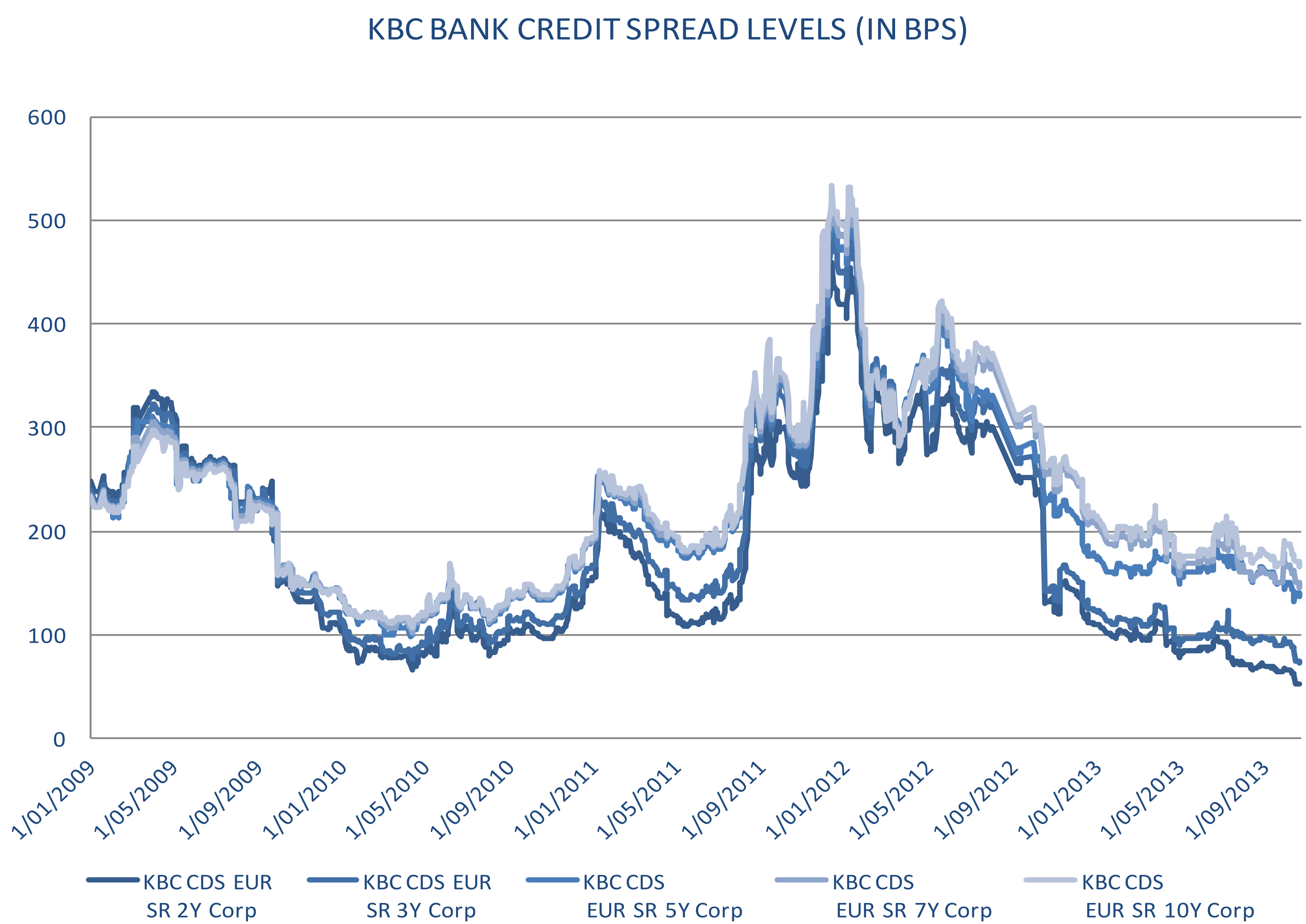
KBC Bank CDS levels since 2009



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Key messages on KBC's covered bond programme

- **KBC's covered bonds are backed by strong legislation and superior collateral**
  - KBC's covered bonds are rated Aaa/AAA (Moody's/Fitch) rated
  - Cover pool: Belgian residential mortgage loans
  - Strong Belgian legislation – inspired by German Pfandbriefen law
  - KBC has a disciplined origination policy – 2007 to 2012 average residential mortgage loan losses below 2 bp
  - CRD and UCITS compliant / 10% risk-weighted

- **As at 29 August 2013 KBC already issued three successful benchmark covered bonds (3, 5, 7 and 10 year)**

- **The covered bond programme is considered as an important funding tool**

- **Sound economic picture provides strong support for Belgian housing market**
  - High private savings ratio of 17%
  - Belgian unemployment is significantly below the EU average
  - Demand still outstrips supply

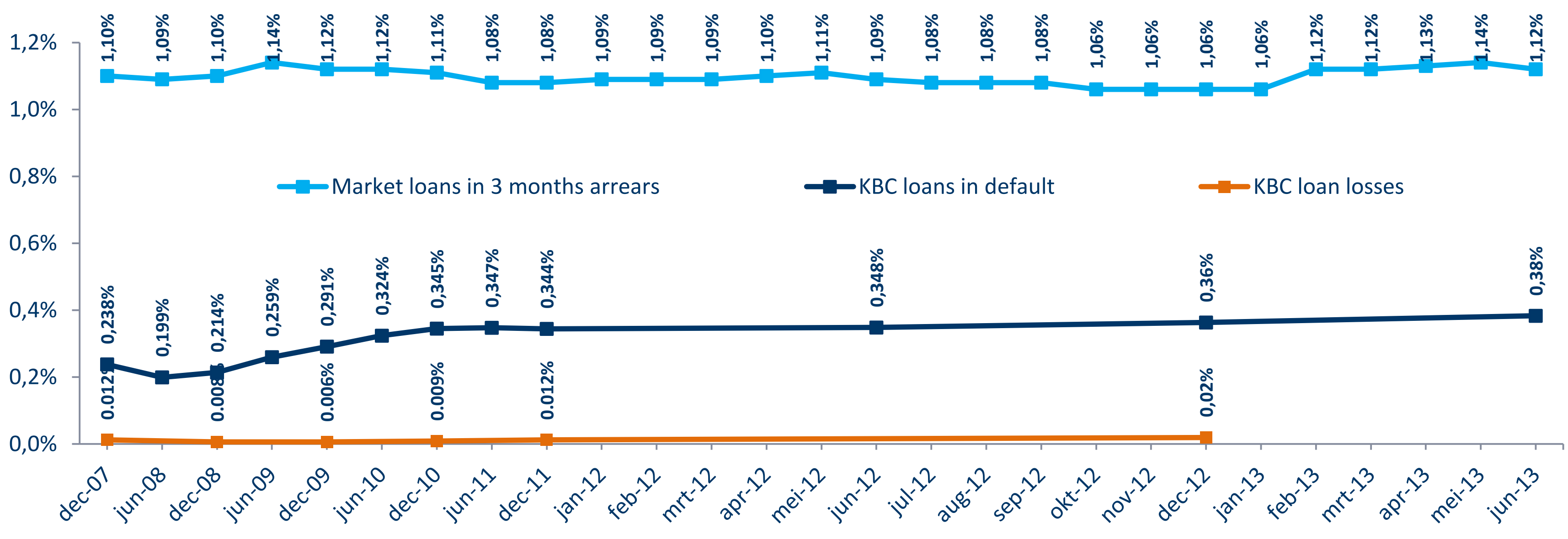
KBC's disciplined origination leads to low arrears and extremely low loan losses

BELGIUM SHOWS A SOLID PERFORMANCE OF MORTGAGES

Arrears have been pretty stable over the past 10 years. Arrears in Belgium are low due to:

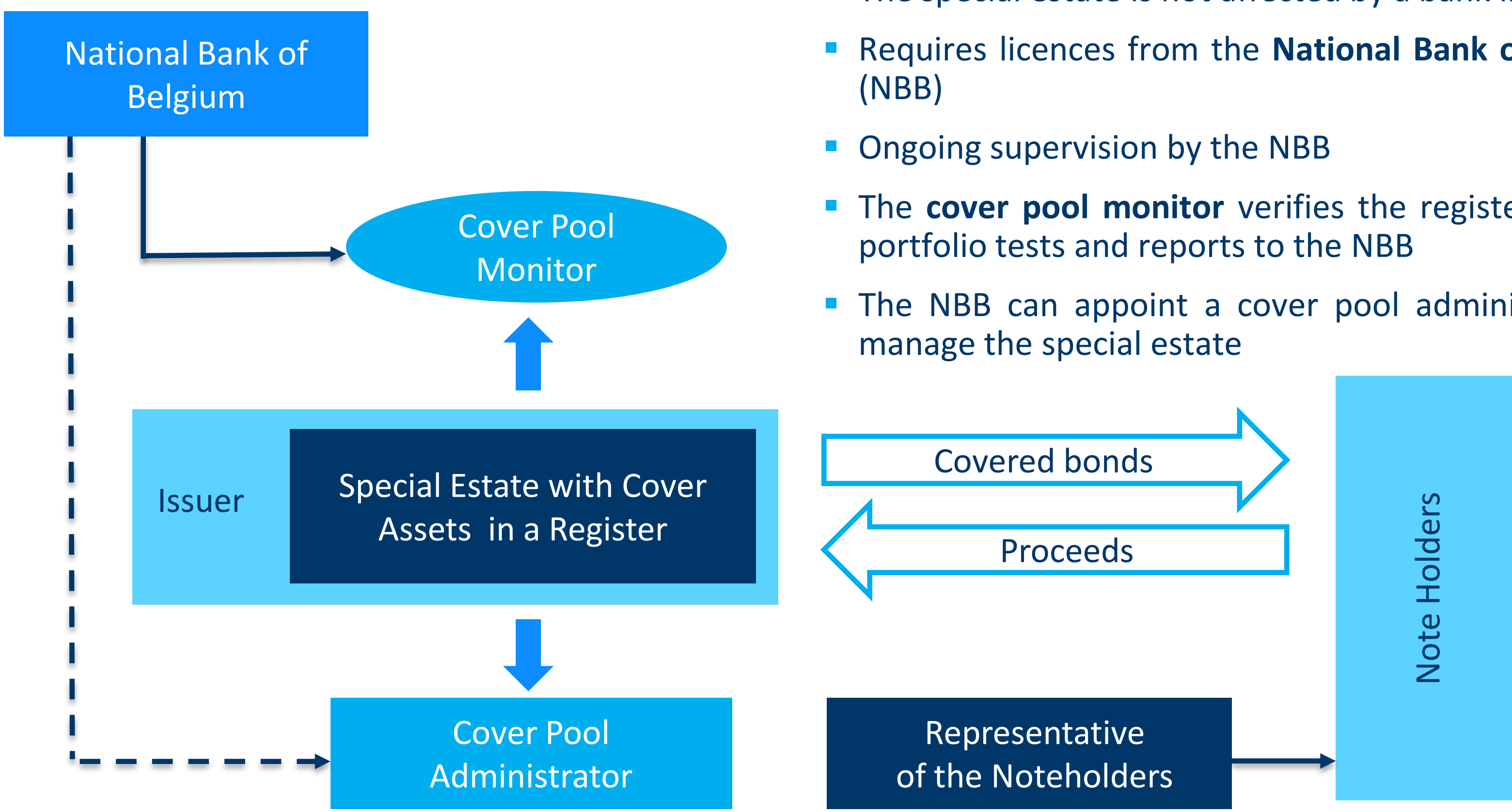
- Cultural aspects, stigma associated with arrears, importance attached to owning one's property.
- High home ownership also implies that the change in house prices itself has limited impact on loan performance
- Well established credit bureau and surrounding legislation
- Housing market environment (no great house price declines)

… AND KBC HAS EXTRAORDINARY LOW LOAN LOSSES



Belgian legal framework

- Direct covered bond issuance from a bank's balance sheet
- Dual recourse, including recourse to a special estate with cover assets included in a register
- The special estate is not affected by a bank insolvency
- Requires licences from the **National Bank of Belgium** (NBB)
- Ongoing supervision by the NBB
- The **cover pool monitor** verifies the register and the portfolio tests and reports to the NBB
- The NBB can appoint a cover pool administrator to manage the special estate



Strong legal protection mechanisms

1 Collateral type

- The value of one asset category must be at least 85% of the nominal amount of covered bonds
  - KBC Bank selects residential mortgage loans and commits that their value (including collections) will be at least 105%

2 Over-collateralisation Test

- The value of the cover assets must at least be 105% of the covered bonds
  - The value of residential mortgage loans:
    1) is limited to 80% LTV
    2) must be fully covered by a mortgage inscription (min 60%) plus a mortgage mandate (max 40%)
    3) 30 day overdue loans get a 50% haircut and 90 days (or defaulted) get zero value

3 Cover Asset Coverage Test

- The sum of interest, principal and other revenues of the cover assets must at least be the interest, principal and costs relating to the covered bonds
  - Interest rates are stressed by plus and minus 2% for this test

4 Liquidity Test

- Cover assets must generate sufficient liquidity or include enough liquid assets to pay all unconditional payments on the covered bonds falling due the next 6 months
  - Interest rates are stressed by plus and minus 2% for this test

