KBC Group

Company presentation
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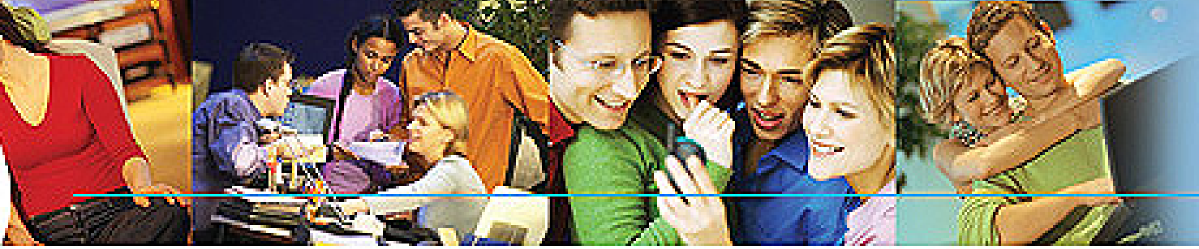
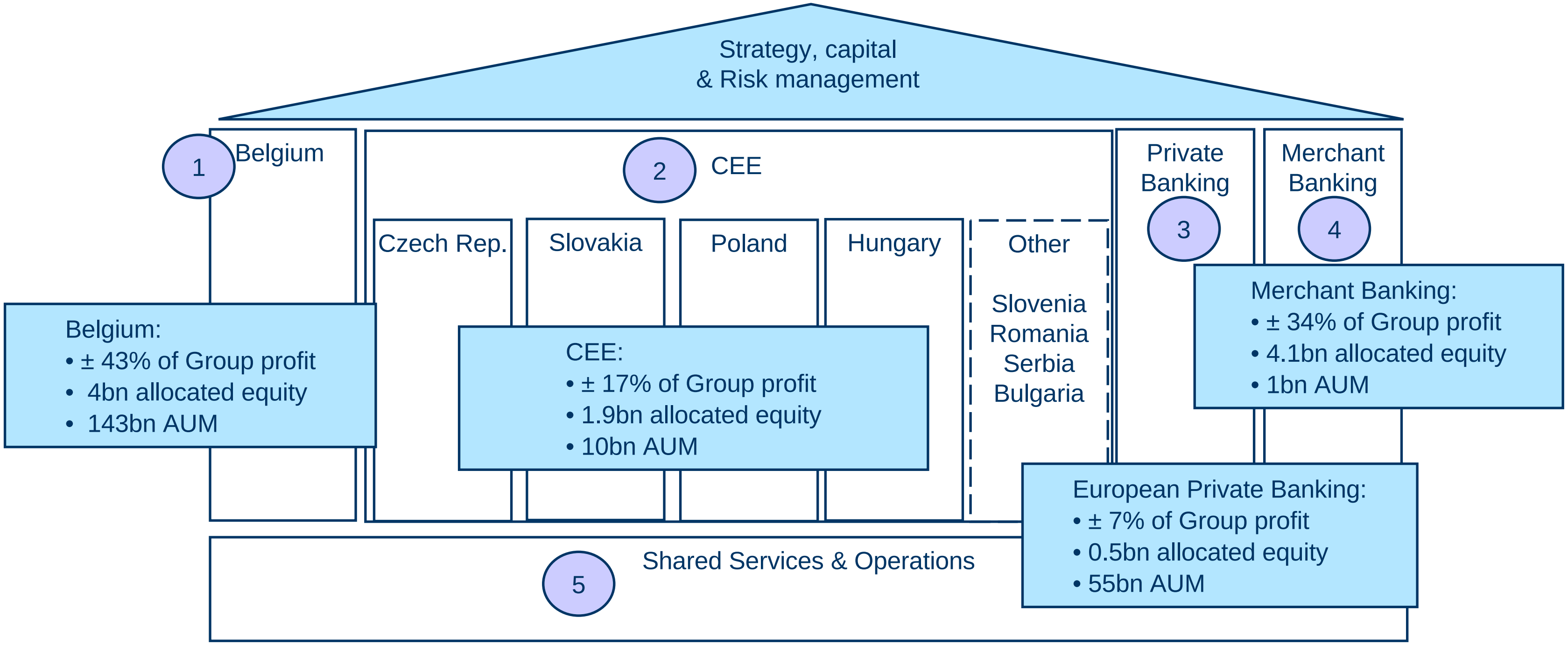
Table of contents



1 Company profile and strategy

Strong, attractive franchises



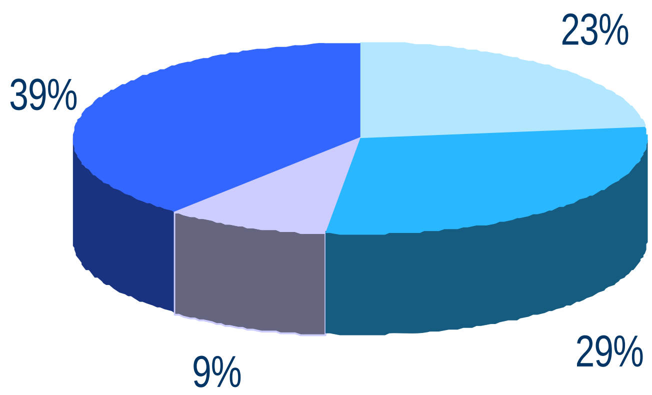
N.B.:Profit contribution of business units excluding non-recurring items as at 31 Dec 2006.

- 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
- Most recent acquisitions include (small) presence in Slovenia, Romania, Serbia and in Bulgaria
- KBC also operates in selected merchant banking and private banking markets, primarily focusing on niche strategies

Business mix

Gross income breakdown (FY 2006) *

Belgium:
- retail bancassurance
- asset management
- private banking



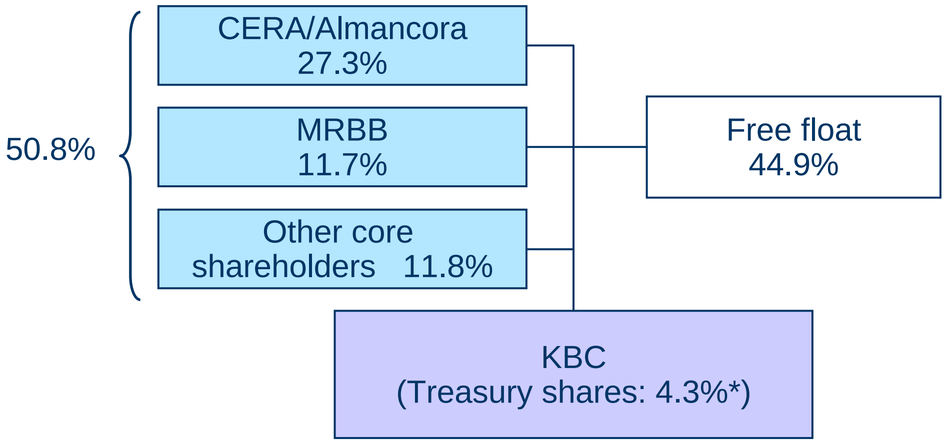
CEE-4:
- retail bancassurance
- asset management
- private banking
- commercial banking (mostly SME)

Private banking:
- "boutique-style"onshore in Belgium's neighbours
- offshore (mainly Luxemburg)

Selected merchant banking activities:
- commercial banking (SME/corporate), mostly in Belgium and its neighbours (export-oriented)
- capital market activities

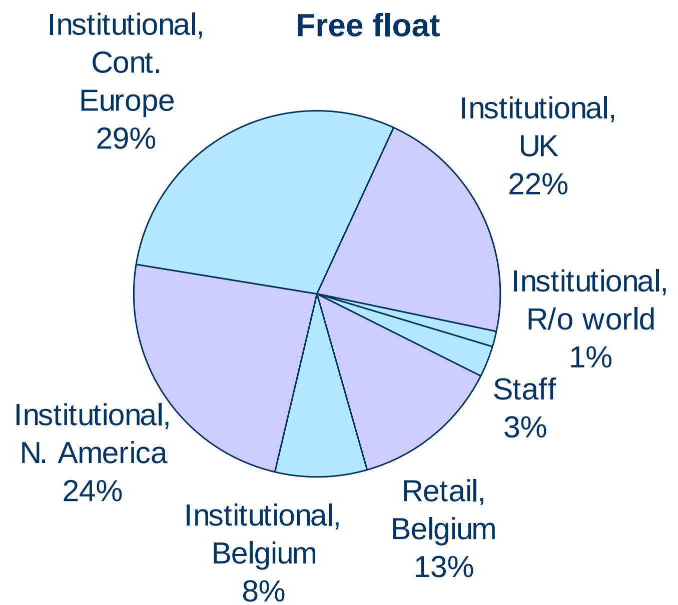
* Gross income – Net technical charges, insurance

Shareholder structure



Situation as of 31 Dec 2006

*Including ESOP hedge and shares bought bank according to the share buy back plan

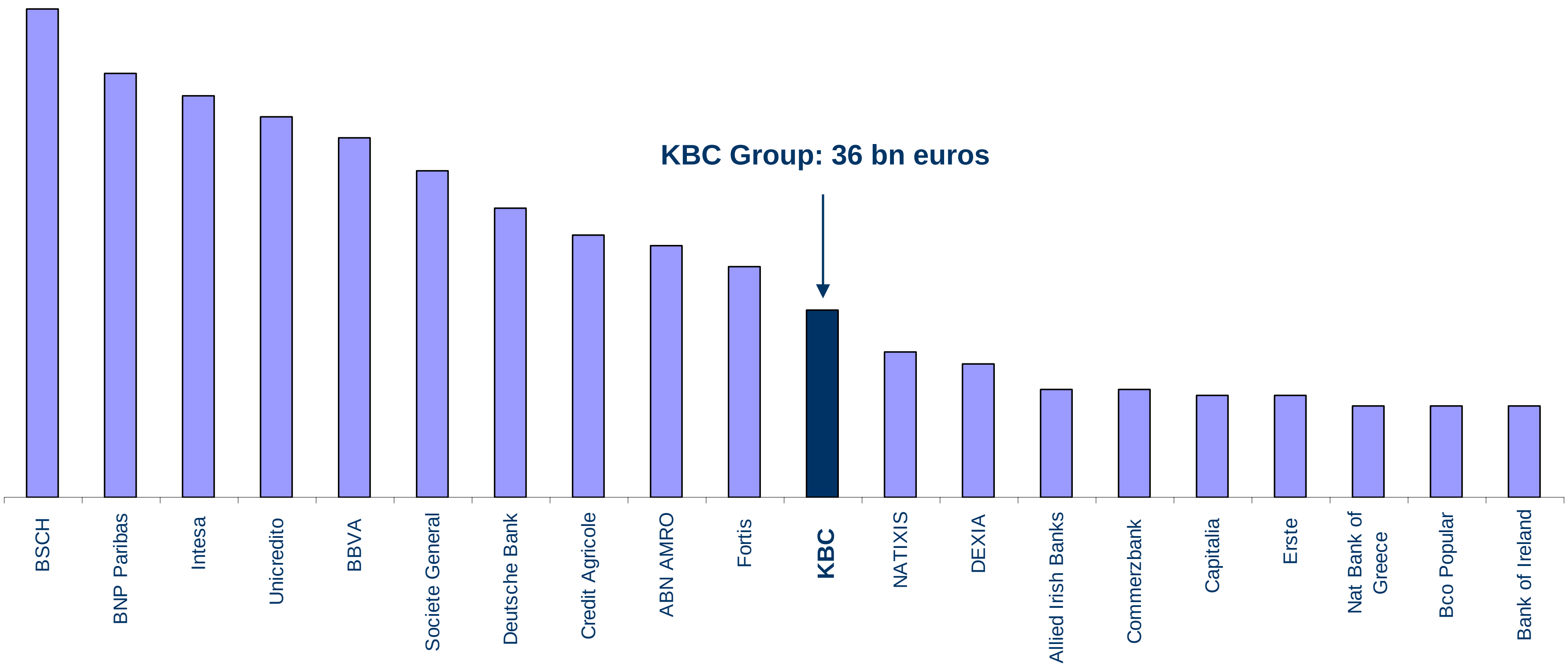


Shareholder identification survey as of 31 Dec 2006

- KBC is 50%-owned by a syndicate of shareholders, providing continuity to pursue long-term strategic goals. Committed holders include the Cera/Almancora 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 (close to 50% UK- or US-based)

