Press Release – Outside trading hours - Regulated information*

8 December 2011

KBC Bank already meets 9% Core Tier-1 threshold in the EBA capital exercise

KBC Bank notes the announcements made today by the European Banking Authority and National Bank of Belgium, which demonstrate that KBC Bank (on a consolidated level) already meets 9% Core Tier-1 threshold.

The capital exercise proposed by the EBA and agreed by the Council on 26 October 2011 requires banks to strengthen their capital positions by building up a temporary capital buffer against sovereign debt exposures to reflect current market prices. In addition, it requires them to establish a buffer such that the Core Tier 1 capital ratio reaches a level of 9% by the end of June 2012. The amount of any final capital shortfall identified is based on September 2011 figures. The amount of the sovereign capital buffer will not be revised.

71 banks across Europe, including KBC Bank, were subject to the capital exercise whose objective is to create an exceptional and temporary capital buffer to address current market concerns over sovereign risk and other residual credit risk related to the current difficult market environment. This buffer would explicitly not be designed to cover losses in sovereigns but to provide a reassurance to markets about banks' ability to withstand a range of shocks and still maintain adequate capital.

Following completion of the capital exercise conducted by the European Banking Authority, in close cooperation with the National Bank of Belgium, the exercise has determined that **KBC Bank already meets the 9% Core Tier 1 ratio after the removal of the prudential filters on sovereign assets in the Available-for-Sale portfolio and prudent valuation of sovereign debt in the Held-to-Maturity and Loans and receivables portfolios, reflecting market prices at end September. KBC Bank will continue to ensure that appropriate capital levels are maintained.**

Jan Vanhevel, KBC Group CEO welcomed today's results as follows*:* ***'KBC is satisfied that the outcome of the capital exercise proves that KBC already today meets these temporary solvency requirements. This should also offer comfort to all stakeholders placing their trust in our institution.***
KBC is a fundamentally sound group with strong fundamentals: a healthy customer-driven bancassurance business model, a robust liquidity position supported by a very solid and loyal customer deposit base in our core markets of Belgium and Central Europe and a comfortable solvency that enables us to continue to increase lending to our customers and actively support the communities and economies we are active in, even in the tough times we are in.'

Notes to editors:

The detailed results of the capital exercise as well as information on KBC Bank's credit exposures and exposures to central and local governments are provided in the accompanying disclosure tables based on the common format provided by the EBA:

https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/COM_RVK_pdf_tabel_stress_test_dec_2011.pdf

The methodology underlying the capital exercise was outlined by the EBA prior to its announcement to ensure consistency across all banks in the EU banking system involved in the exercise. For more details see the EBA website: http://www.eba.europa.eu.

The capital exercise was carried out based on the EBA common methodology and key common assumptions (e.g. sovereign buffer determined based on balance sheet and market prices at end of 3rd quarter) as published in the EBA Methodological note.

Therefore, the information is provided only for comparison purposes and should not in any way be directly compared to bank's other published information.

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KBC (www.kbc.com) is a bancassurer that focuses on its home markets of Belgium and Central and Eastern Europe. Its head office is located in Brussels (Belgium), the heart of Europe. The group employs some 50 000 full-time staff and caters for around 12 million customers. KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

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