5 Cap on Issuance

- Maximum 8% of a bank's assets can be used for the issuance of covered bonds

KBC Bank NV residential mortgage covered bond programme

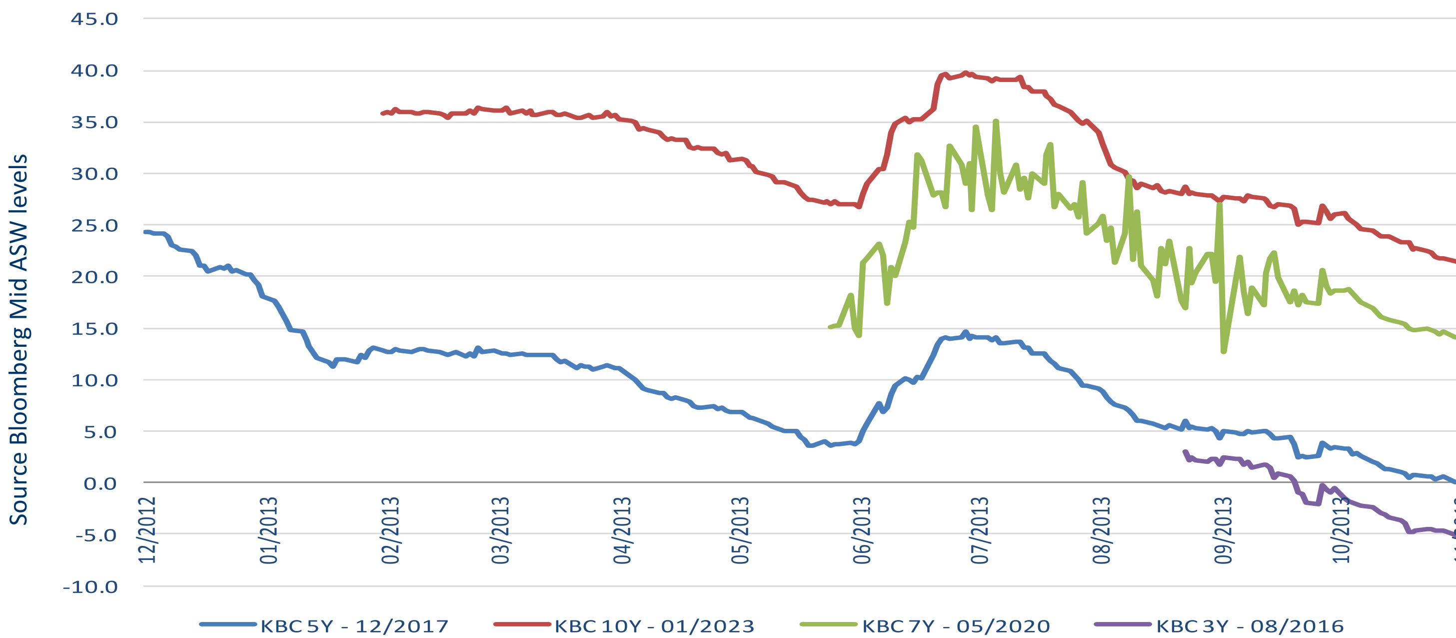
Issuer:	• KBC Bank NV
Main asset category:	• min 105% of covered bond outstanding is covered by residential mortgage loans and collections thereon
Program size:	• Up to 10bn EUR (only)
Interest rate:	• Fixed Rate, Floating Rate or Zero Coupon
Maturity:	• Soft Bullet: payment of the principal amount may be deferred past the Final Maturity Date until the **Extended Final Maturity Date** if the Issuer fails to pay • Extension period is 12 months for all series
Events of default:	• Failure to pay any amount of principal on the Extended Final Maturity Date • A default in the payment of an amount of interest on any interest payment date
Rating agencies:	• Moody's Aaa /Fitch AAA

	Moody's	Fitch
Over-collateralisation	**28%**	**39%, expected to decrease upon further bond issuance**
	TPI Cap Probable	**D-cap 4 (moderate risk)**

Benchmark issuance KBC covered bonds

- **Since establishment of the covered bond programme KBC has issued four benchmark issuances**:
  - The inaugural EUR covered bond was issued in December 2012 for an amount of EUR 1.25bn EUR with a 5 years maturity at Mid swaps+30bp
  - On 24th January 2013, KBC Bank launched its second EUR covered benchmark issue for an amount of 750m EUR with a 10 year maturity at Mid swaps+36bp
  - On 28th May 2013, KBC Bank launched its third EUR covered benchmark issue for an amount of 1bn EUR with a 7 year maturity at Mid swaps+16bp
  - On 29th august 2013, KBC Bank launched its fourth EUR covered benchmark issue for an amount of 750m EUR with a 3 year maturity at Mid swaps+5bp

SPREAD EVOLUTION KBC COVERED BONDS (SPREAD IN BP VERSUS 6 MONTH MID SWAP)



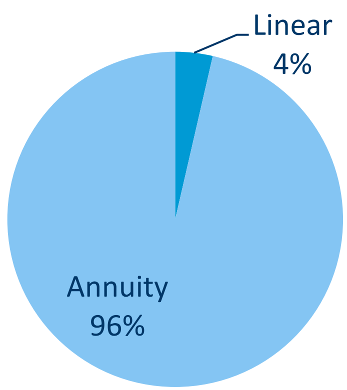
Key cover pool characteristics (1/3)

Investor reports, final terms and prospectus are available on www.kbc.com/covered_bonds

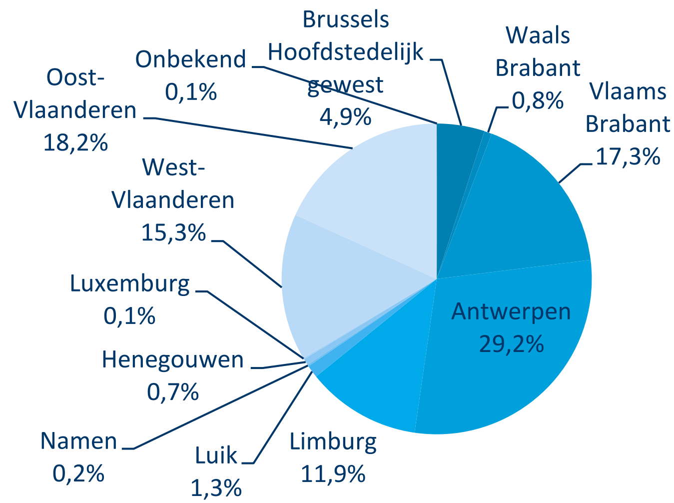
Data portfolio data as of :	30 September 2013
Total Outstanding Principal Balance	5 972 273 254
Total value of the assets for the over-collateralisation test	5 348 914 512
No. of Loans	56 651
Average Current Loan Balance per Borrower	134 948
Maximum Loan Balance	1 000 000
Minimum Loan Balance	1 000
Number of Borrowers	44 256
Longest Maturity	359 month
Shortest Maturity	1 month
Weighted Average Seasoning	30 months
Weighted Average Remaining Maturity	231 months
Weighted Average Current Interest Rate	3.40%
Weighted Average Current LTV	69%
No. of Loans in Arrears(+30days)	50
Direct Debit Paying	97.5%

Key cover pool characteristics (2/3)

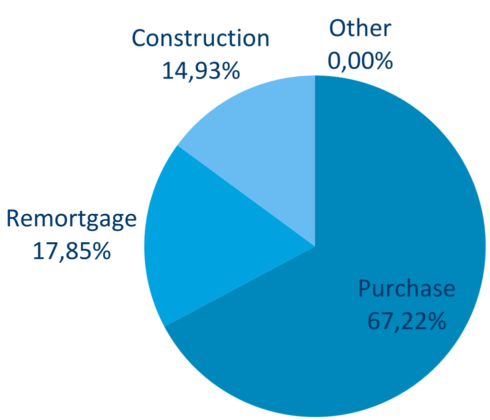
REPAYMENT TYPE (LINEAR VS. ANNUITY)



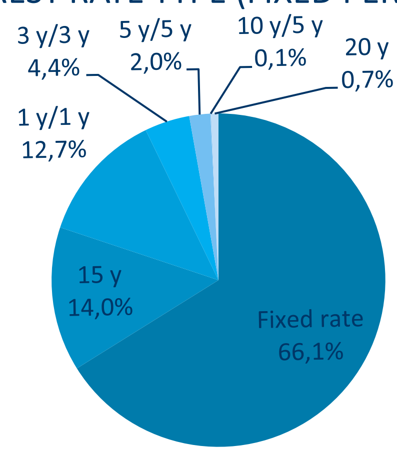
GEOGRAPHICAL ALLOCATION



LOAN PURPOSE

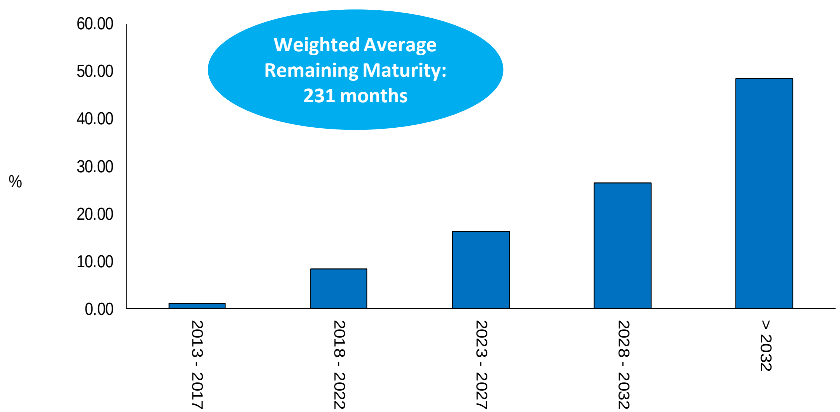


INTEREST RATE TYPE (FIXED PERIODS)

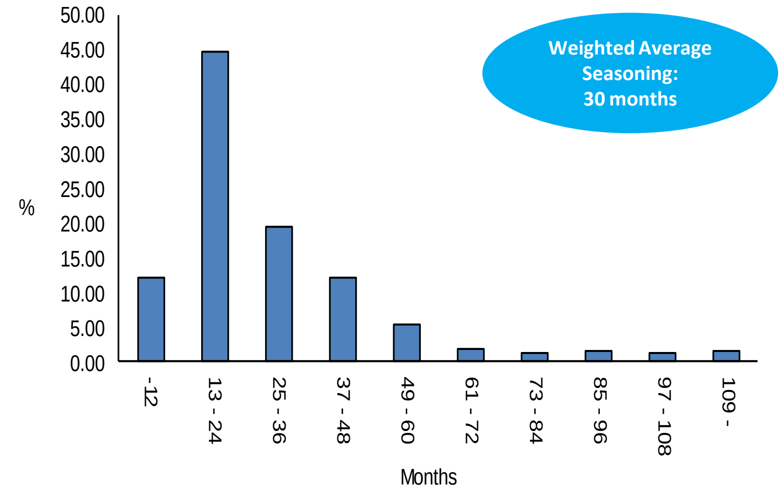


Key cover pool characteristics (3/3)

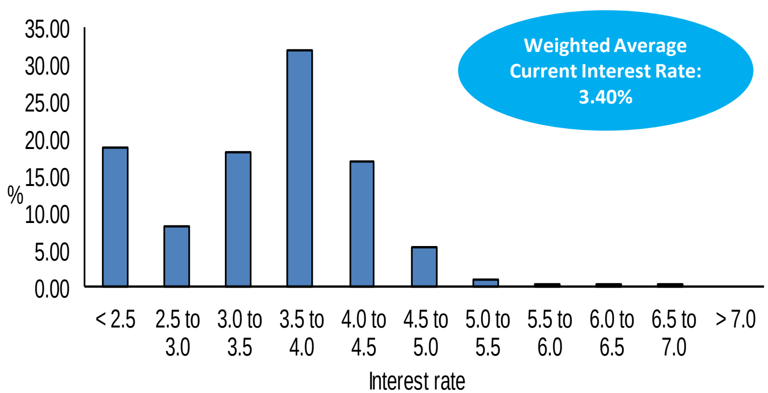
FINAL MATURITY DATE



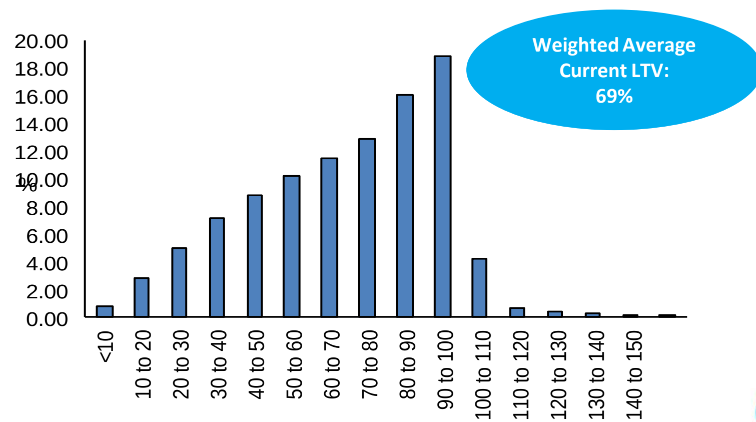
SEASONING



INTEREST RATE



CURRENT LTV



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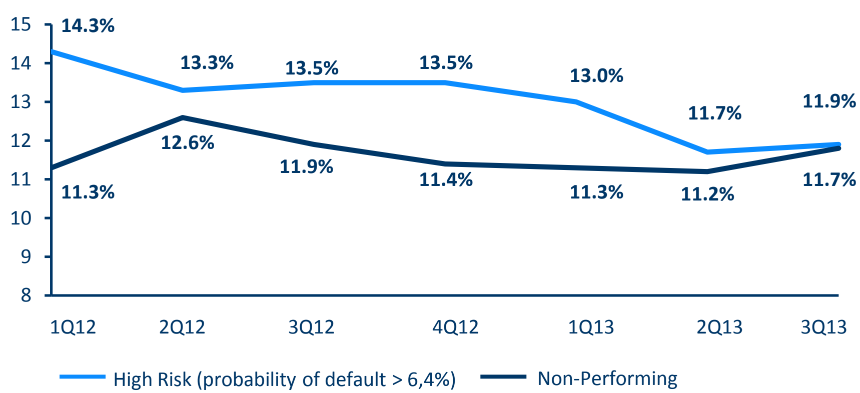
8. Macroeconomic views