Considerable scale in Euroland

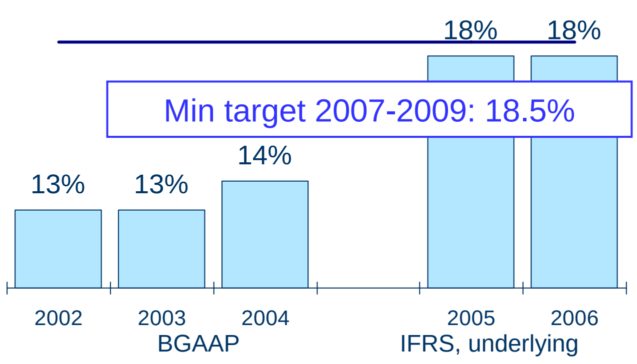
Euroland TOP-20 banks ranking by market capitalization



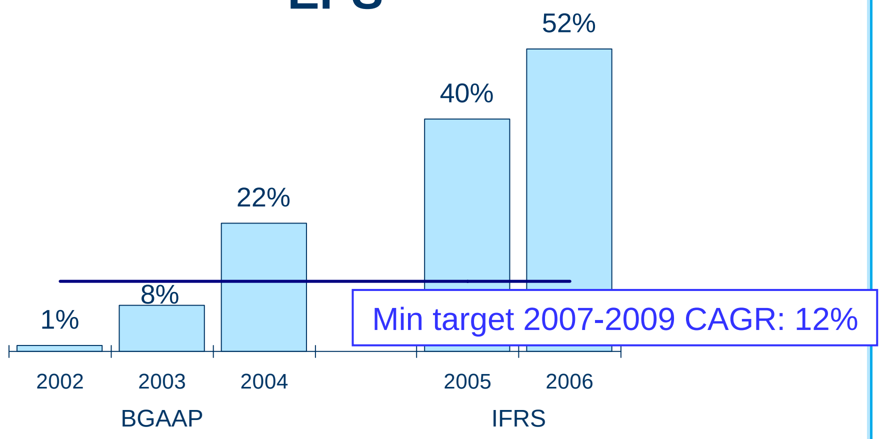
Situation as of 03 January, 2007

Mid-term financial targets

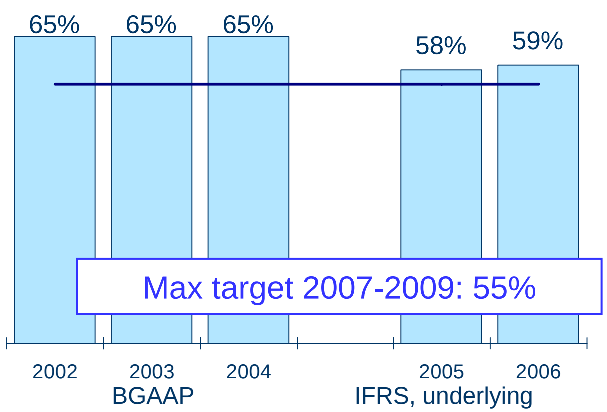
ROE



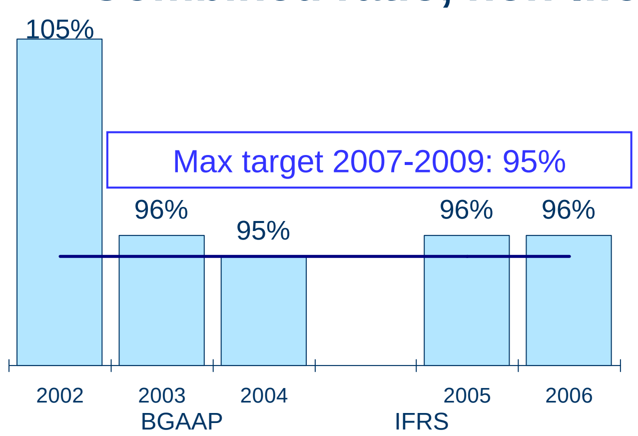
EPS



Cost / income, banking



Combined ratio, non-life



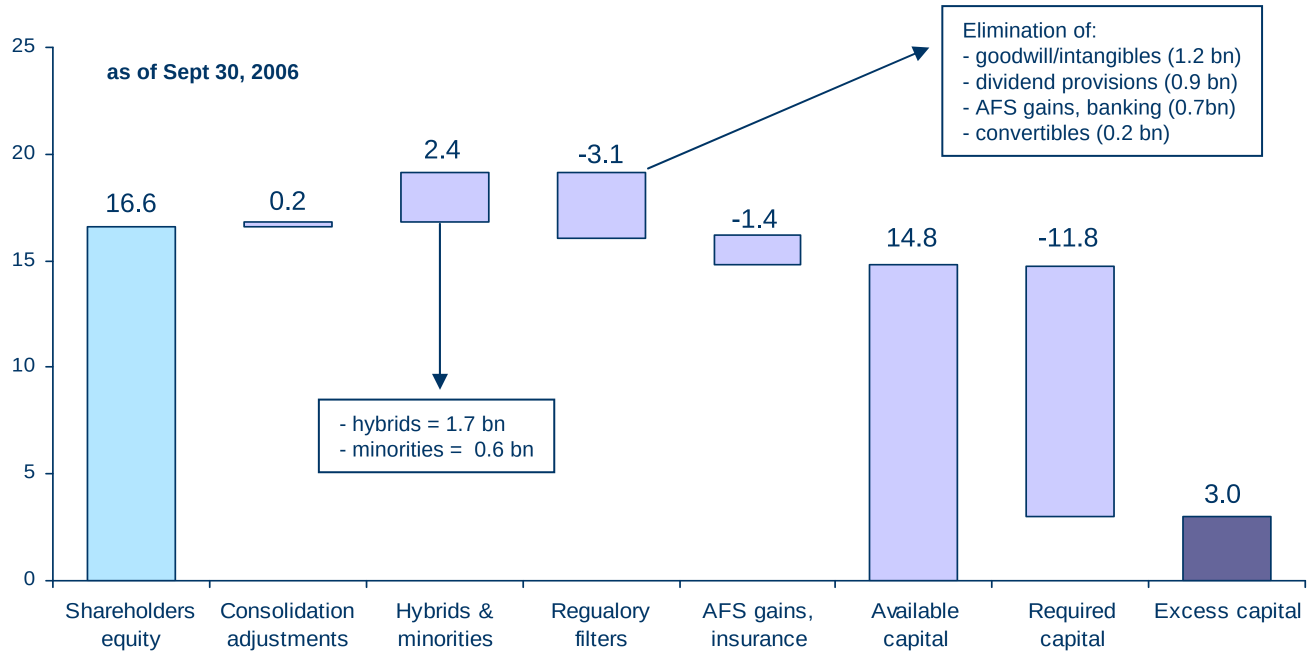
Targets 2007-09, reconfirmed end-2006 on the basis of 2006 performance

Mid-term financial targets (2)

Business Unit	Share from allocated capital	Return on allocated capital	Net profit growth	Cost / Income (by 2009)	Combined Ratio	AUM
Belgium	38%	26%		± 55%	95%	
CEE	18%	30%	> 15% CAGR	± 55%	96%	> 25% CAGR
Merchant Banking	39%	19% - commercial: 18% - investment: 27%		50%		
European Private Banking	5%	34%		<60%		
Group	**100%**	**ROE: 18.5%**	**12%**	**55%**	**95%**	**10-15% CAGR**

Mid-term finacial targets had been published on 2006 Investor Day .

Capital situation



Excess capital by activities:

Activity	Available Capital	Required Capital	Excess Capital
Banking | Private Banking (Tier-1)	12.3 bn	10.0 bn	2.3 bn
Insurance (excl. AFS gains)	2.0 bn	1.7 bn	0.3 bn
Other subsidiaries	0.6 bn	0.1 bn	0.5 bn
Total Group	**14.8 bn**	**11.8 bn**	**3.0 bn**

‘Excess capital’ is the difference between ‘available capital’ and required capital according to our definitions :

- banking: 8% Tier-1 (6.8% equity Tier-1)
- insurance: 200% solvency margin
- gains on available-for-sale investments of insurance business filtered out

The definition of regulatory capital is based on Basel-I (and Solvency-I for insurance)

Basel-II impact

- Under Basel-II, we currently estimate that the required capital:
  - in Belgium - will be reduced by ca. ½
  - in CEE - will be increased by ca. ¼
  - in Merchant Banking and European Private Banking - will have a minor impact only
  - for operational risk – will be increased by some 500m
  - for the Group as a whole - will be reduced in 2007 to 95% of the current required capital level (= regulatory floor) and to 90% in 2008 and thereafter
- We have not yet included 'Basel II-capital benefits' in our financial targets framework as:
  - Basel-II-based capital requirements are dependent on the stage of the economic cycle. If the cycle turns down, capital requirements will rise
  - It is still unclear how quickly the regulators and credit rating agencies will accept the 'internal models"-based results as lead indicators

2007-2009 share buy-back program

- Size: 1 bn during 3 consecutive years = 3 bn euros
- Buy-back of a fixed number of shares* without price limits on the open market
- Suspension of dividend payments on treasury shares
- No cancellation of treasury shares (unless value exceeds 10% of statutory subscribed capital, which is not expected for 2007-2008) but same impact on EPS and DPS
- Program may be adjusted if conditions and opportunities change during the 3-yrs period
- Expected revenue impact in the coming years:

Reminder: excess capital approximately 3bn

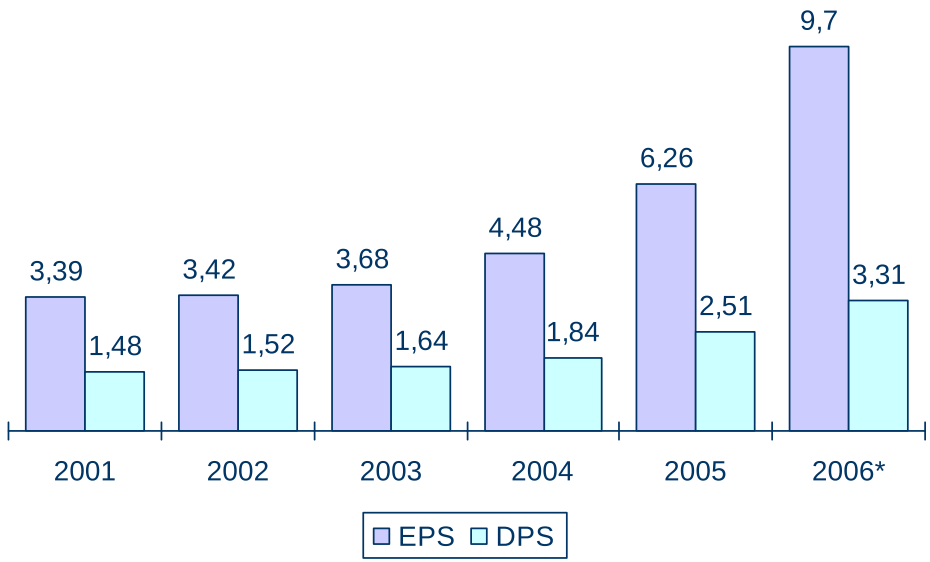
Year	Expected revenue impact m euros, post-tax	Expected revenue impact vs bottom line	Expected impact on EPS
2006	10	+ - 0,5%	+2,9%
2007	30	+ - 1%	+2,9%
2008	50	+ - 1,5%	+3,0%
2009	70	+ - 2%	+3,1%

Situation as of 19 February:

- 1.7 million shares repurchased in 2007 for a sum of 163m (average price: 97.34 euros)

*additional terms and conditions of the Securities Market Regulator and legal limitations apply

Dividend policy



- It is KBC's policy to maintain a steadily growing dividend. Dividend increased continuously over the last more than 20 consecutive years.
- Gross DPS growth was 18% CAGR over the last 5 years
- The historical average cash payout stands at 40-45%. 2006 payout ratio corresponds with 40% of 2006 net profit (capital gain on *Banco Urquijo* excluded)

*proposed DPS, subject to approval of AGM

Business developments in 2006

- Non-core shareholdings, such as in the Belgian industrial concern *Agfa Gevaert* and the Spanish *Banco Urquijo* were sold. On the other hand several minority interests in Central Eastern European subsidiaries were bought out. In line with the strategy, new opportunities for geographical expansion in the same region were explored.

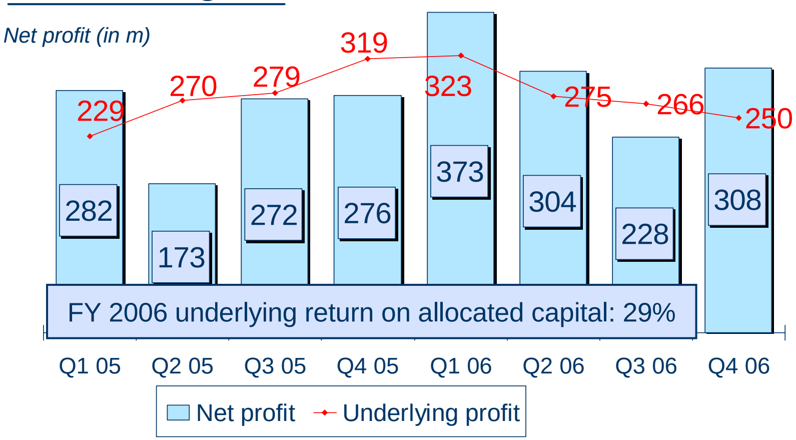
- A new organizational management structure was introduced to enhance group steering capabilities and group performance.

- A 1 billion share buyback programme was completed with 11.7 million shares being repurchased at an average price of 85.07 euros per share.

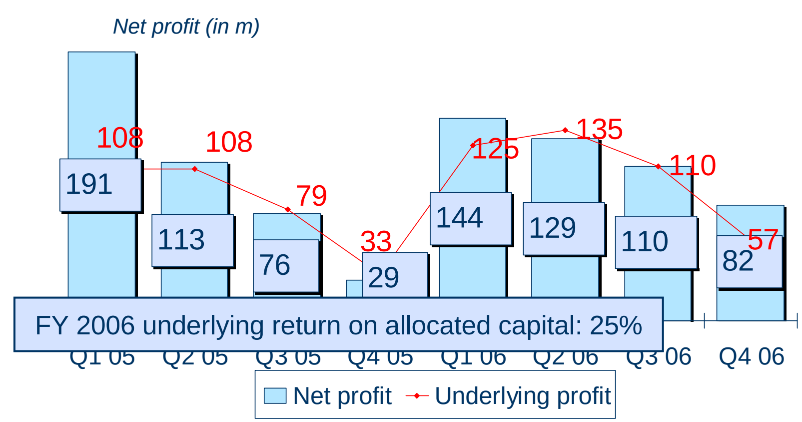
- The mid-term financial targets of the Group were updated expressing the ambition to – on average – grow earnings per share by 12% a year and deliver a return on equity of 18.5% in the 2007-2009 period.

>25% return levels in home markets

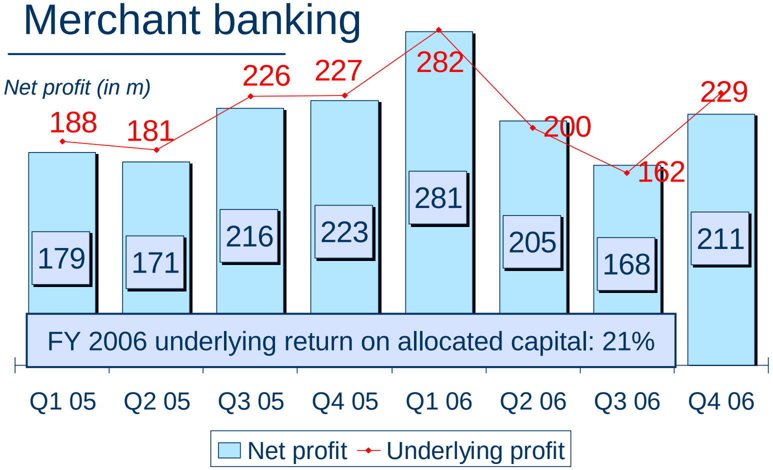
Belgium



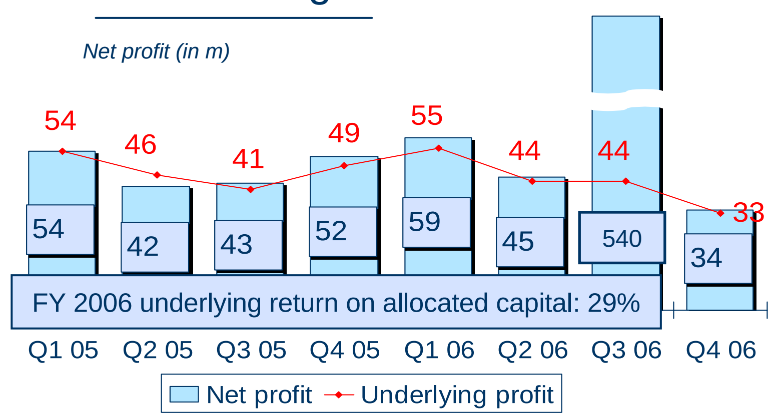
CEE



Merchant banking

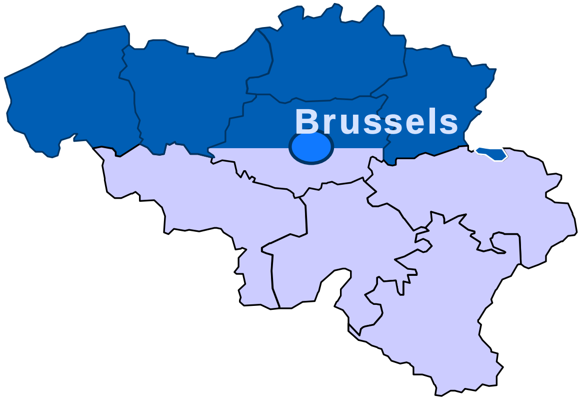


Private banking

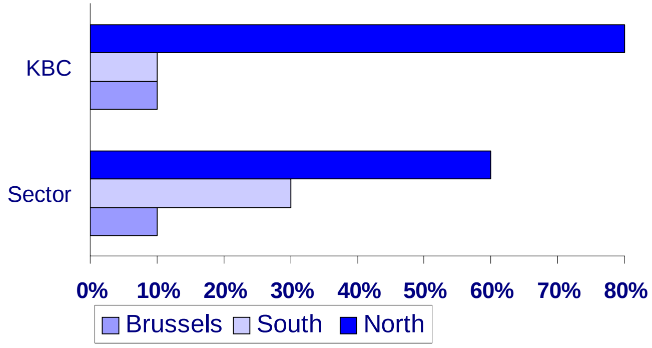


Belgian home market

- In contrast to its main competitors, KBC is mainly present in the Northern region of Belgium:
  - 80% of branches in the North versus 10% in the South (10% in Brussels)
  - Estimated market share in the North is 35%-40% versus est. 5% in the South
- This is highly important since the North is both more populous and much wealthier than the South
- Highly integrated bancassurance business model:
  - One single governance from top to bottom
  - High level of customer ownership via own branches and tied agents
  - Integrated distribution channels:
    - Single branding, single product offering and single pricing
    - Shared customer database
    - Streamlined product alignment from product design phase to sale
- The Belgian business model copied in CEE



Distribution of branches



Belgian home market – Strategy

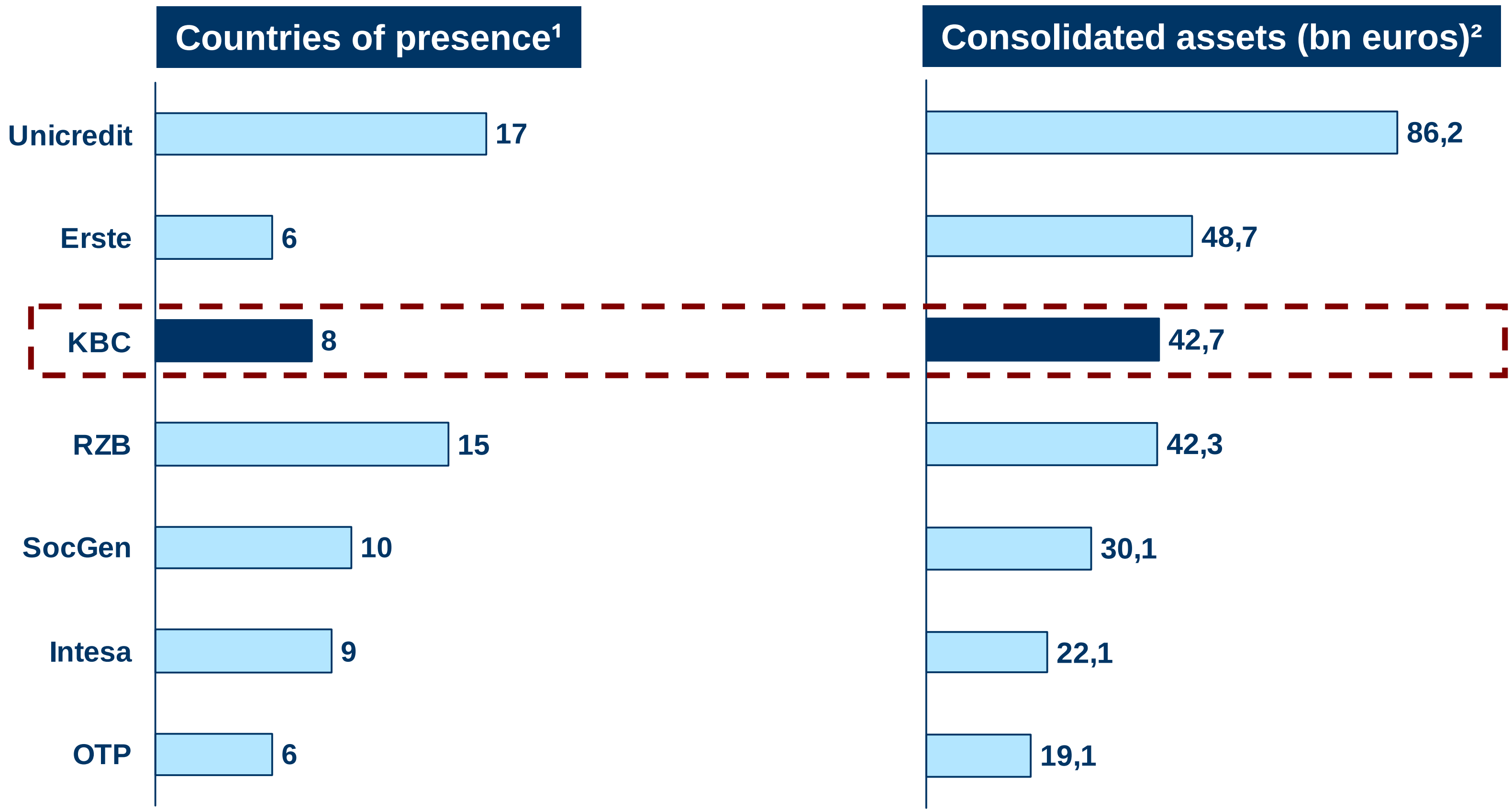
- Bancassurance and asset management have been amongst the main profit drivers

- We believe these drivers are sustainable:
  - Recently, extra efforts were made in the cross-selling of insurance products:
    - Shift in sales approach: from quick-win cross-selling (e.g. mortgage x fire insurance x death cover insurance) to screening and advising of the customers' entire insurance portfolio
    - More trained sales staff: 10% of total bank branch FTEs is dedicated to insurance
    - Better sales support tools and product bundling

  - We see further room for improvement in the profit contribution of funds management

TOP-3 player in CEE

Proforma 2005, as of perimeter mid-2006



Source: Unicredit

Notes:
[1] Including direct and indirect presence in the 21 CEE countries, excl representative offices; [2] 100% of total assets for controlled companies (>50%)

Ambitions in Central and Eastern Europe

Add-on strategy in adjacent geographical blocs:

- Niche strategy: focused on business areas where we can leverage skills (e.g. consumer finance, insurance, asset management, SME finance)
- Driven by need to sustain long-term growth, while lack of full-fledged acquisition targets at fair prices
- On average, smaller scale, lower execution risk
- As a first step.* May develop further into home markets' if opportunities enable growth

- KBC's expansion strategy essentially remains an EU-convergence play

- Achieved so far:
  - Romania: leasing, securities brokerage
  - Bulgaria: insurance, securities brokerage
  - Serbia: banking platform

* As a comparaison, all our current CEE home markets were initially entered using a 'toe in the water' approach: i.e. small investments first in Hungary in 1992 (non-life insurance greenfield), then in Poland and Hungary in 1996 (minority stakes in banking) and in 1998 in Czech Republic (insurance)

Buy out of minorities and acquisitions in CEE

- **Buy out of minorities in 2006:**

• K&H Bank (Hungary):	510 m
• Warta (Poland):	104 m
• CSOB (Czech Rep):	98 m
Total:	**712 m**

- **Recent acquisitions:**

• DZI Insurance (Bulgaria):	185 m
• Others (various)*:	175 m
Total:	**360 m**

* Others cover: *Romstal* (leasing company, Romania)
Swiss Capital (securities broker company, Romania)
A-banka (bank, Serbia)
Equitas (on-line securities broker company, Hungary)

Evolution of market shares

Product	Country	YE 05	YE 06	Trend
Loans	Belgium	22%	22%	=
	Czech Republic	13%	14%	⇧
	Slovakia	6%	7%	⇧
	Hungary	12%	11%	⇩
	Poland	4%	4%	=
Deposits	Belgium	19%	19%	=
	Czech Republic	23%	26%	⇧
	Slovakia	8%	7%	⇩
	Hungary	9%	11%	⇧
	Poland	4%	4%	=
Investment Funds	Belgium	32%	34%	⇧
	Czech Republic	27%	28%	⇧
	Slovakia	8%	10%	⇧
	Hungary	12%	18%	⇧
	Poland	4%	4%	⇩

Source: KBC estimates

Operational excellence

- In 2006, structural steps were set to enhance 'operational excellence', i.e.:
  - to enhance 'lean processing'
  - to unlock unused business opportunities throughout the Group
- Steps taken:
  - accelerated the organisation of cross-border operations
  - strengthened our execution and integration skills (business process organisation methodology, performance-driven culture…)
- By 2010 we expect these initiatives to have a recurring pre-tax impact of > 200m per year (both revenue and cost impact).

  This represents:
  - +6% of the underlying 2006 pre-tax group profit
  - -2 pp on the 2006 cost/income ratio, banking
- Synergies in KBL reached 36m, slightly ahead of plans

Shared operations projects

Cross border project	Objective	Status
Asset Management	Increased market share Transfer of know-how to CEE	Centralised governance in place Integrated business processes up & running
IT/Technology	Flat IT costs in 2007-2009	Centralised IT governance in place Integrated functioning to accelerate as of 2007
Leasing	Accelerate growth in CEE via know-how transfer Leverage of scale in vendor leasing	Centralised governance as of Q3 06 Roll out of integrated functioning in 2007
Trade Finance	Accelerate growth in CEE via know-how transfer Leverage of Group's scale	Centralised governance as of Q4 06 Roll out of integrated functioning in 2007
Payments	Use of shared platforms Minimize investment costs for SEPA and EURO	Centralised governance as of Q3 06 Gradual 'convergence' as of 2007
Consumer Finance	Benefit from market growth Use of multi-channel platform	GO decision taken, Zagiel in PL as starting point Synergies to become material as of 2009
Investment Banking	Accelerated business growth by leveraging the Group's scale	Centralised governance as of Q1 06 Integrated business up and running

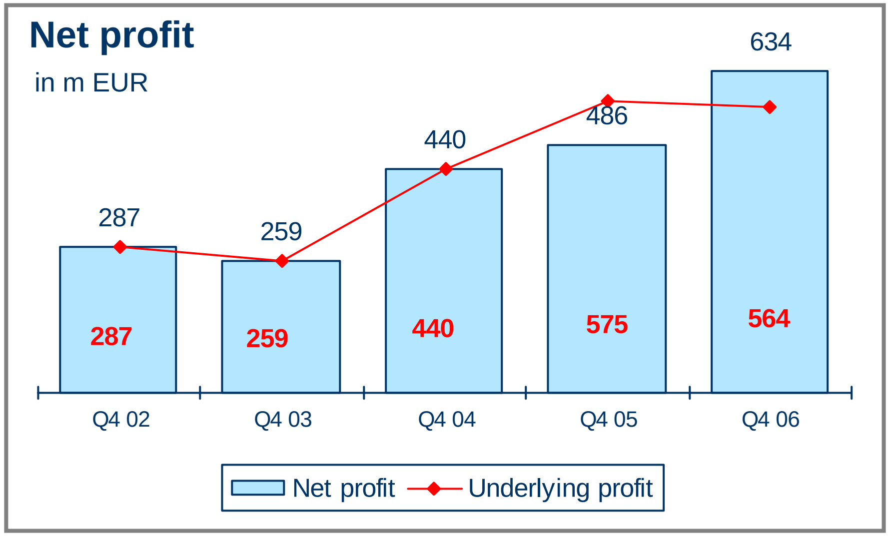
2 Q4 2006 financial highlights

Group financial performance

Financial performance per business unit

Q1 07 business developments

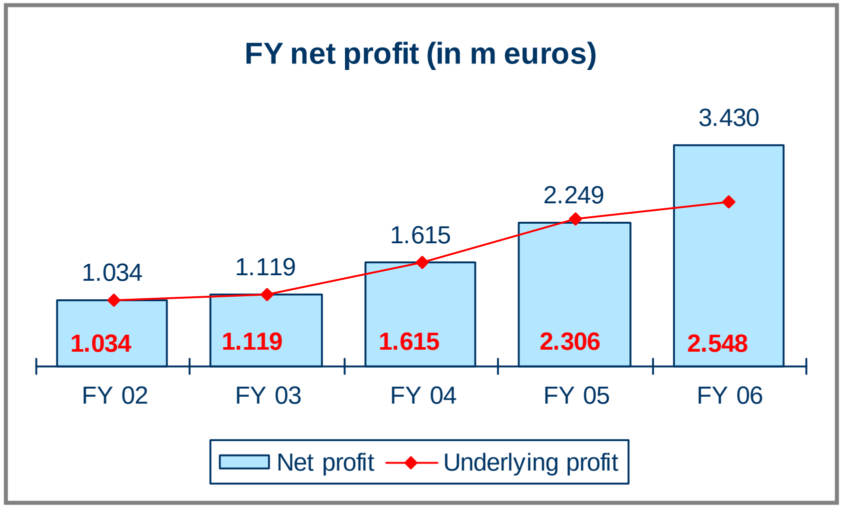
Q4 at a glance – financial headlines



- Q4 2006 net profit of 634m
- Underlying profit at 564m (i.e. excl. one-offs such as capital gain on *Banksys** and the sale of office buildings in Warsaw)
- Retail loan growth remained solid: e.g. mortgages grew by 4% q/q
- Buyoant capital market revenues (underlying), fair value gains up by 91% q/q
- Operating expenses up as expected given seasonal patterns
- Loan-loss charges up somewhat (102m), but concentrated in Hungary