Hungary (1)

HUNGARIAN LOAN BOOK
KEY FIGURES AS AT 30 SEPTEMBER 2013

Loan portfolio	Outstanding	NPL	NPL coverage
SME/Corporate	2.7bn	6.4%	62%
Retail	2.4bn	17.7%	64%
o/w private	2.0bn	19.7%	64%
o/w companies	0.4bn	7.6%	57%
	5.1bn	11.7%	63%

PROPORTION OF HIGH RISK AND NPLS



- 3Q13 **net result** at the K&H Group amounted to 43m EUR
- **YTD net result** amounted to 50m EUR including
  - ‘regular’ bank tax (-43m EUR post-tax) in 1Q13
  - the additional one-off FTL-related charge (-22m EUR post-tax) in 2Q13
- **Loan loss provisions** amounted to 12m EUR in 3Q13 (10m EUR in both 1Q13 and 2Q13)
- The **credit cost ratio** came to 0.86% in 9M13 (versus 0.78% in FY 2012), despite continued stable trends in corporate and SME portfolios
- **NPL** increased to 11.7% in 3Q13 from 11.2% in 2Q13, due mainly to a continuous NPL increase in retail

Hungary (2)

- **FINANCIAL TRANSACTION LEVY**

  - The Hungarian Parliament adopted fiscal adjustment measures on 27 June 2013, including
    - a significant increase in the level of the financial transaction levy (FTL) introduced on 1 January 2013
    - a one-off charge (to compensate shortfall in the FTL in the state budget) which was set to 208% of the FTL payment obligation for the January-April period

  - Details of the increased FTL levels came into effect on 1 August 2013:
    - The levy on electronic and paper-based transfers and other non-cash financial transactions was increased to 0.3% from the previous 0.2% (the cap remained unchanged at 6,000 HUF)
    - The levy on cash transactions was raised from 0.3% to 0.6% and the 6,000 HUF cap was abolished
    - Since this will have an impact on the cost to banks, it has prompted K&H to readjust its fee structure again. The gross amount of the levy is estimated to be approximately 49m EUR pre-tax (40m EUR post-tax) for K&H in FY13 (of which roughly 34m EUR pre-tax was recorded in 9M13)

  - The one-off charge based on 208% of the FTL obligation for the January-April period is to be paid in four equal instalments in the September-December period. K&H has included the full amount of this one-off charge in its books for 2Q13 (27m EUR pre-tax and 22m EUR post-tax)

  - The government is expected to make two cash withdrawals up to 150,000 HUF a month free of charge for the clients and make card payments exempt from the financial transaction levy (FTL) as of January 2014

Hungary (3)

- **FX HOUSING LOANS**

  - On 24 July, Economy Minister announced that **foreign currency-denominated mortgage loans taken out for home purchases** need to be taken out of the local lending market and a situation must be created where those borrowing in forint are not worse off than if they had taken out an FX loan
  - The Hungarian Banking Association debated this with the Ministry of the National Economy, without any final conclusion yet. As a result, further discussions will take place during the remainder of the year
  - Since the outcome of these discussions is uncertain, the potential impact is also uncertain
  - The size of K&H Bank's FX mortgage portfolio (gross value):
    - Total Retail FX mortgage: 1.4bn EUR
      - **Retail FX housing loans: 0.6bn EUR**
      - Retail FX home equity loans: 0.8bn EUR

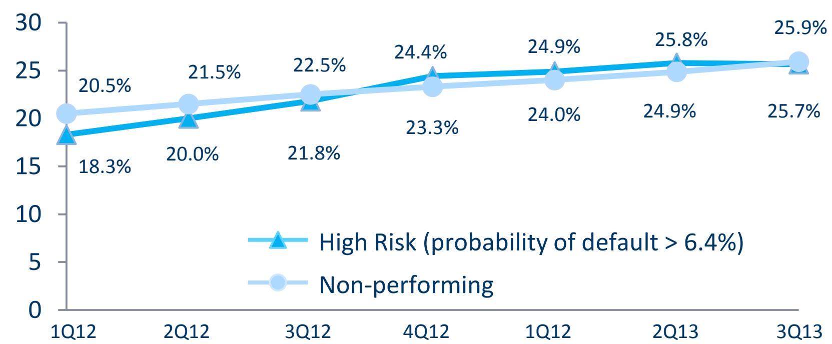
Ireland (1)

IRISH LOAN BOOK
KEY FIGURES AS AT 30 SEPTEMBER 2013

LOAN PORTFOLIO	OUTSTANDING	NPL	NPL COVERAGE
Owner occupied mortgages	9.1bn	19.5%	35%[1]
Buy to let mortgages	3.1bn	33.7%	44%[1]
SME /corporate	1.5bn	22.2%	83%
Real estate investment Real estate development	1.3bn 0.5bn	33.0% 90.6%	66% 77%
	15.5bn	25.9%	49%[1]

1. The total NPL coverage ratio amounted to 54% at the end of 3Q13 (53% in 2Q13) taking into account the adjustments for the Mortgage Indemnity Guarantee and Reserved Interest (42% for owner occupied mortgages and 50% for buy to let mortgages, respectively)

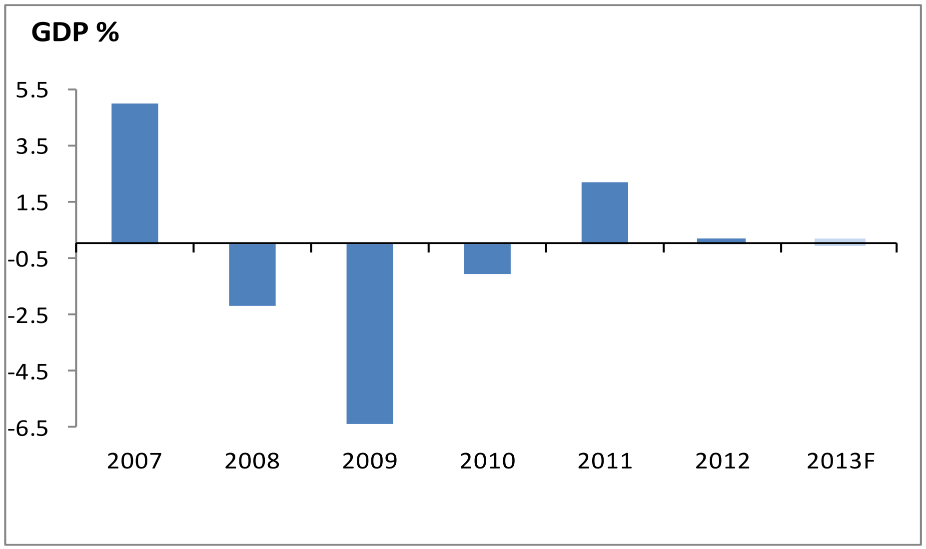
PROPORTION OF HIGH RISK AND NPLS



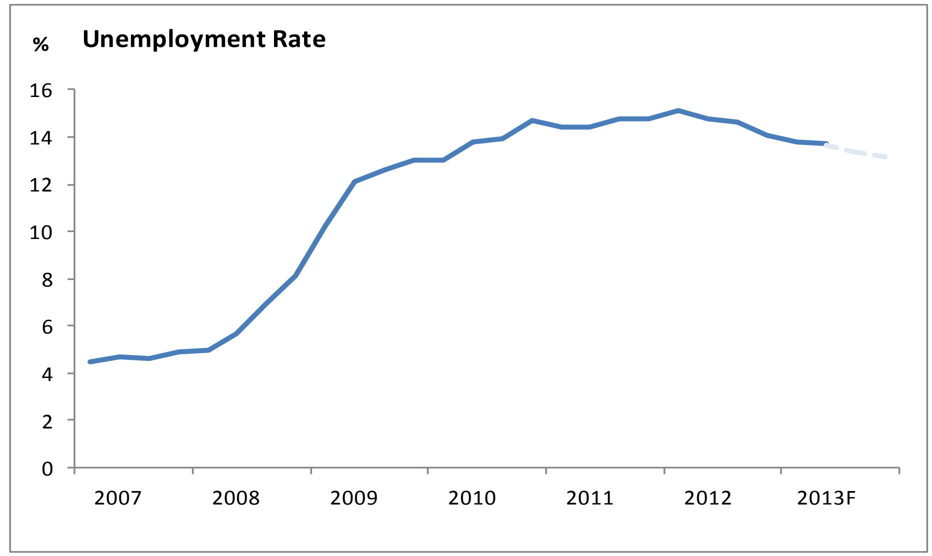
- **Loan loss provisions** in 3Q13 of 98m EUR (129m EUR in 3Q12). Net result in 3Q13 was -80m EUR (-93m EUR in 3Q12)
- Employment and incomes are increasing and survey evidence points towards some improvement in business conditions. Weak growth in export markets and ongoing budget adjustment in Ireland are restraining the recovery in Irish economic activity. Overall, recent data have been mixed but remain consistent with the expectation of a **modest rise in GDP in 2013**
- Most indicators point towards a **gradual but uneven improvement in the housing market** in the first nine months of 2013. Broadly similar conditions are likely to prevail through the remainder of the year
- **Increased demand for commercial property** within key urban areas from domestic and international investment funds
- KBCI is proactively engaging with those customers who are experiencing financial difficulty and is implementing its long term Mortgage Arrears Resolution Strategy. As part of this, **KBCI has met the Q3 public target set by the Central Bank of Ireland in relation to the resolution of greater than 90 day arrears cases**
- The new Insolvency Service of Ireland (ISI) has been operational since 3Q13. As part of the rollout of its **Mortgage Arrears Resolution Strategy,** KBCI is resolving the mortgage difficulties of a significant number of its customers and this should reduce the requirement for such customers to seek a Personal Insolvency Arrangement
- **Continued successful retail deposit campaign** with gross retail deposit levels increased by 0.8bn EUR since end 2012 to 2.9bn EUR at end 3Q13 and approx. 7,000 new customer accounts were opened in the quarter. KBCI continues to experience **improved demand for mortgage products,** as further evidence of a stable housing market in primary locations emerges
- KBC launched a compelling **current account proposition** with full online capability to consumers in September 2013 and further expanded its distribution reach by opening new offices in Limerick and Galway
- **Local tier-1 ratio of 12.45% at the end of 3Q13**

Ireland (2) Key indicators show tentative signs of stabilisation

CONTINUING TENTATIVE SIGNS OF **GDP GROWTH**

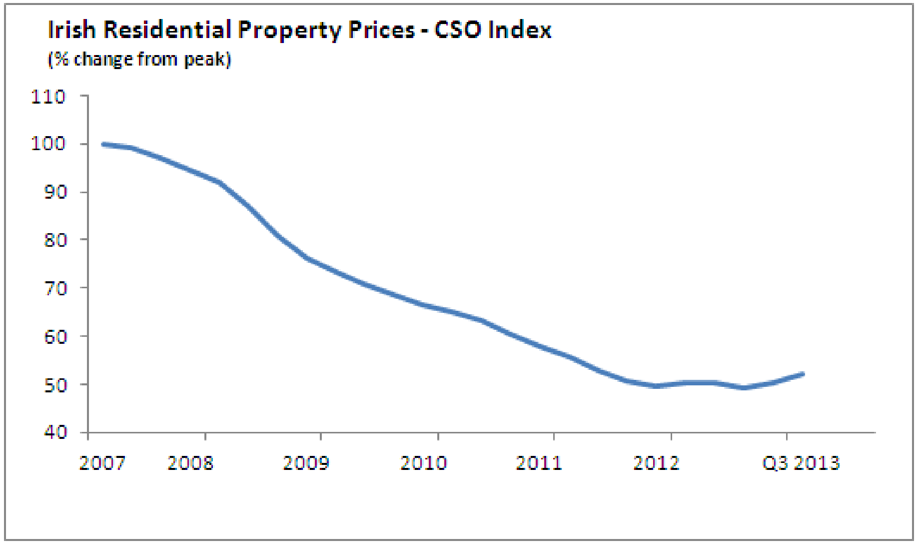


UNEMPLOYMENT RATE HAS REMAINED BROADLY STABLE YEAR TO DATE

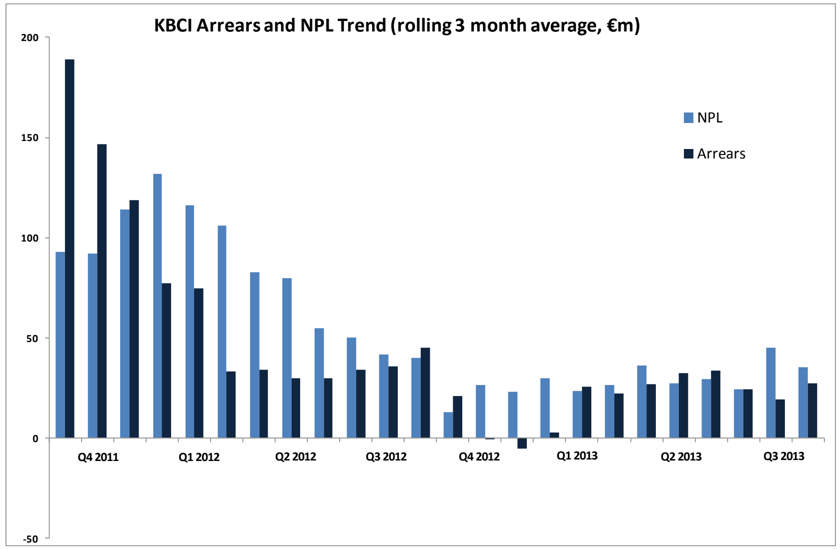


Ireland (3) Key indicators show tentative signs of stabilisation

RESIDENTIAL PROPERTY PRICES SHOWING CONTINUED SIGNS OF STABILISATION



INCREASE IN **RESIDENTIAL MORTGAGE ARREARS & NPL**



Loan book reassessment

LOAN BOOK HAS BEEN REASSESSED IN VIEW OF EBA/ESMA PAPER AND UPCOMING AQR*

- **SPECIFIC FOCUS ON IRELAND, ALSO IN THE LIGHT OF CBI GUIDELINES AND MARS IMPLEMENTATION STATUS***
  - We expect additional provisions due to the reclassification of 2.0bn EUR restructured *mortgage* loans from non-impaired PD 1-9 to impaired PD 10**
  - We also expect additional provisions for *corporate* loans due to a more prudent outlook on future cashflows and collateral values, given the slower than expected recovery in Ireland
  - In total, this is likely to lead to an impairment in Ireland of up to 775m EUR in 4Q13***
  - Going forward, we expect loan loss provisions in the range of 150m-200m EUR for FY14 and 50m-100m EUR for each of FY15 and FY16
  - We expect to be profitable in Ireland from 2016 onwards
  - This loan book reassessment may have a negative RWA impact
- **FOR ALL THE OTHER COUNTRIES,** THE CURRENTLY ESTIMATED IMPACT IS CONSIDERED TO BE IMMATERIAL