* *Banksys:* Sale of Belgian payment service provider company

FY 06 at a glance



- Profit of 3.430m, generating a return on equity of 24%
- Underlying profit (excl. one-offs* and M2M of banking book) 2548m, up 11% y/y. Underlying ROE is 18%
- Solid sales in all areas (deposits, loans, AUM and life insurance volumes up y/y 9%, 14%, 14% and 13%, respectively)
- Costs remained under control. Underlying operating expenses up 4% y/y
- Cost/income ratio came to 58% (excluding one-off items).
- Low loan-loss provisions still at the low end of the cycle: loan-loss ratio at 13 bps
- Strong technical result, non-life: combined ratio 96%

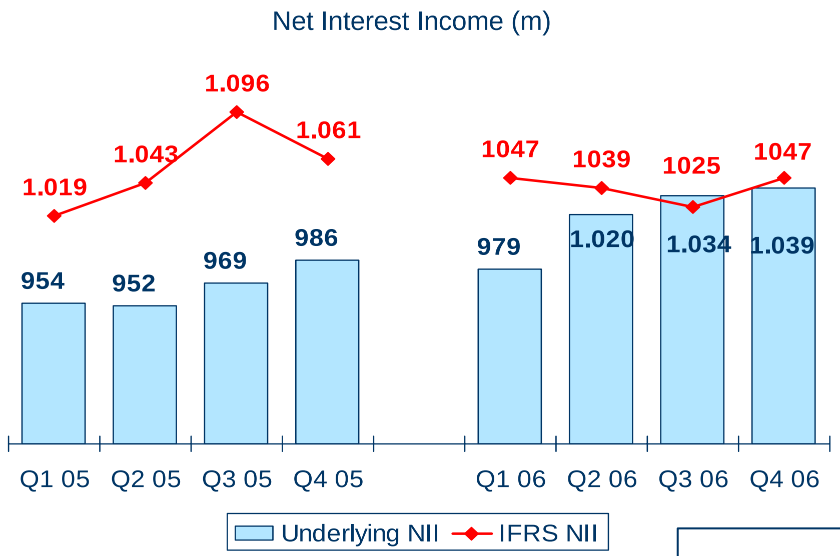
*One-offs relate, among other things, to the integration of *Gevaert*, the sale of *Banco Urquijo* and *Agfa-Gevaert,* the increase in the free float of *Kredyt Bank,* sale of *Banksys* (Belgian payment processing company) and sale of office buildings in Warsaw and in Prague

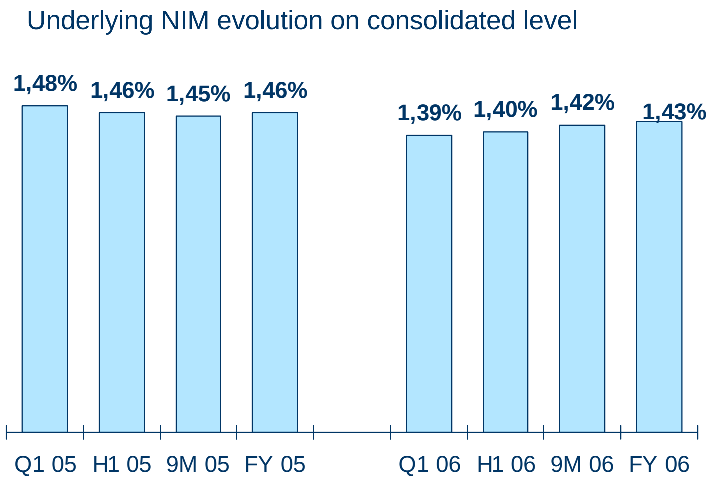
Revenue trend: volumes

	Total loans	Of which mortgages	Customer deposits	Life reserves	AUM
Outstanding (in bn)	132	40	180	21	209
Growth, y/y	+14%	+18%	+9%	+13%	+14%
Belgium	+8%	+12%	+4%	+11%	+17%
CEE	+26%	+39%	+11%	+35%	+39%
- CZ/Slovakia	+32%	+39%	+6%	+18%	+21%
- Hungary	+9%	+26%	+7%	+61%	+92%
- Poland	+16%	+42%	+9%	+75%	+38%
Merchant banking	+13%	-	+16%	-	-
Private banking	-	-	-	+43%	+8%
Growth, q/q	+4%	+4%	+3%	+2%	+2%
Belgium	+1%	+3%	+2%	+2%	+1%
CEE	+9%	+11%	-5%	+13%	+9%
- CZ/Slovakia	+9%	+7%	-10%	+5%	+7%
- Hungary	-3%	+0%	+13%	+10%	-2%
- Poland	+4%	+11%	+1%	+27%	+6%
Merchant banking	+4%	-	+8%	-	-
Private banking	-	-	-	+5%	+2%

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

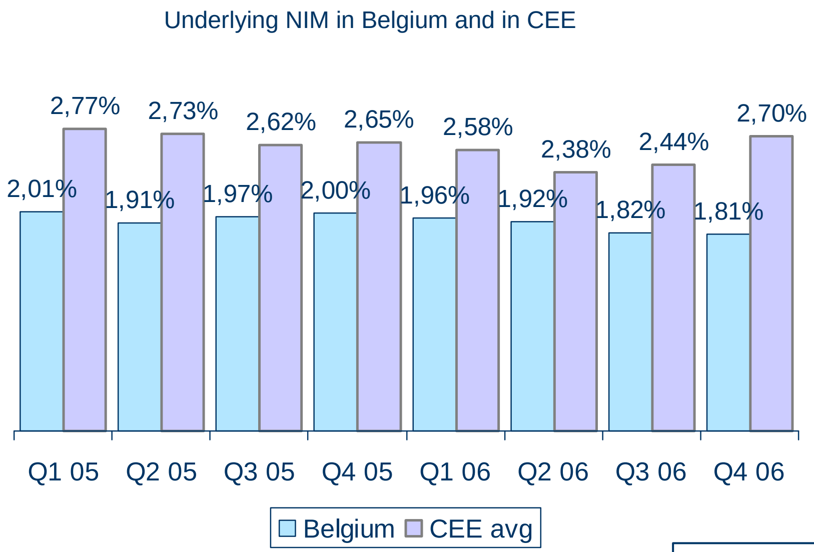
Revenue trend (2): NII

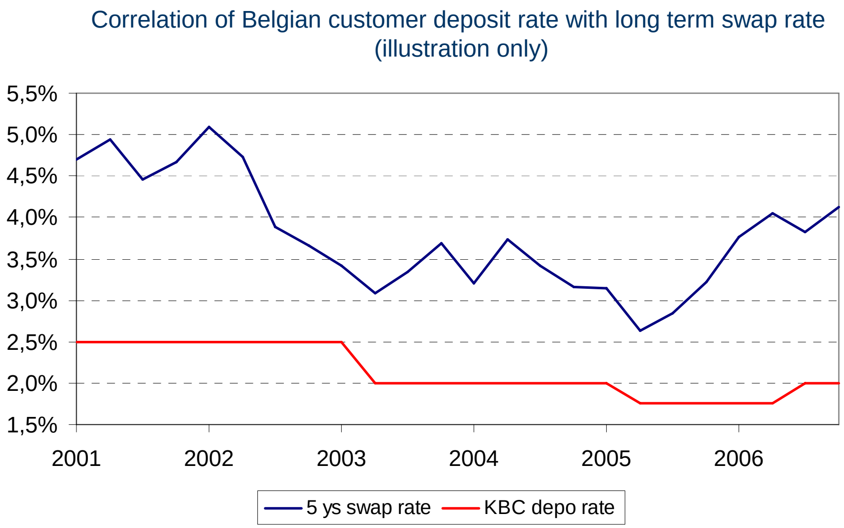




- In Q4 underlying NII up by 0.4% q/q due to the higher volumes and stable NIM
- On a year-on-year comparison, Q4 underlying NII went up by 5%
- Q4 deconsolidation impact for *Banco Urquijo*: - 10m y/y

Revenue trend (3): NIM



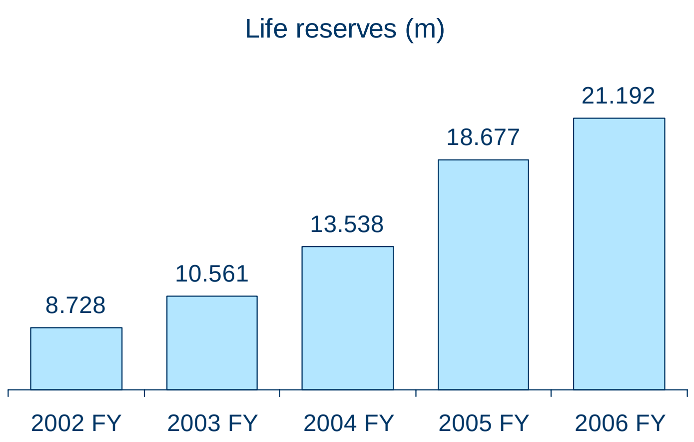


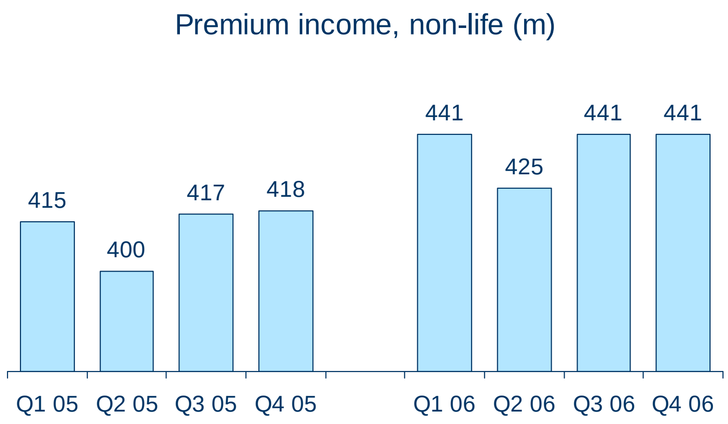
- Q4 NIM down 1 bps q/q in Belgium
- Q4 NIM increased by 0.26% in CEE q/q due to the lower share of low-spread interbank activities, higher market rates and the reduction of deposit overhang
- Expected future impact of a 50bp flattening of the yield curve on NII: -66m p.a. (pre-tax)*

* Assumption: Half of the market rate changes will be passed to saving accounts

Expected net earnings impact of -100 bps (+100 bps) parallel shift (after-tax): -53m p.a. (+46m p..a)

Revenue trend (4): insurance

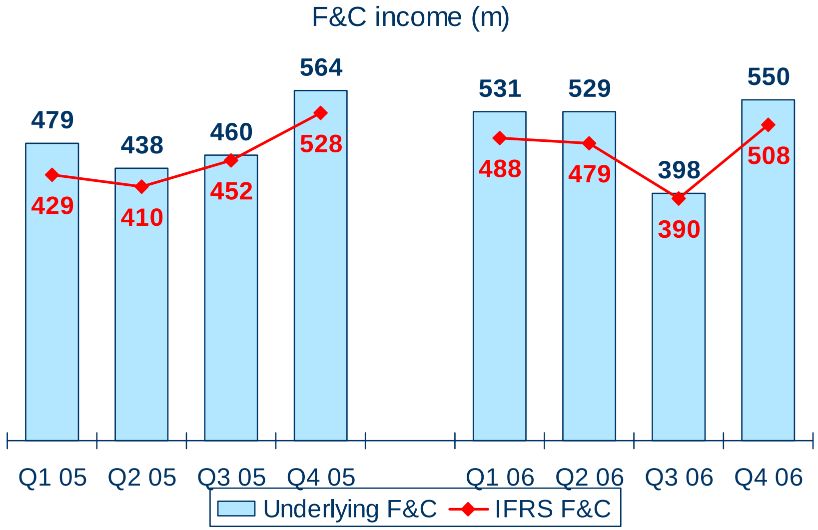


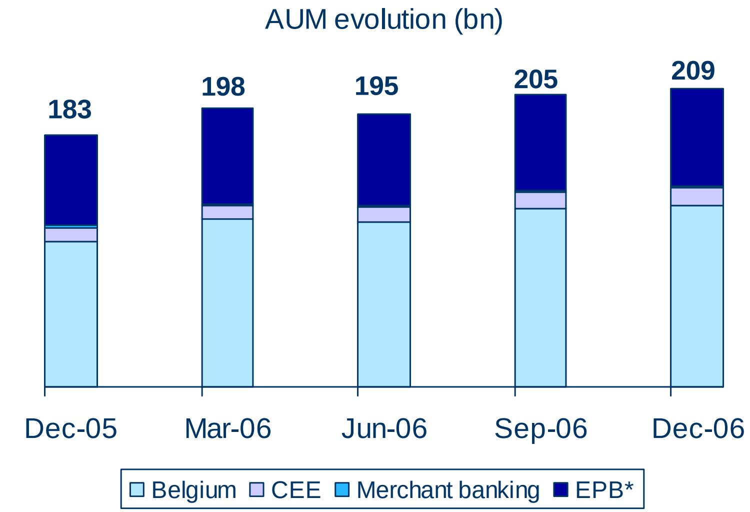


- Q4 life sales (IFRS) up by 23%, but down by 17% y/y compared to the extraordinary strong results in Q4 05
- Life reserves at year-end grew by 13% y/y:
  - +11% in Belgium
  - +35% in CEE
  - +43% in Private Banking
- Reminder: reported premium income under IFRS does not include certain forms of life products

- Q4: non-life premiums were stable q/q and up by 6% y/y
- For 12M premium income rose by 6%:
  - +6% in Belgium
  - +6% in CEE

Revenue trend (5): F&C, AUM





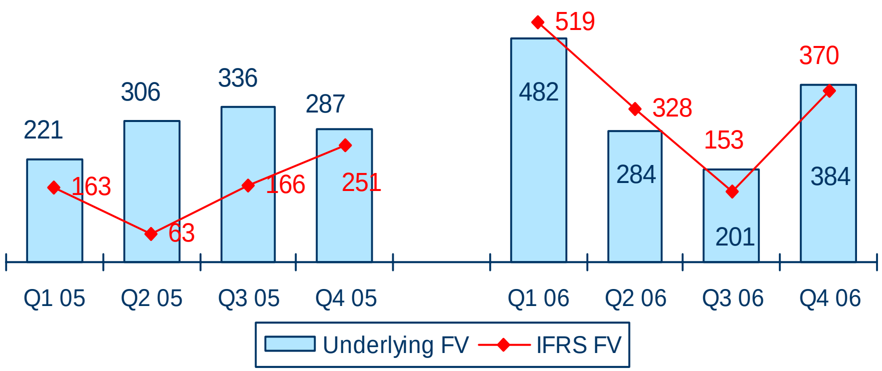
- Underlying Q4 F&C income up by 38% q/q on the back of solid sales of investment products.
- Underlying Q4 F&C down by 3% y/y, but stable excluding the deconsolidation impact of *Banco Urquijo* compared to the exceptionally strong result of Q4 05

AUM evolution	Growth y/y	o/w net inflow	YE volumes (bn euros)
Belgium	+17%	+13%	143
CEE	+39%	+23%	10
Private Banking*	+8%	+2%	55
Total*	+14%	+10%	209

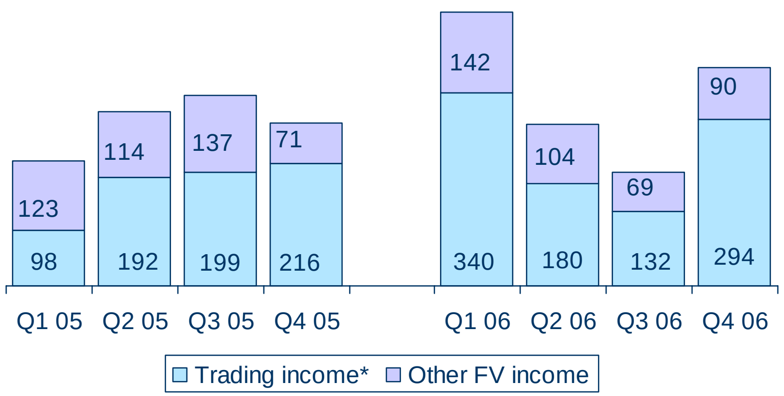
* without *Banco Urquijo*

Revenue trend (6): FV income

FV income (m)



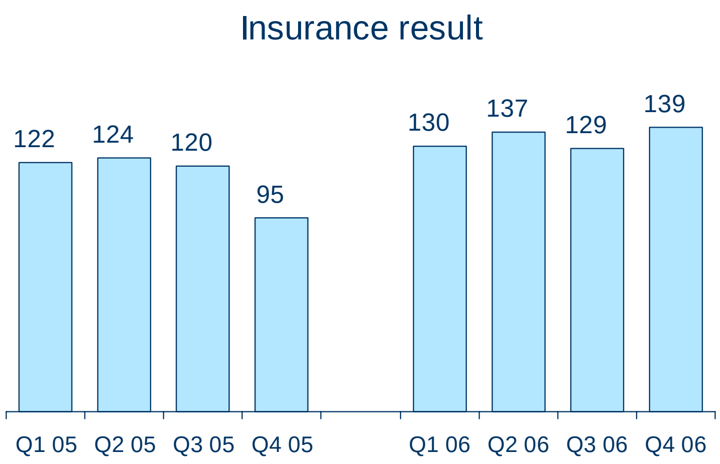
Split of non-IFRS FV income (m)

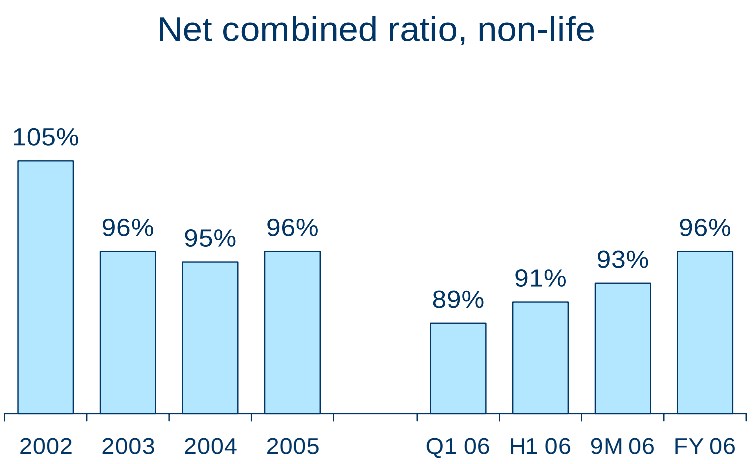


*investment banking

- Underlying Q4 FV Income up 91% q/q and 34% y/y
- Q4 trading income: more than doubled after weak Q3, up by 36% y/y

Underwriting result, insurance

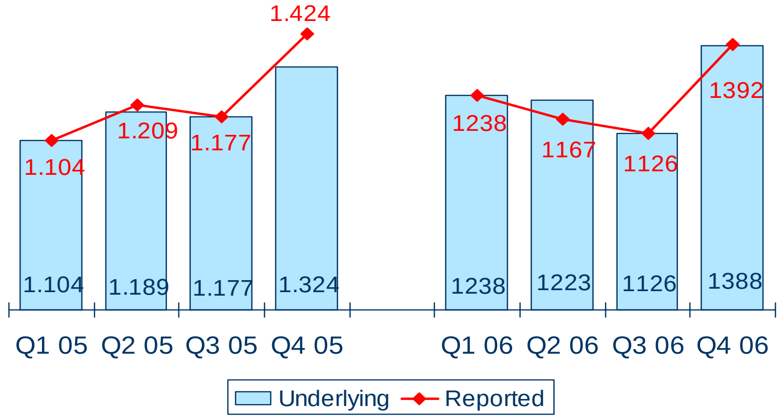




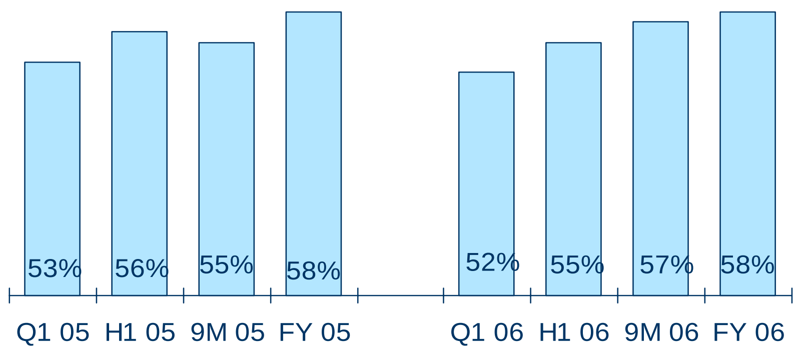
- Q4: higher claims, combined ratio up somewhat q/q, mainly due to seasonality (storm claims in Czech Republic and Slovakia)
- FY: combined ratio at 96% on the back of low claims. Claims reserve ratio up to 176% (from 174% FY 2005).