* AQR: Asset Quality Review; CBI: Central Bank of Ireland; EBA: European Banking Authority; ESMA: European Securities and Markets Authority ; MARS: Mortgage Arrears Resolution Strategy

** PD: Probability of Default. According to EBA, PD 10 (currently impaired but performing) will be classified as non-performing

*** Impairment of up to 775m EUR in 4Q13 is the sum of the roughly guided 100m EUR per quarter in 2013 and an additional impairment, as a result of the EBA/ESMA paper and upcoming AQR

Irish Homeloans portfolio before and after reassessment

Homeloans portfolio BEFORE reassessment, based on 3Q13 situation

PD	Exposure	Impairment	Cover %
PD 1-8	6,711	16	0.2%
Of which without restructure	5,894		
Of which in Live restructure	817		
PD 9	2,391	125	5.2%
Of which without restructure	663		
Of which in Live restructure	1,727		
PD 10	273	78	28.6%
PD 11	2,507	710	28.3%
PD 12	310	155	49.9%
TOTAL PD1-12	**12,192**	**1,084**	
PD10-12 impairment/exposure			*30.5%*

Amounts in m EUR

+2.0bn to PD 10

Homeloans portfolio AFTER reassessment, based on 3Q13 situation

PD	Exposure	Impairment	Cover %
PD 1-8	6,134	16	0.3%
Of which without restructure	5,894		
Of which in Live restructure	240		
PD 9	938	94	10.0%
Of which without restructure	663		
Of which in Live restructure	275		
PD 10	2,303	518	22.5%
PD 11	2,507	811	32.3%
PD 12	310	155	49.9%
TOTAL PD1-12	**12,192**	**1,594**	
PD10-12 impairment/exposure			*29.0%*

+510m EUR additional impairment

- We identified roughly **2.0bn EUR** performing restructured mortgage loans moving **from PD 1-9 to PD 10**
- **Only 0.5bn EUR** of loans in Live restructure will be left in PD 1-9
- This is likely to lead to an **additional impairment of 510m EUR** in 4Q13, leading to an impaired PD10-12 cover rate (PD10-12 impairment / PD10-12 exposure) of 30.5% before reassessment and 29.0% after reassessment (due to the combined effect of (i) a higher cover ratio for previously impaired exposure and (ii) a relatively lower cover ratio for newly impaired exposure in view of their inherently better risk characteristics)

Irish corporate loan portfolio before and after reassessment

Corporate loan portfolio BEFORE reassessment, based on 3Q13 situation

PD	Exposure	Impairments	Cover %
PD 1-8	1,111	4	0.4%
PD 9	358	13	3.5%
PD 10	637	193	30.3%
PD 11	491	238	48.4%
PD 12	708	443	62.6%
TOTAL PD1-12	**3,305**	**891**	

Amounts in m EUR

+0.2bn in PD 10

Corporate loan portfolio AFTER reassessment, based on 3Q13 situation

PD	Exposure	Impairments	Cover %
PD 1-8	1,111	4	0.4%
PD 9	177	18	10.2%
PD 10	818	275	33.6%
PD 11	491	277	56.4%
PD 12	708	478	67.5%
TOTAL PD1-12	**3,305**	**1,052**	

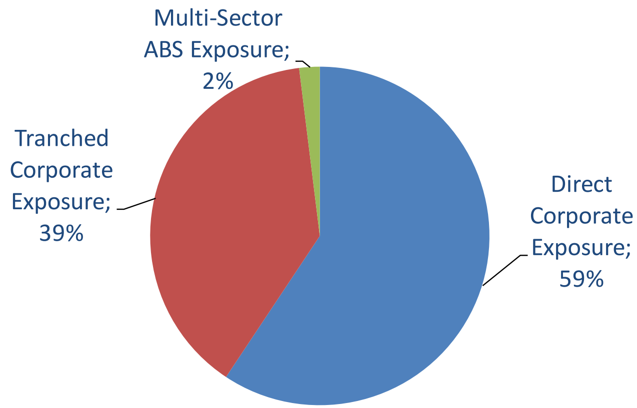
+161m EUR additional impairment

- Due to a more prudent outlook on future cashflows and collateral values (given the slower than expected recovery in Ireland), we estimate to reclassify roughly **0.2bn EUR** corporate loans **from PD 9 to PD 10** and will increase the impairments on impaired loans.
- Exposure of the PD9 bucket is expected to be **halved**
- This is likely to lead to an **additional impairment of 161m EUR** in 4Q13

Breakdown of KBC’s CDOs originated by KBC FP

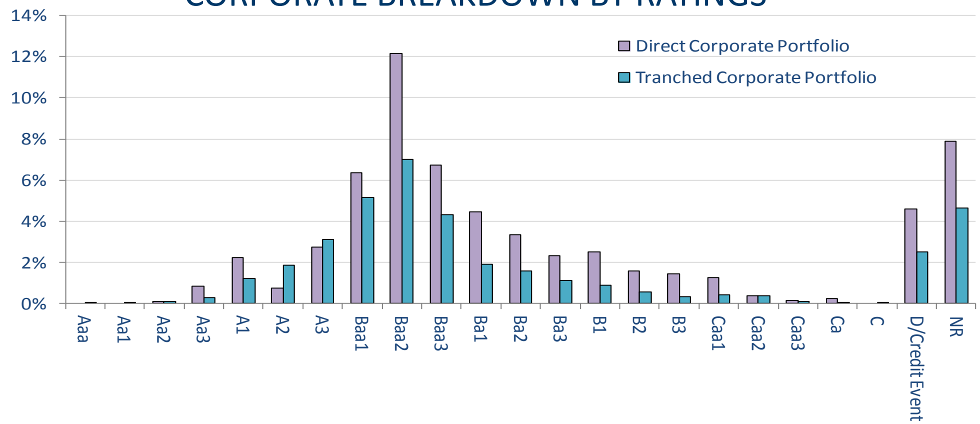
(figures as of 7 October 2013)

BREAKDOWN OF ASSETS UNDERLYING KBC’S CDOS ORIGINATED BY KBC FP[1]



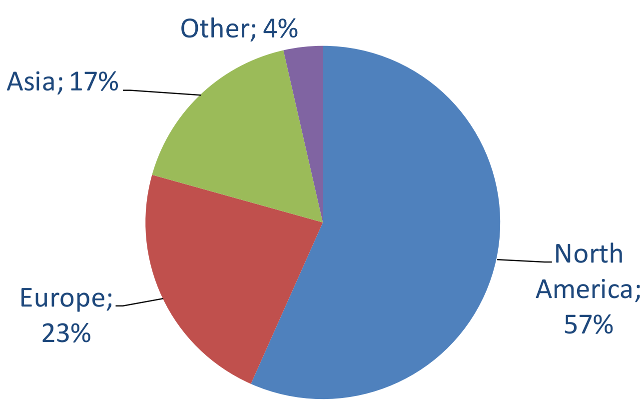
1. as % of total current deal notional, after settled credit events

CORPORATE BREAKDOWN BY RATINGS [3]



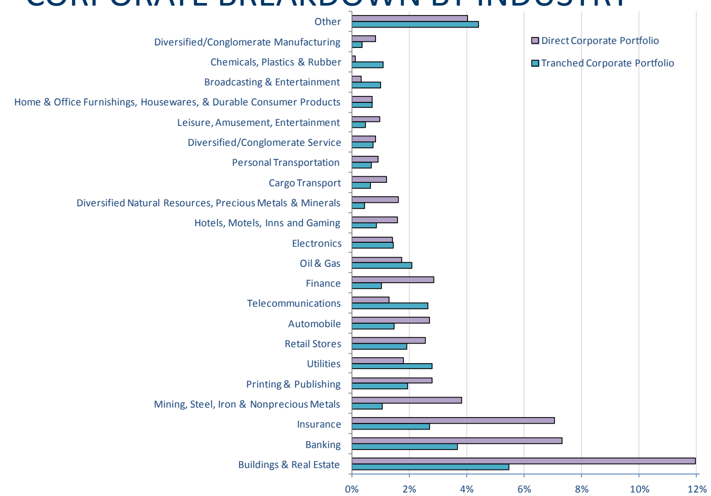
3. Direct corporate exposure as a % of total corporate portfolio; tranched corporate exposure as a % of total corporate portfolio. Figures based on Moody’s ratings.

CORPORATE BREAKDOWN BY REGION[2]



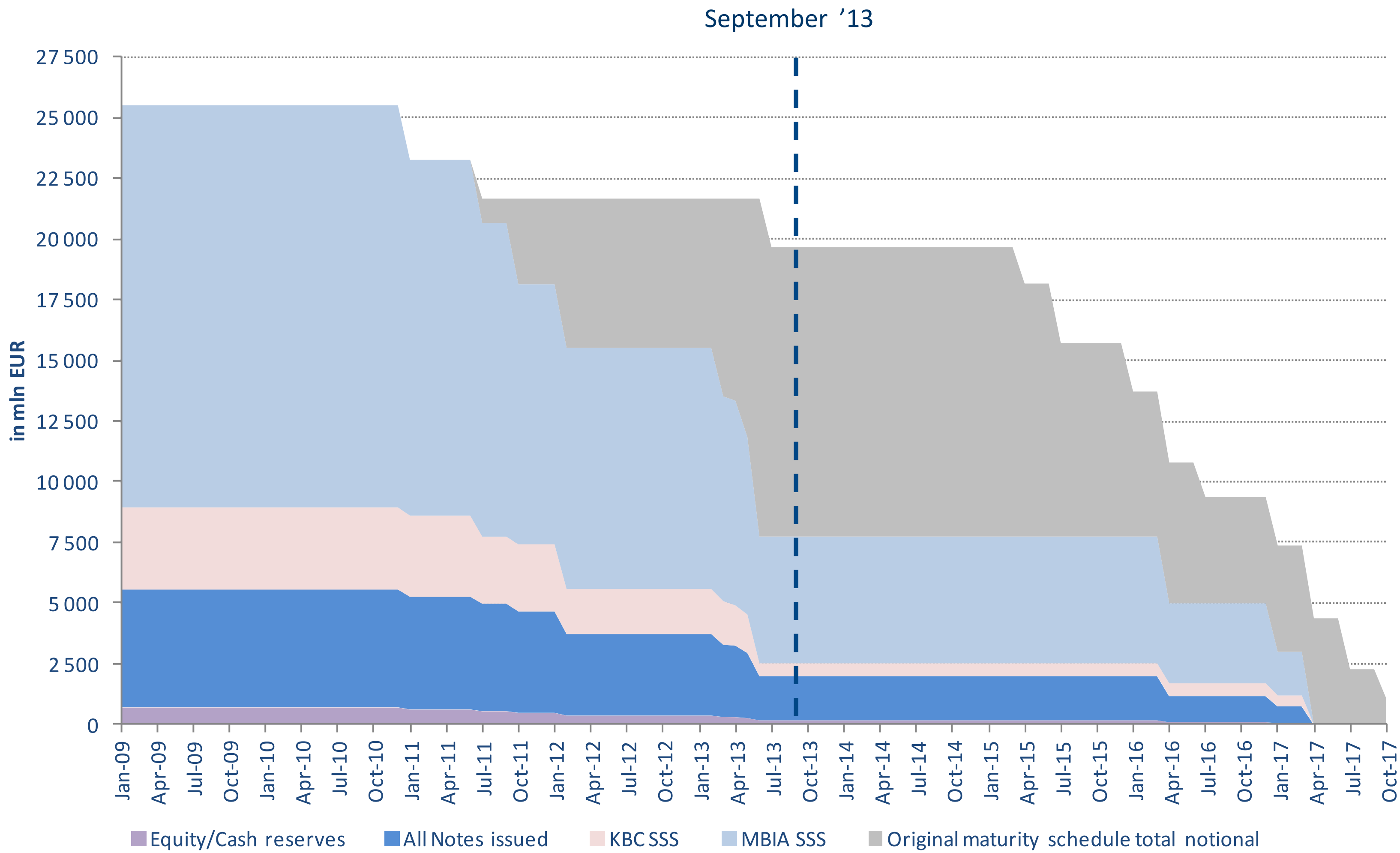
2. Direct and tranched corporate exposure as a % of the total corporate portfolio

CORPORATE BREAKDOWN BY INDUSTRY [4]



4. Direct corporate exposure as a % of total corporate portfolio; tranched corporate exposure as a % of total corporate portfolio. Figures based on Moody’s ratings.

Maturity schedule of the CDOs issued by KBC FP

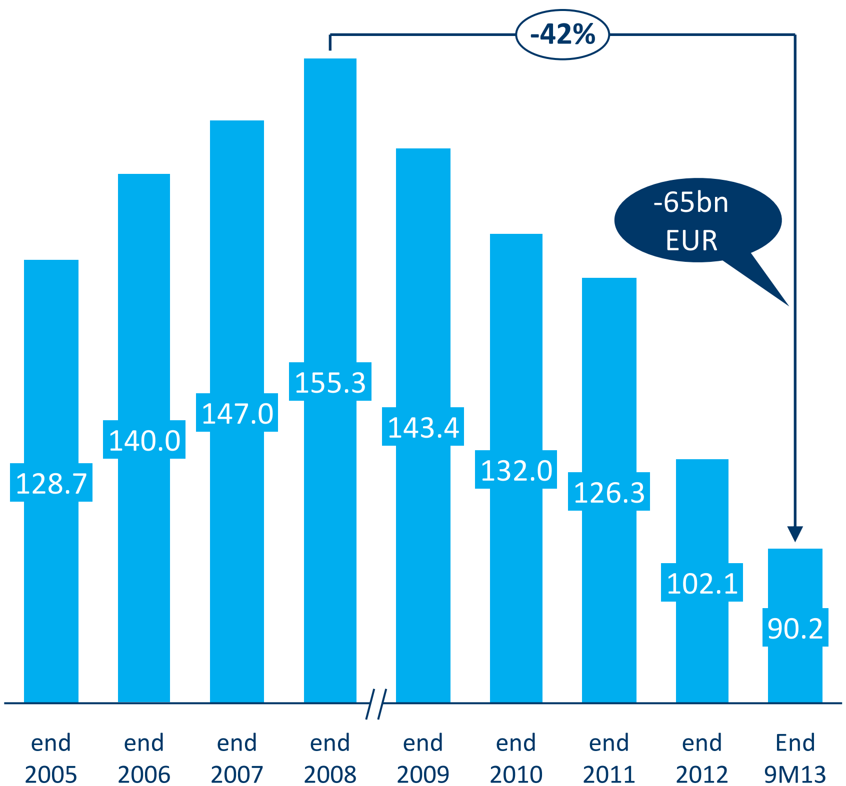


Appendices

RWA reduced by more than initially planned

- **42% reduction in risk weighted assets between the end of 2008 and 9M13** due mainly to divestment activities
  - Further progress on divestments: we have signed an agreement to sell KBC Bank Deutschland
  - The 3.6bn EUR reduction in RWA during 3Q13 was attributable chiefly to the Belgium Business Unit (-2.5bn EUR, e.g. thanks to IRB's changes in its approach, RWA reduction related to shareholder loans and further reduction of loan exposure in foreign branches) and the Group Centre (-1bn EUR, mainly at KBC FP and legacy portfolios)

KBC GROUP RISK WEIGHTED ASSETS (bn EUR)

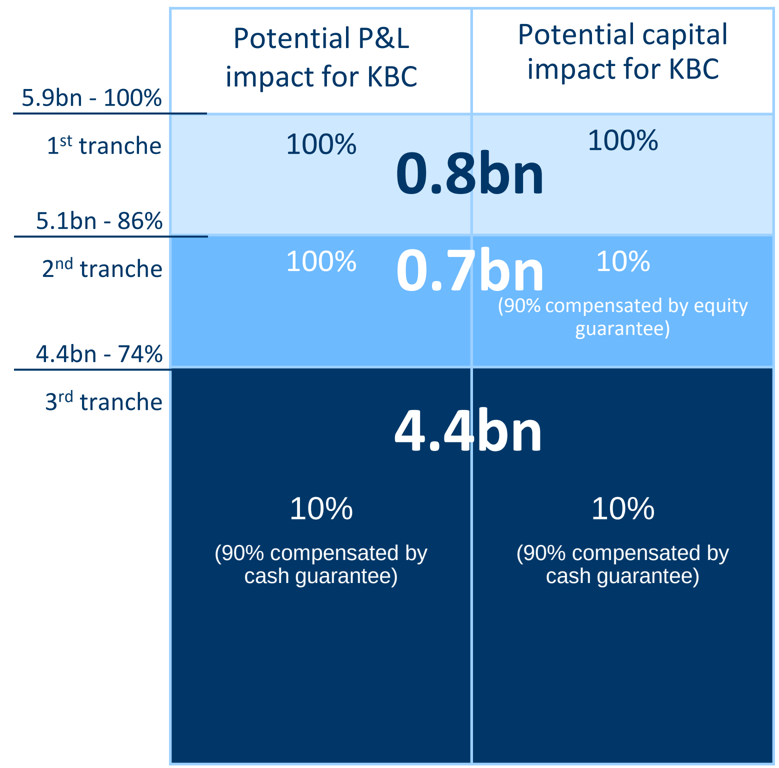


SELECTED DIVESTMENTS	
KBC FP Convertible Bonds	✓
KBC FP Asian Equity Derivatives	✓
KBC FP Insurance Derivatives	✓
KBC FP Reverse Mortgages	✓
KBC Peel Hunt	✓
KBC AM in the UK	✓
KBC AM in Ireland	✓
KBC Securities BIC	✓
KBC Business Capital	✓
Secura	✓
KBC Concord Taiwan	✓
KBC Securities Romania	✓
KBC Securities Serbia	✓
Organic wind-down of international MEB loan book outside home markets	✓
Centea	✓
Fidea	✓
Warta	✓
KBL European Private Bankers	✓
Zagiel	✓
Kredyt Bank	✓
NLB	✓
Absolut Bank	✓
KBC Banka	Signed
KBC Bank Deutschland	Signed
Antwerp Diamond Bank	Work-in-progress

Appendices

Summary of government transactions

- STATE GUARANTEE COVERING 5.9BN* EUROS' WORTH OF CDO-LINKED INSTRUMENTS
  - Scope, instrument-by-instrument approach
    - CDO investments that were not yet written down to zero (0.7bn EUR) when the transaction was finalised
    - CDO-linked exposure to MBIA, the US monoline insurer (5.3bn EUR)
  - First and second tranche: 1.5bn EUR, impact on P&L borne in full by KBC, KBC has option to call on equity capital increase up to 0.6bn EUR (90% of 0.7bn EUR) from the Belgian State
  - Third tranche: 4.4bn EUR, 10% of potential impact borne by KBC

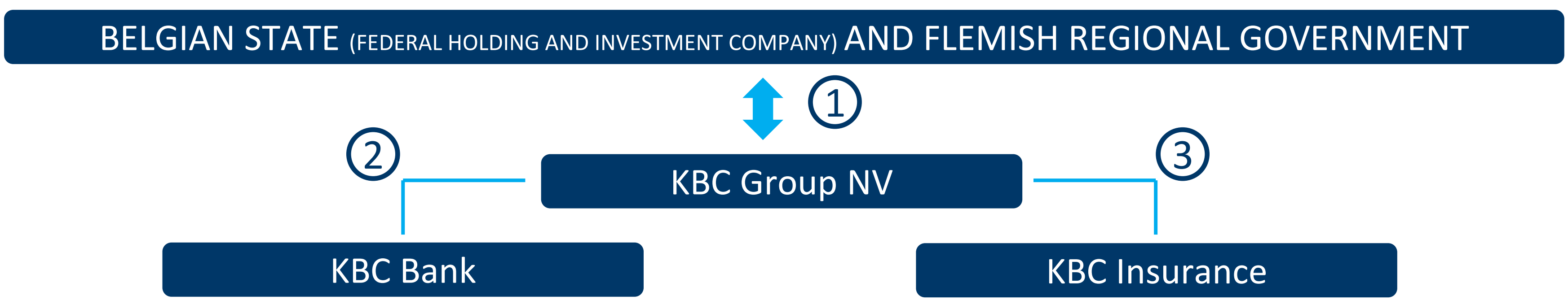


* Excluding all cover for expired, unwound or terminated CDO positions and after settled credit events.

Group’s legal structure

- GROUP’S LEGAL STRUCTURE

- OVERVIEW OF CAPITAL TRANSACTIONS WITH THE BELGIAN STATE AND THE FLEMISH REGIONAL GOVERNMENT



1. KBC Group NV Issues 7bn EUR of non-voting core-capital instruments to the Belgian State (3.5bn EUR) and the Flemish Regional Government (3.5bn EUR) - ***(Instruments to the Belgian State fully repaid in 2012 and at 3 July 2013 1.17bn of instruments repaid to the Flemish Regional Government*)**
2. Subscription to new ordinary shares of KBC Bank for a total of 5.5bn EUR
3. Subscription to new ordinary shares of KBC Insurance for a total of 1.5bn EUR

Structure of received State aid

- ORIGINALLY, 7BN EUR WORTH OF CORE CAPITAL SECURITIES SUBSCRIBED BY THE BELGIAN FEDERAL AND FLEMISH REGIONAL GOVERNMENTS

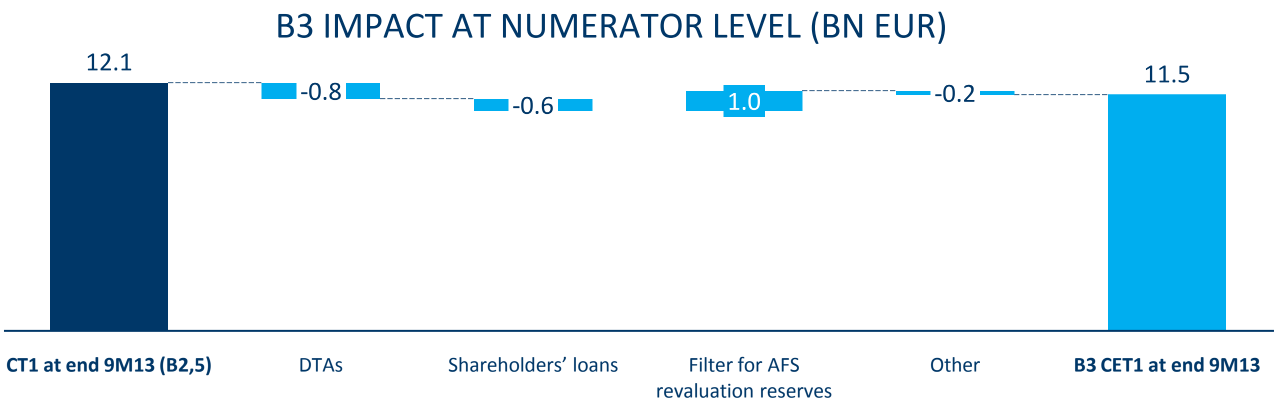
	BELGIAN STATE	FLEMISH REGION
Amount	3.5bn	3.5bn
Instrument	Perpetual fully paid up new class of non-transferable securities qualifying as core capital	
Ranking	Pari passu with ordinary stock upon liquidation	
Issuer	KBC Group Proceeds used to subscribe ordinary share capital at KBC Bank (5.5bn) and KBC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

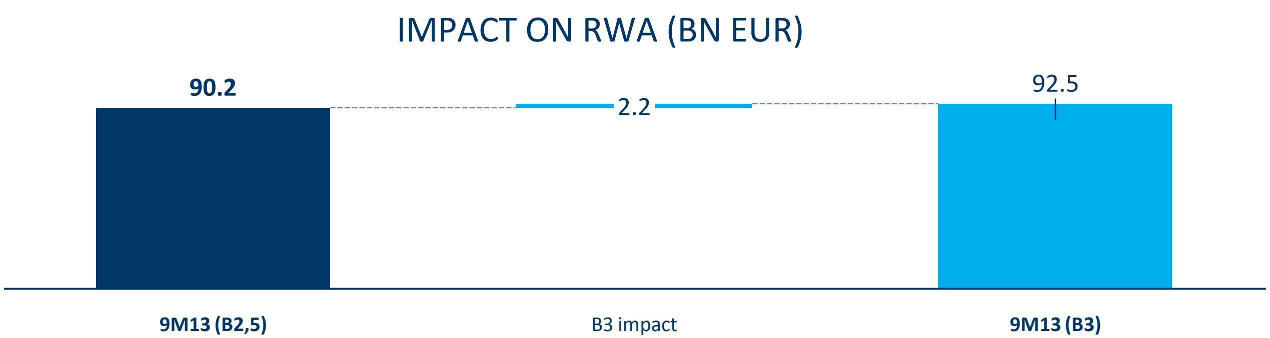
Instruments to the Belgian State fully repaid in 2012 and at 3 July 2013 1.17bn of instruments repaid to the Flemish Regional Government

Appendices

1. KBC 2012 and 2013 benchmarks + overview of outstanding benchmarks
2. KBC Bank CDS levels
3. Summary - KBC's covered bond programme
4. Details – selective credit exposure
5. Divestments
6. Summary of government transactions
7. From B2.5 CT1 to fully loaded B3 Common Equity
8. Macroeconomic views

Common equity at end 9M13 - Fully loaded B3[1]





- Fully loaded B3 common equity ratio of approx. 12.5% at end 9M13
- Announced intention to maintain a fully loaded common equity ratio of minimum 10% as of 1 January 2013