Cost/income

Operating expenses (m)



Underlying cost/income ratio (banking)

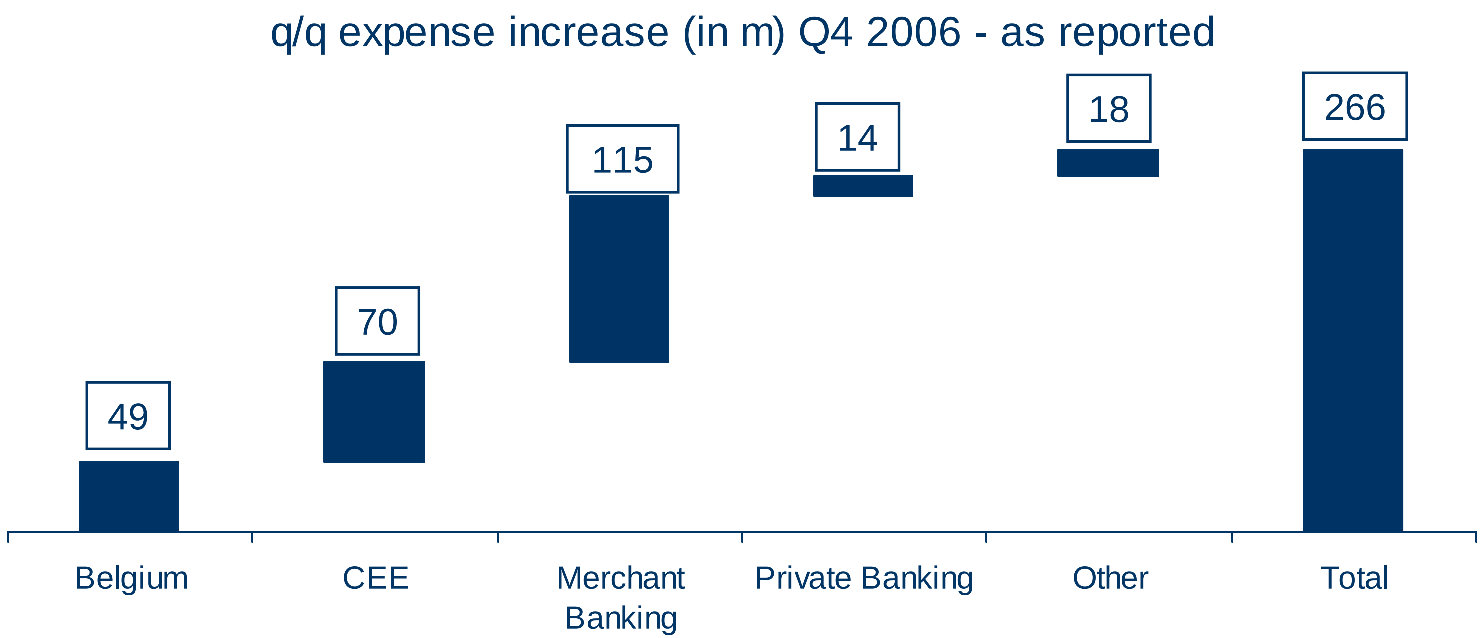


- Adjusted for non-recurring items, the Q4 cost level increased by 5% y/y due, amongst other things, to normal cost inflation and higher income-related staff remuneration, chiefly in Merchant Banking (due to better trading results)
- FY C/I ratio improved to 53% (excluding one-offs: 58%)
- Operational excellence projects will have a recurring pre-tax impact of > 200m per year (both revenue and cost side) by 2009
  - +6% of the underlying 2006 pre-tax group profit
  - -2 pp on the 2006 cost/income ratio, banking

C/I, banking	FY 04	FY 05*	FY 06*
Belgium	72%	55%	58%
CR/SR	61%	60%	57%
Hungary	74%	70%	63%
Poland	79%	78%	72%
Private banking	85%	72%	73%
Merchant banking	47%	48%	50%
Total	65%	58%	58%

* underlying

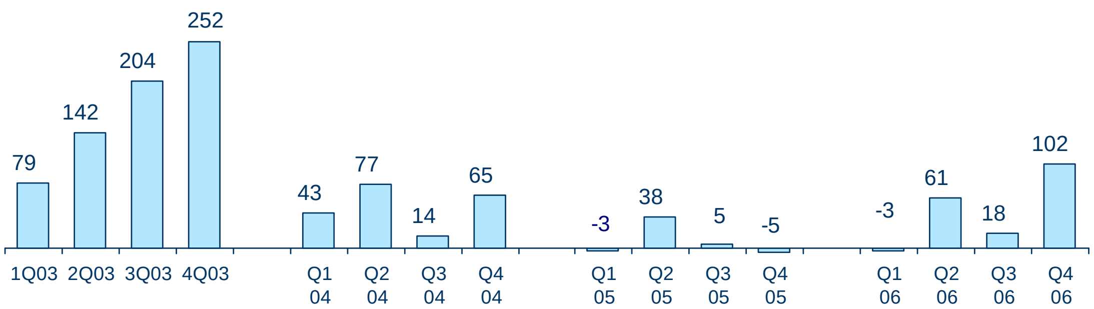
End-of-year cost effect



- In Q4, the q/q 24% cost increase was comparable with Q4 2005 (+21%), but it was different in nature (more income-related cost)
- Main items include:
  - Belgium: staff profit-sharing scheme adjustments (13m) and seasonal higher admin costs, such as marketing costs (10m q/q) and higher IT costs (7m q/q); among other factors
  - CEE: higher profit sharing staff costs, one-off staff charges (25m in Czech Republic), seasonal admin costs, and provision for litigations and restructuring (10m in Poland)
  - Merchant Banking: provision for commercial litigation (21m) and higher revenue-based staff remuneration
  - Private Banking: one-off pension insurance expenses (9m) and restructuring costs (6m)
  - Other: non-recurrence of 26m reversal of expense provisions in Q3 (Group Centre)

Loan impairments

Loan impairment charges (m)*



NPL ratio	YE 05	YE 06
Belgium	1.7%	1.5%
CEE	4.5%	2.4%
Merchant banking	1.8%	1.3%
Total	2.2%	1.6%

- Q4: Loan impairments at 102m.
- 12M loan impairments at 177m (or, in other words: Loan Loss Ratio at 13bps.)
- NPL ratio down from 2.2% at year-end 2005 to 1.6% at year-end 2006
- The only exception was Hungary due to the more difficult macroeconomic environment (please find details on later slides)

Loan loss ratio	FY 04	FY 05	FY 06
Belgium	0.09%	0.00%	0.07%
CR/Slovakia	0.26%	0.40%	0.36%
Hungary	0.64%	0.69%	1.50%
Poland	0.69%	0.00%	0.00%
Merchant banking	0.26%	0.00%	0.00%
Total	0.20%	0.01%	0.13%

* 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

Q1 07 business developments

Business Unit Belgium

Underlying, m euros	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	443	479	489	481	478
Gross earned premiums	722	452	469	504	611
Dividend income	17	8	36	8	11
Net gains from FI at FV	51	14	11	7	11
Net realized gains from AFS	83	87	27	83	52
Net fee & commission	248	225	235	186	249
Other income	37	32	34	36	47
Gross income	**1602**	**1297**	**1301**	**1305**	**1 458**
Operating expenses	-463	-427	-444	-452	- 501
Impairments	-1	-7	-6	-12	- 15
Gross technical charges	-672	-410	-449	-482	- 604
Ceded reinsurance result	-2	-3	-6	-3	0
Share in resutls associates	-1	1	2	2	0
Taxes	-145	-124	-122	-91	- 96
Profit after tax	**319**	**324**	**276**	**266**	**242**
Minority interests	0	-1	-1	-1	- 1
Net profit - Group Share	**318**	**323**	**275**	**266**	**241**
RWA	36 123	38 217	38 540	38 582	39 858

- Q4 NII (underlying) :
  - Stable q/q and up by 8% y/y
  - Mortgage margin stabilised (at approx. 25 bps on new production)
- Q4 F&C: recovered strongly (+34% q/q) following the traditionally weak third quarter. Income even exceeded the record level of Q4 05.
- AUM volumes at year-end up 1% q/q (due to the net outflow of 1.3bn low-yielding advisory mandates), and up by 17% y/y.
- Q4 operating expenses up 11% q/q due to seasonal impacts (i.e. profit-sharing staff expense adjustments, marketing campaign)
- FY Cost/Income at 58%
- FY Loan Loss Ratio at 7 bps
- Reported Q4 net profit at 298m (underlying: 241m)*
- RWA: +10% y/y
- FY ROAC: 29%

* Reported Q4 net profit contains capital gain on the sale of *Banksys* (60m non-taxable, other income)

Business Unit CEE

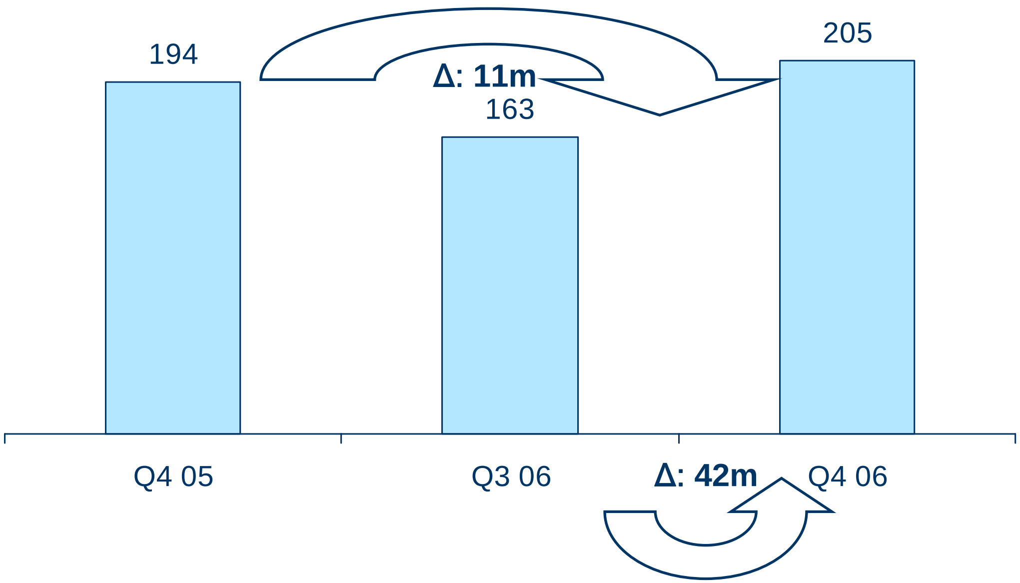
Underlying, m euros	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	246	247	236	247	271
Gross earned premiums	236	236	217	255	251
Dividend income	1	0	2	2	1
Net gains from FI at FV	50	57	50	72	58
Net realized gains from AFS	0	5	4	5	15
Net fee & commission	76	74	77	76	83
Other income	31	37	68	17	32
Gross income	**641**	**657**	**654**	**674**	**711**
Operating expenses	-373	-302	-311	-328	- 397
Impairments	-45	-19	-44	-10	- 64
Gross technical charges	-172	-169	-112	-195	- 167
Ceded reinsurance result	-8	-7	-10	-12	- 15
Share in results associates	2	9	8	11	6
Taxes	4	-29	-33	-21	- 9
Profit after tax	**48**	**140**	**152**	**120**	**65**
Minority interests	-15	-16	-17	-10	- 8
Net profit - Group Share	**33**	**124**	**135**	**110**	**56**
RWA	18 199	19 053	19 854	21 608	23 358