1. With remaining State aid included in CET1 as agreed with local regulator

Appendices

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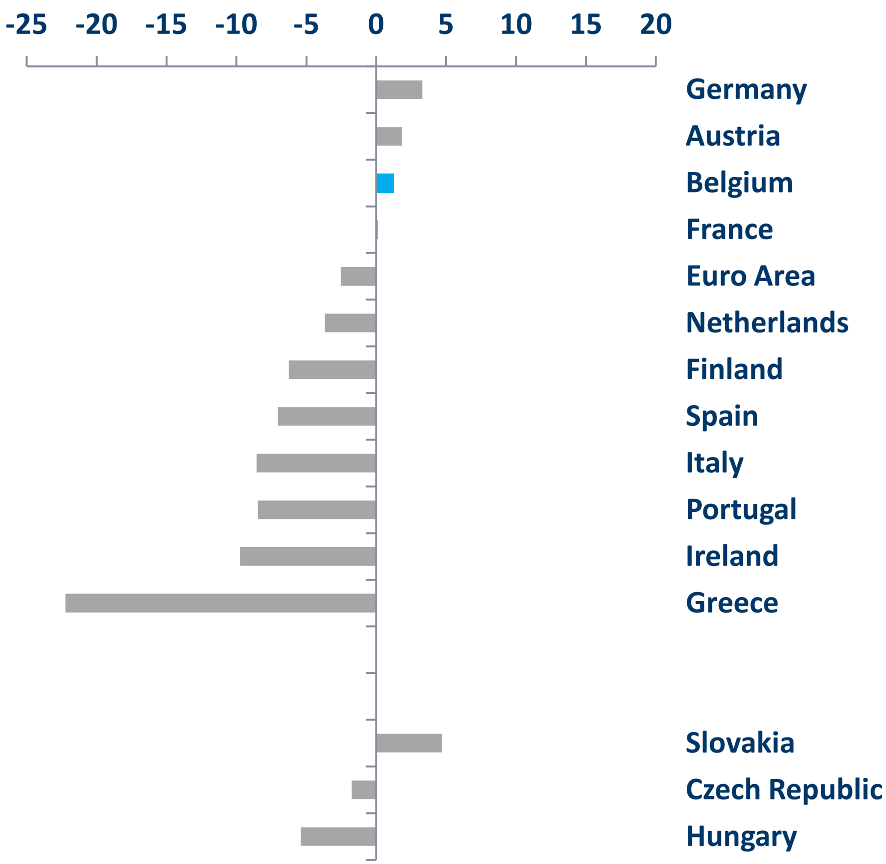
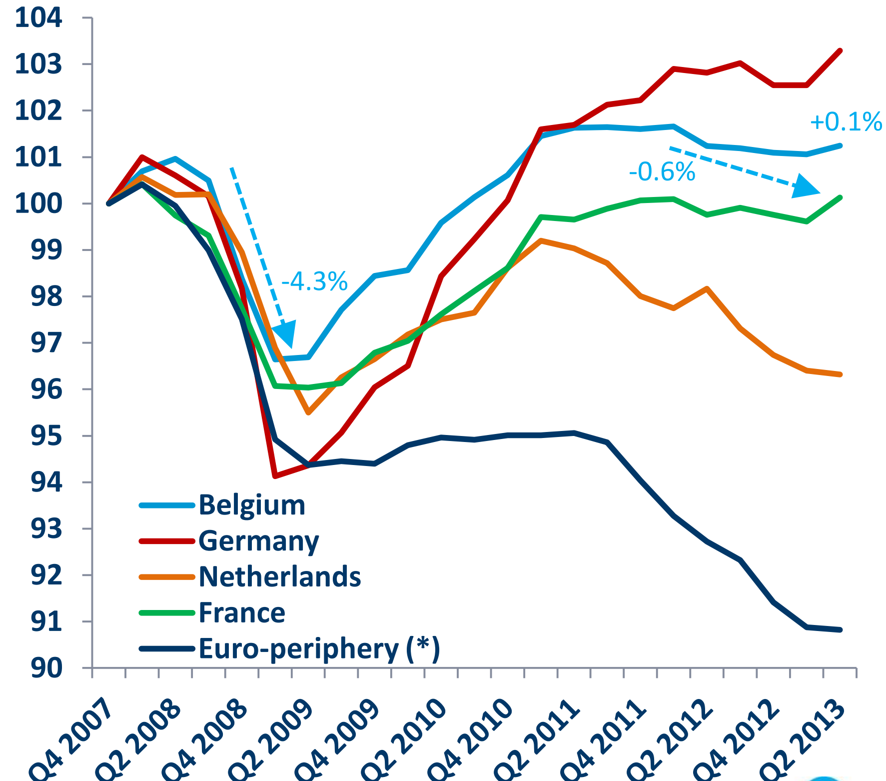
8. Macroeconomic views

Belgian economy emerging from (a mild) recession, growth still very modest

Belgium weathers the crisis reasonably well
(real GDP Q4 2007 – Q2 2013, %-change)

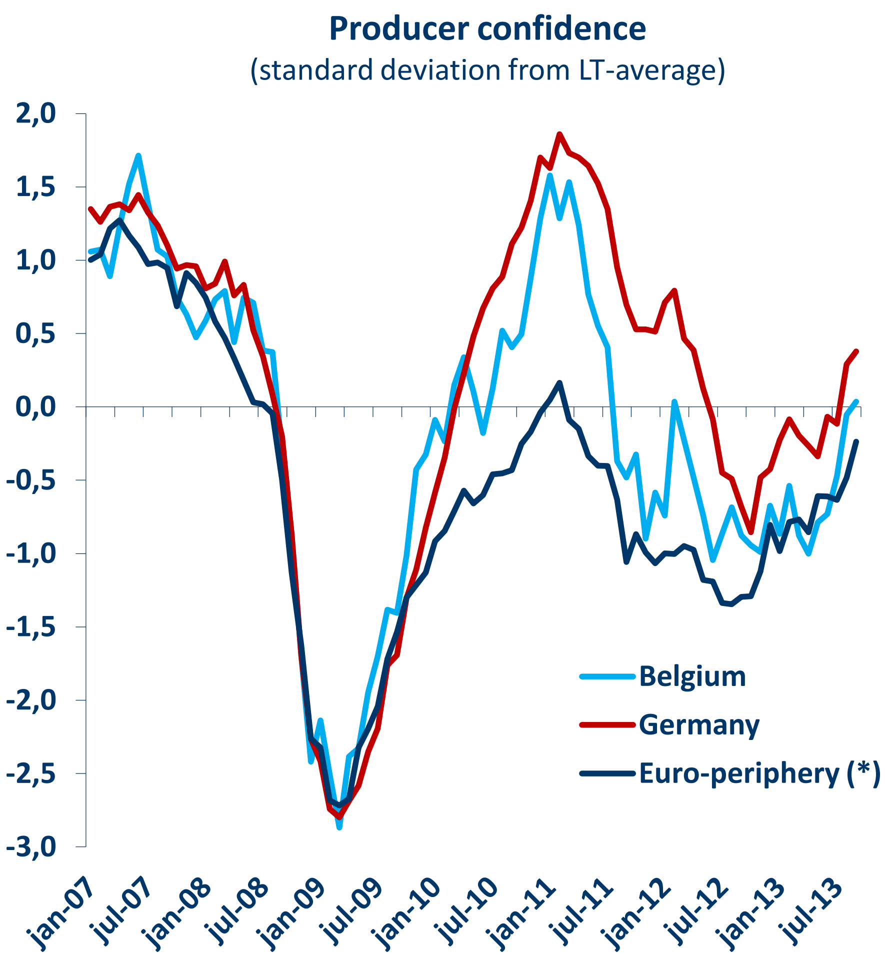


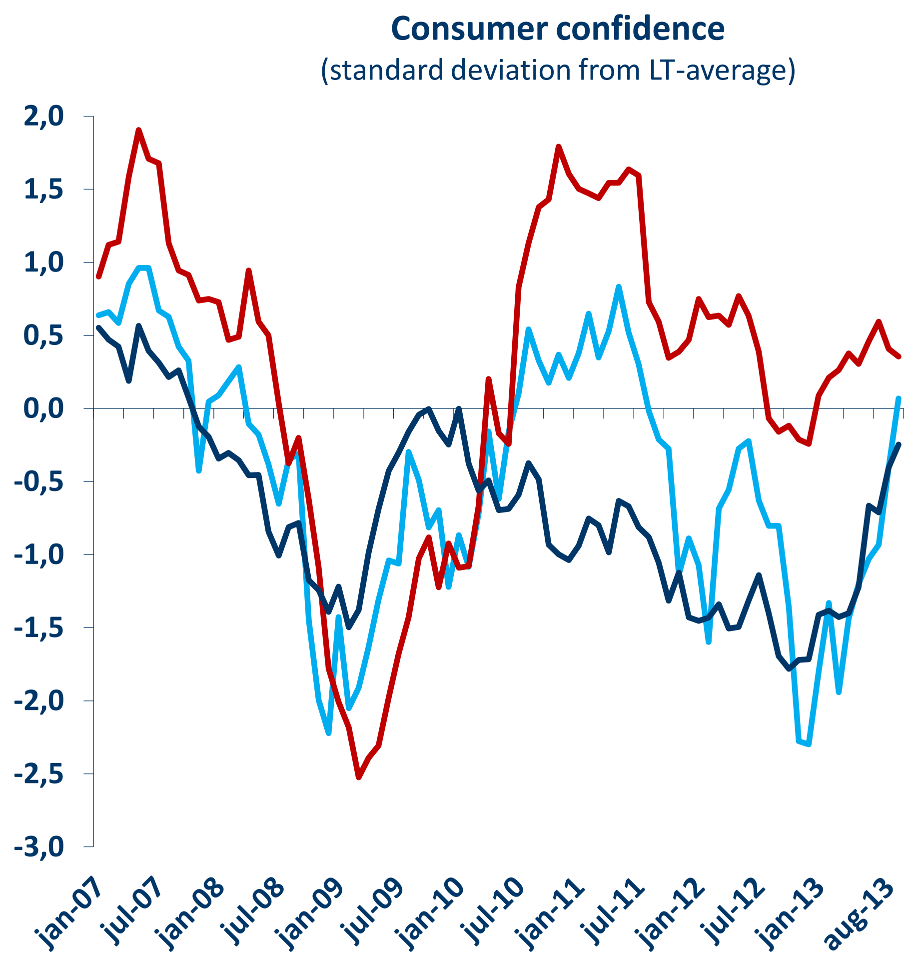
Real GDP
(Q4 2007 = 100)



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

Marked improvement in producer and consumer sentiment

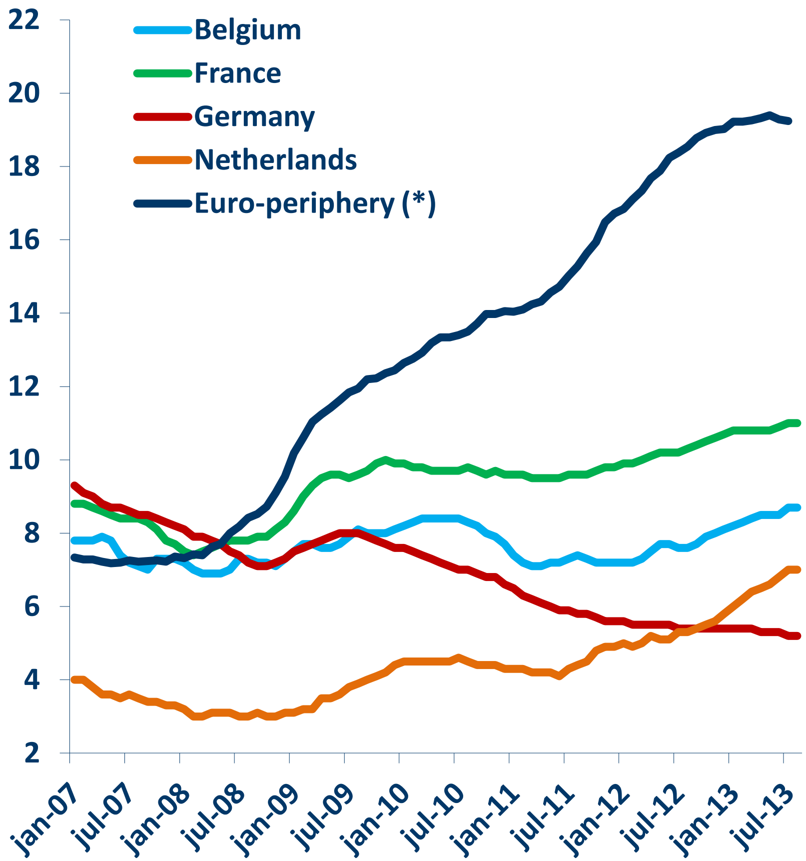




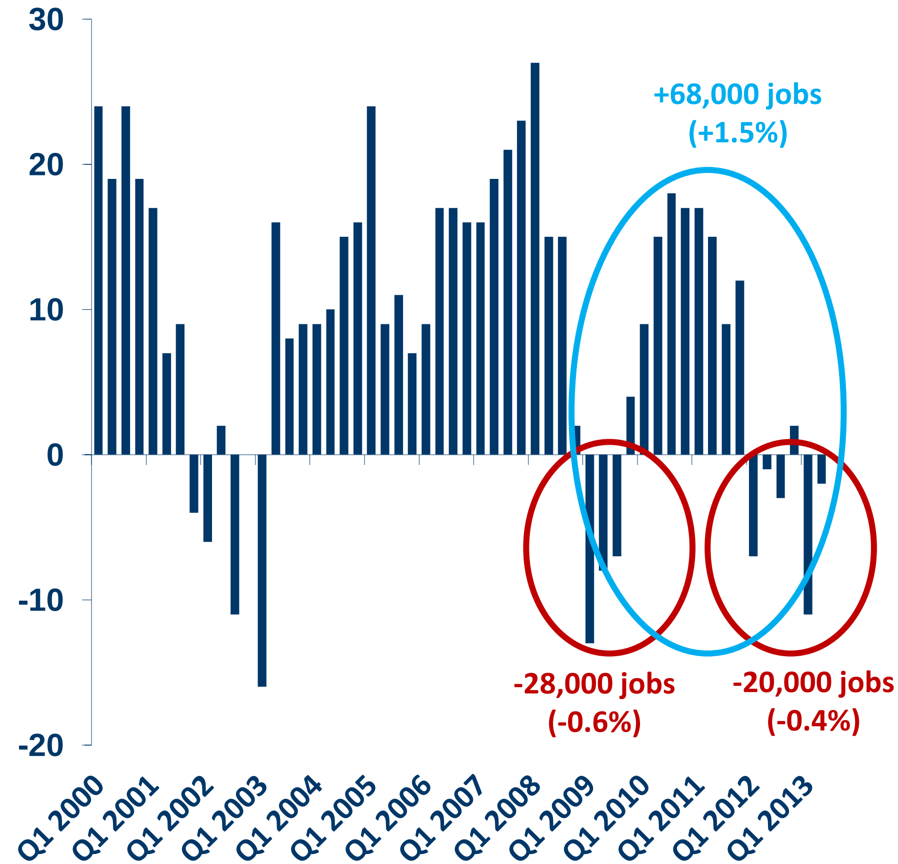
(*) Euro-periphery = Portugal, Ireland, Italy, Greece & Spain

Labour market still suffering

Unemployment rate
(harmonised and seasonally adjusted, in %)



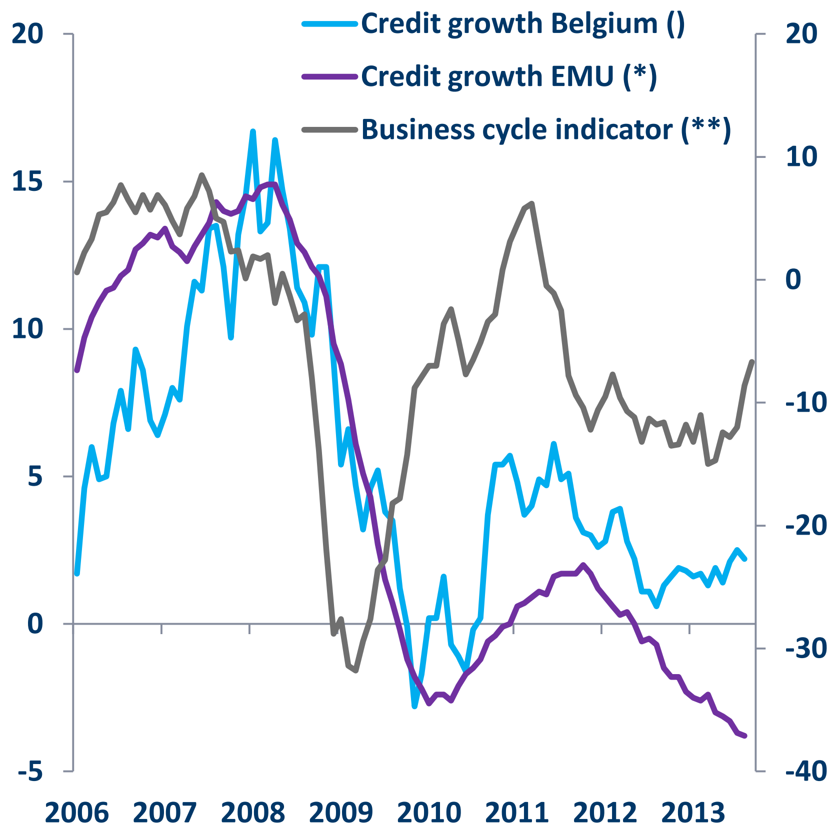
Belgium – Domestic employment
(quarter-on-quarter change, number in '000)



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

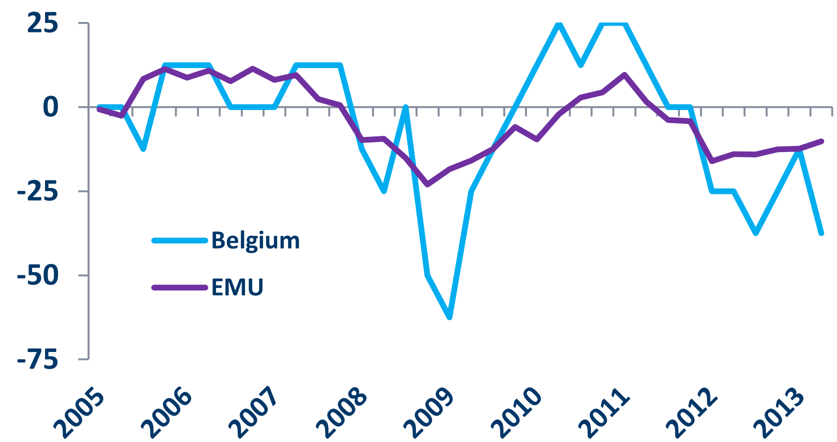
Corporate climate: bank credit growth shows positive signs

Corporate credits and business cycle

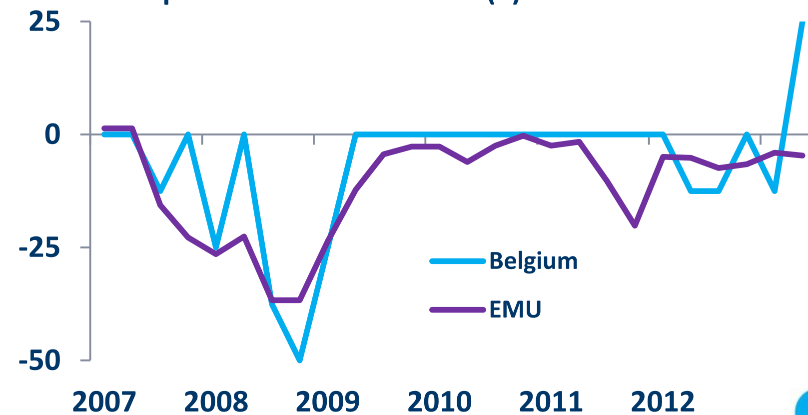


(*) annual change in % of outstanding volume(left-hand scale)
(**) synthetic indicator NBB (right-hand scale)

Corporate credit demand (*)



Corporate credit conditions (*)



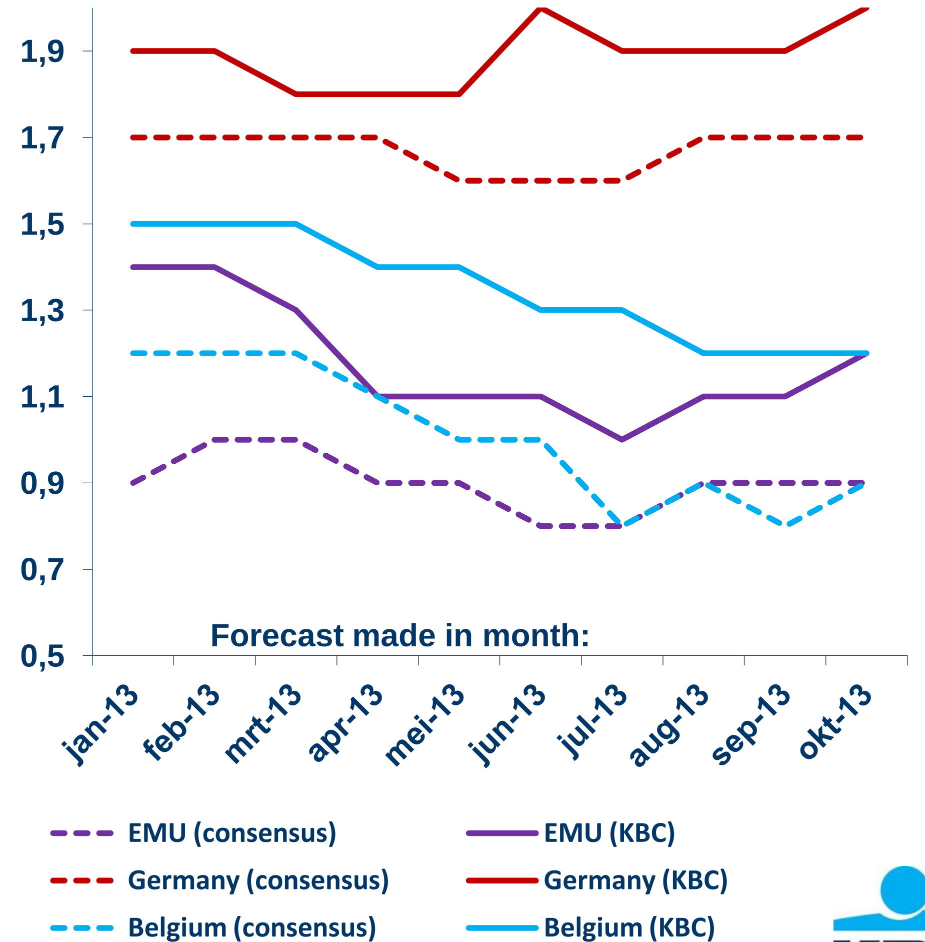
(*) A negative sign indicates at a strengthening of the lending criteria resp. a decline in corporate loan demand (and vice versa)

KBC

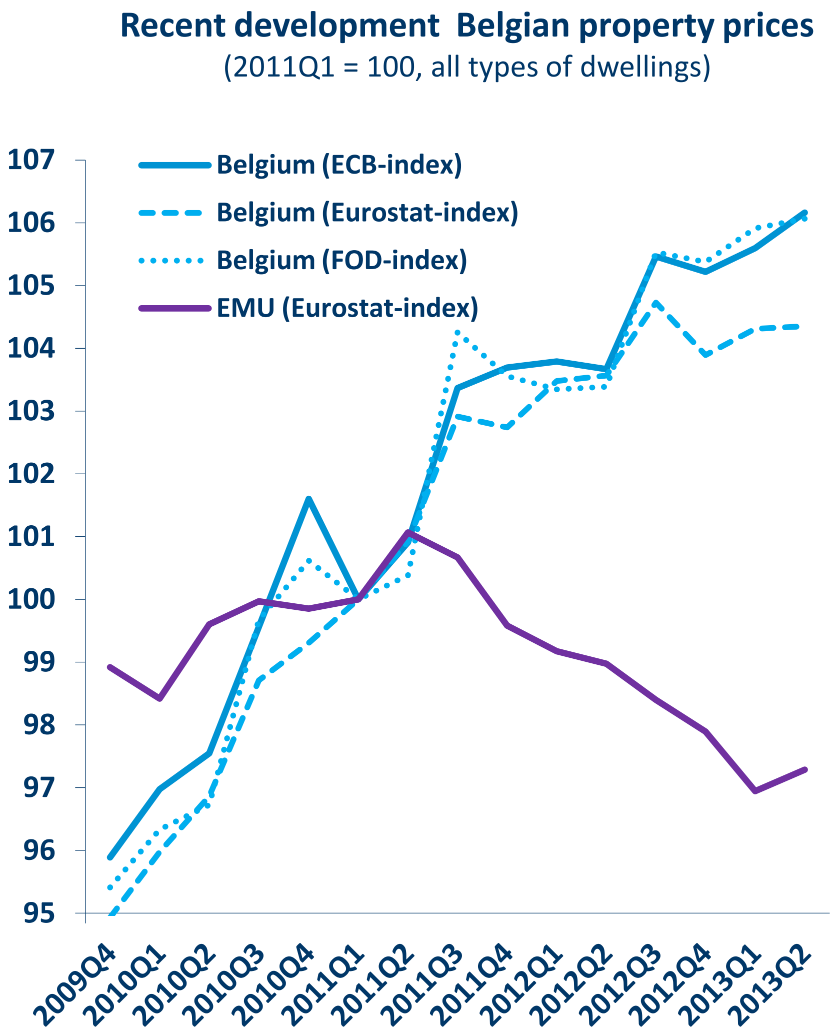
Growth outlook 2013 & 2014

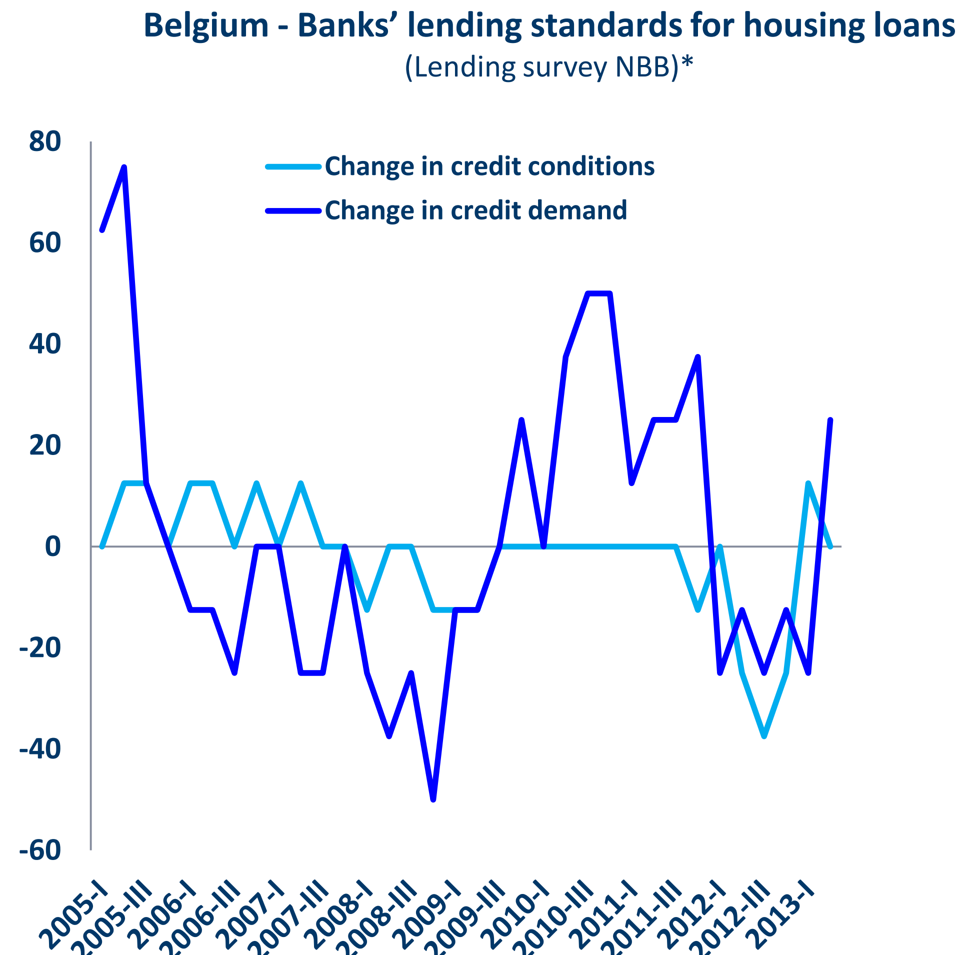
	REAL GDP GROWTH (IN % ; KBC Estimates)		
	2012	2013e	2014e
US	2.2	1.9	2.7
EMU	-0.5	-0.4	1.2
GERMANY	0.9	0.6	2.0
BELGIUM	-0.1	0.1	1.2
CZECH REP.	-1.2	-1.3	1.5
SLOVAKIA	2.0	0.5	1.5
HUNGARY	-1.7	0.4	1.5
BULGARIA	0.8	1.0	1.8
IRELAND	0.2	0.2	2.0

Evolution consensus forecast real GDP growth in 2014 (in %)



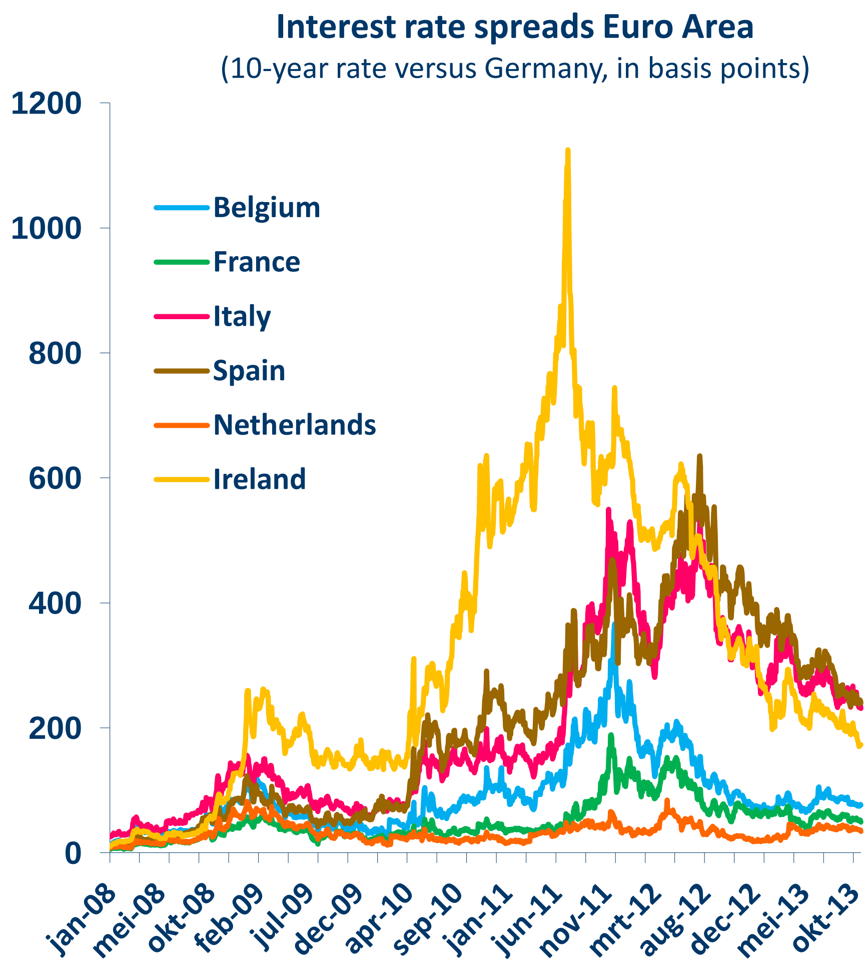
Belgian house prices not (yet) cooling off

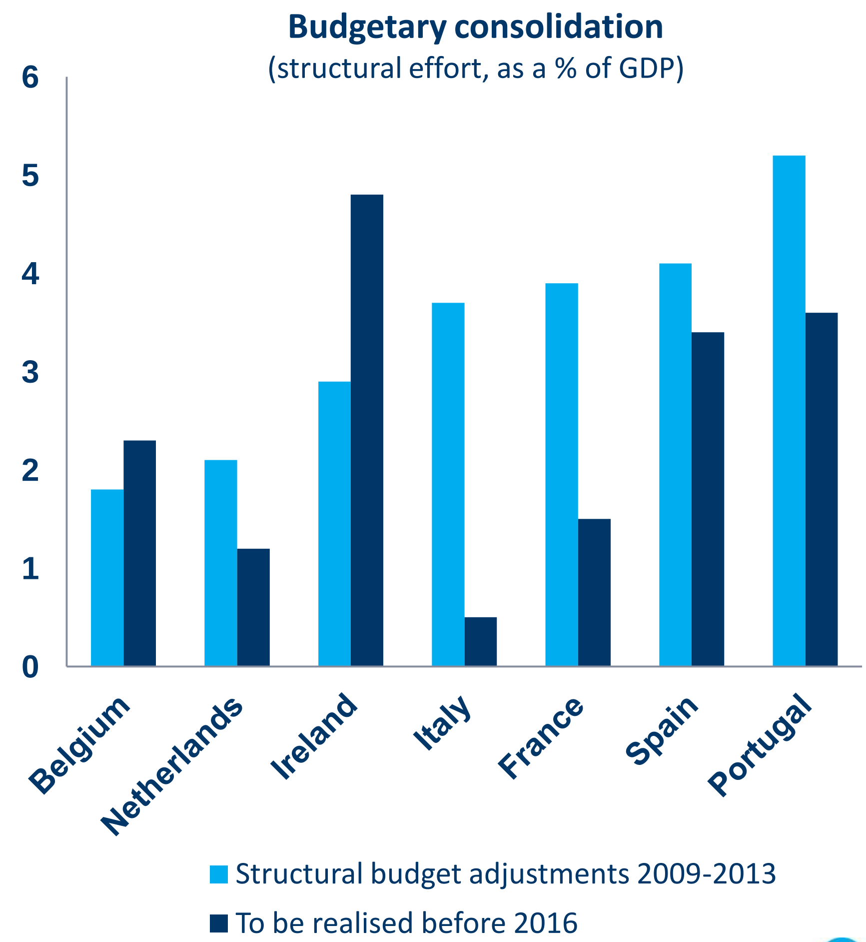




(*) A negative sign indicates at a strengthening of the lending criteria resp. a decline in mortgage loan demand (and vice versa)

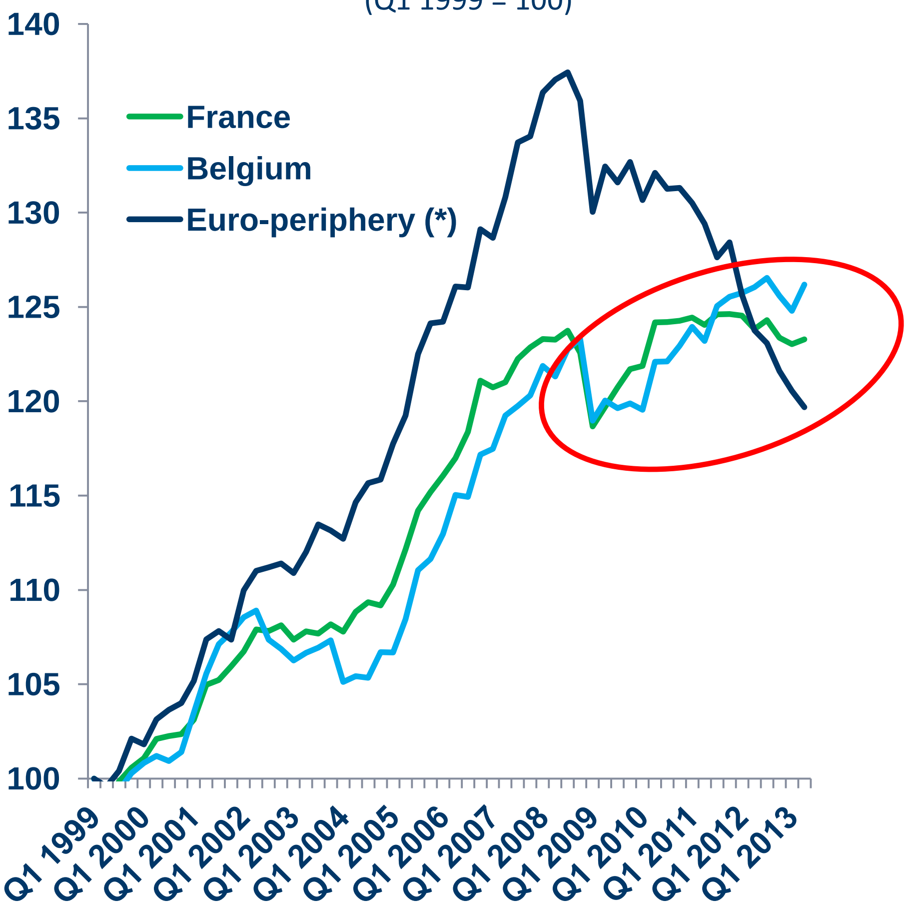
The road of fiscal austerity: still a way to go





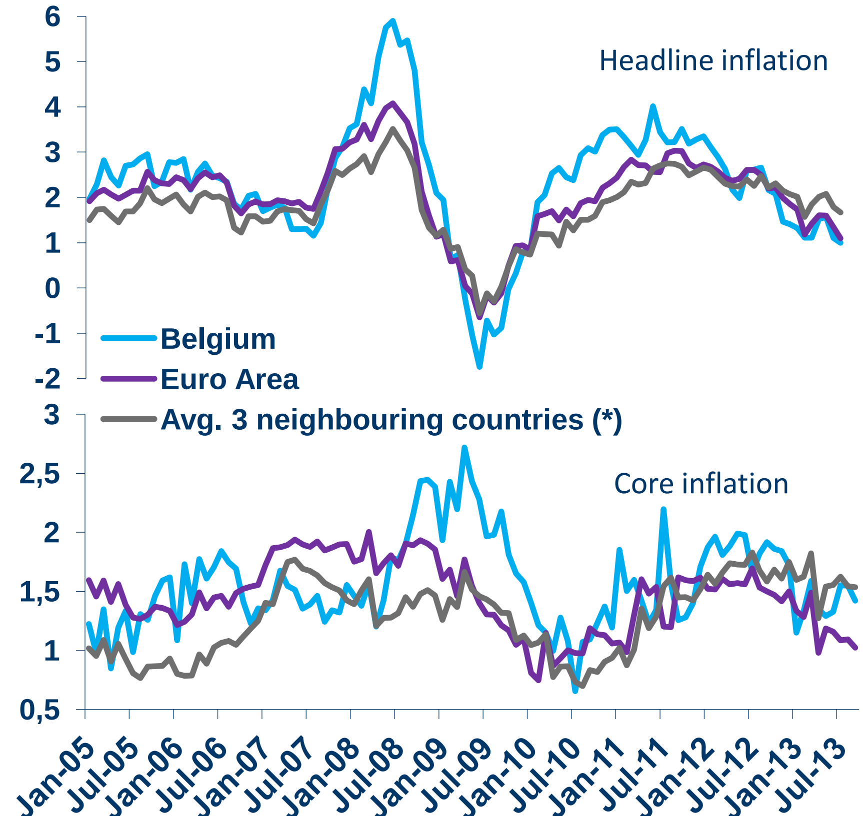
Inflation no longer drag on competitiveness position

Relative unit labour costs vis-à-vis Germany
(Q1 1999 = 100)



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

Inflation drops below level in neighbouring countries
(harmonised CPI, year-on-year %-change)



(*) Netherlands, Germany & France

Glossary

AQR	Asset Quality Review
B3	Basel III
CBI	Central Bank of Ireland
Combined ratio (non-life insurance)	[technical insurance charges, including the internal cost of settling claims / earned premiums] + [operating expenses / written premiums] (after reinsurance in each case)
(Core) Tier-1 capital ratio (Basel II)	[tier-1 capital] / [total weighted risks]. The calculation of the core tier-1 ratio does not include hybrid instruments (but does include the core-capital securities sold to the Belgian Federal and Flemish Regional governments)
Cost/income ratio (banking)	[operating expenses of the banking activities of the group] / [total income of the banking activities of the group]
Cover ratio	[impairment on loans] / [outstanding non-performing loans]. For a definition of 'non-performing', see 'Non-performing loan ratio'. Where appropriate, the numerator may be limited to individual impairment on non-performing loans
Credit cost ratio (CCR)	[net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
Leverage ratio	"Regulatory available Tier1 capital/Total Exposure measures". The exposure measure is the total of non-risk weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk based requirements (CAD) with a simple, non-risk based backstop measure
Liquidity Coverage Ratio (LCR)	[stock of high quality liquid assets] / [total net cash outflow over the next 30 calendar days].
Net interest margin (NIM) of the group	[net interest income of the banking activities] / [average interest-bearing assets of the banking activities]
Net stable funding ratio (NSFR)	[available amount of stable funding] / [required amount of stable funding]
Non-performing loan (NPL) ratio	[amount outstanding of non-performing loans (loans for which principal repayments or interest payments are more than 90 days in arrears or overdrawn)] / [total outstanding loan portfolio]
MARS	Mortgage Arrears Resolution Strategy
PD	Probability of Default
Return on allocated capital (ROAC) for a particular business unit	[result after tax, including minority interests, of a business unit, adjusted for income on allocated capital instead of real capital] / [average capital allocated to the business unit]. The capital allocated to a business unit is based on risk-weighted assets for banking and risk-weighted asset equivalents for insurance
Return on equity	[result after tax, attributable to equity holders of the parent] / [average parent shareholders' equity, excluding the revaluation reserve for available-for-sale assets]. If a coupon is expected to be paid on the core-capital securities sold to the Belgian Federal and Flemish Regional governments, it will be deducted from the numerator (pro rata)

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