- Q4 NII (underlying) up by 10% q/q and y/y
  - Loan volumes at year-end up 26% y/y and 9% q/q
  - Deposit volumes at year-end up 11% y/y, down by 5% q/q
  - Q4 NIM: +15 bps y/y, +26 bps q/q
- Fast growing AUM volumes at year-end : +39% y/y, +9% q/q
- Q4 operating expenses up 6% y/y and by 21% q/q on the back of profit-sharing costs, one-off staff costs in the Czech Republic (25m), end-of-year admin expenses and of expense provisions in Poland (10m)
- FY Loan Loss Ratio at 36 bps in Czech Republic/Slovakia, below zero in Poland and 150 bps in Hungary
- Q4 underlying net profit at 56m*
- RWA: +28% y/y
- FY ROAC: 25%

* Q4 reported net profit at 80m which includes 23m pre-tax gain on the sale of office building in Warsaw, (Poland) as “other income”

Q4 cost development in the Czech Republic

Main changes y/y:
- FX-effect: +10m
-Opening branches in SR: +5m
- Wage inflation: +6m
- Higher bonuses: +5m
- One-off adjustments for non-used holidays: +6m
- Stock option plan cancellation: +19m
- 2005 one offs (Prague office building, one-off marketing costs): -25m
-Less commercial litigation and risk provisions: -9m
-Less depreciations: -10m



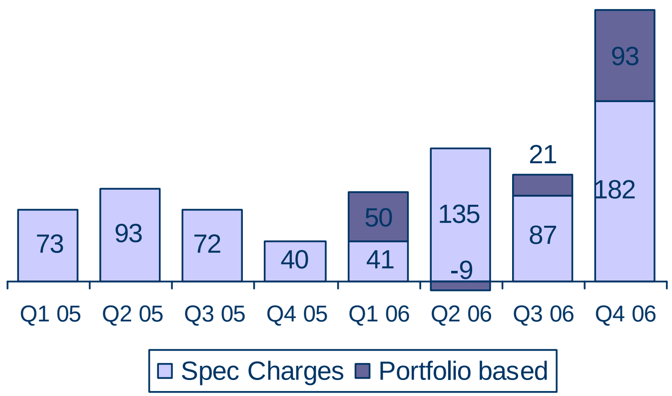
Main changes q/q:
- Stock option plan cancellation: 19m
- One-off adjustments for non-used holidays : 6m
- Bonuses: 5m
- Admin expenses (mostly seasonal marketing costs): 12m
- Less commercial litigation and risk provisions: -5m

Business Unit CEE (2)

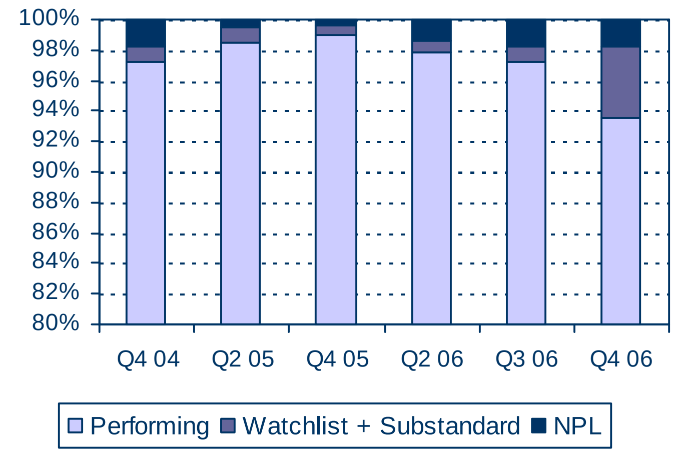
- **Czech Republic and Slovakia** (57% of CEE allocated equity):
  - Q4 underlying net profit of 66m – stable y/y and up by 3% q/q
  - Good performance on income side, but Q4 operating expenses up by 6% y/y and 26% q/q due to seasonal impacts and some one offs, amongst other factors
  - Rising loan portfolio (up by 32% y/y and 9% q/q) and AUM (+21% y/y and 7% q/q)
  - Moderate cost of risk (FY loan loss ratio at 36 bps)
- **Poland** (22% of CEE allocated equity):
  - Q4 underlying net profit down q/q due to 10m provision for legal litigations and restructuring. Previous quarter boosted by write-back in impairments
  - Signs of recovery of commercial activities remained in place in Q4: solid growth in loans (+16% y/y, +4% q/q) and asset management (+38% y/y, +6% q/q)
  - Second quarter of strongly growing RWA (+15% y/y, +5% q/q)
  - No impairments in Q4
- **Hungary** (21% of CEE allocated equity):
  - Solid commercial performance, but negative underlying net result (Q4: -7m) due to high loan impairments
  - Very successful year for asset management (AUM up by 92% y/y) helped by tax regulation changes
  - Q4 loan impairments of 53m of which 18m portfolio-based, 35m special provisions for individual corporate debtors
  - FY loan impairment charges at 1.50%
- **CEE Other** includes chiefly the profit contribution from Slovenia (FY: 32m), minority interests (-15m, FY) and the funding cost of the goodwill on the participations in CEE (FY -100m)

Asset Quality evolution in Hungary

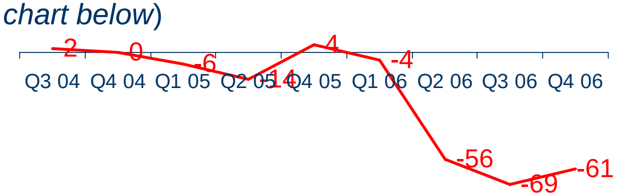
KBC Loan Loss Charges (bps)



KBC Asset Quality evoultion in Hungary



- Hungarian corporate debtors were adversely impacted by the more difficult macro-economic environment, i.e:
  - higher taxes and social contributions
  - raised utility prices
  - higher interest rates
  - lower consumption
- We have tightened our provisioning (one-third of the total is due to portfolio-based provisioning)
- No deterioration in retail asset quality
- *K&H Bank – Gfk Hungaria SME Confidence Index* is at the second lowest level in the past nine quarters (*see chart below*)



Asset Quality of TOP-6 players in Hungary Q3 06

	Market Share Ranking	Ratio of high risk loans*
K&H	2	2.73%
OTP	1	3.22%
MKB (BayLaba)	3	14.18%
CIB (Intesa Sp)	4	7.84%
Erste	5	29.17%
HVB (Unicredit)	6	4.76%

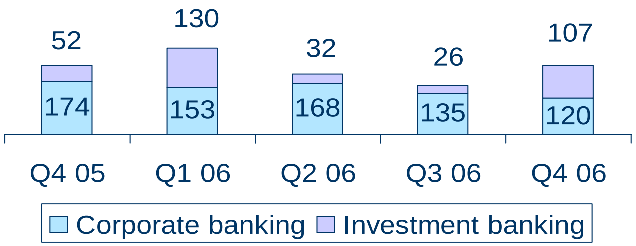
Source: HFSA, quarterly report

* High risk: Watchlist + Substandard + NPL

Business Unit Merchant Banking

Underlying, m euros	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	241	208	245	284	279
Gross earned premiums	73	85	70	81	82
Dividend income	1	1	7	3	1
Net gains from FI at FV	222	388	217	100	287
Net realized gains from AFS	48	5	17	- 1	6
Net fee & commission	97	85	76	28	96
Other income	29	17	36	26	22
Gross income	**710**	**789**	**668**	**522**	**773**
Operating expenses	- 324	- 336	- 299	- 242	- 357
Impairments	36	33	- 17	- 2	- 12
Gross technical charges	- 43	- 54	- 45	- 54	- 45
Ceded reinsurance result	- 18	- 5	2	- 7	- 18
Share in results associates	1	0	1	0	0
Taxes	- 112	- 121	- 87	- 34	- 87
Profit after tax	**250**	**306**	**222**	**184**	**253**
Minority interests	- 24	- 24	- 23	- 22	- 26
Net profit - Group Share	**226**	**282**	**200**	**162**	**227**
RWA	54 347	53 891	55 935	57 837	59 892

Split of underlying net profit - for 2005 indicative only



- Q4 NII (underlying, related to commercial banking) flat q/q and up 16% y/y
- F&C almost tripled in Q4 vis-à-vis the seasonally weak Q3
- Q4 underlying trading income in investment banking units at 294m, significantly higher than the quarterly average (195m)
- Q4 underlying gross income climbed to the record level of 773m
- Q4 operating expenses rose in line with the revenue growth trend (+48% q/q, +10% y/y)
- Limited impairment charges in Q4 (12m). NPL ratio at 1.3% down from 1.4% at end of Q3 06
- Strong Q4 underlying net profit of 227m
- RWA: +10% y/y
- FY ROAC: 21%

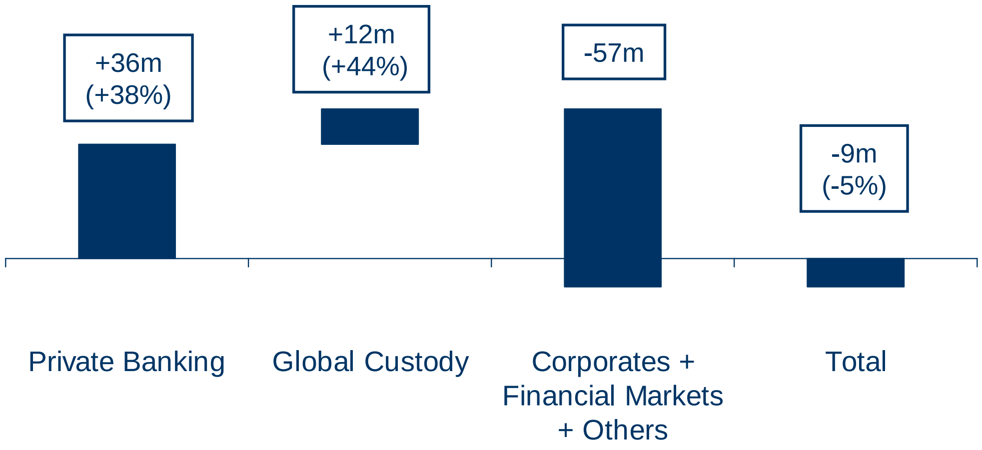
Business Unit European Private Banking

Underlying, m euros	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	76	58	48	29	24
Gross earned premiums	11	3	7	17	13
Dividend income	2	2	9	2	2
Net gains from FI at FV	- 40	22	7	32	29
Net realized gains from AFS	5	12	14	- 1	- 3
Net fee & commission	129	135	132	104	111
Other income	16	2	7	7	- 3
Gross income	**199**	**233**	**224**	**190**	**174**
Operating expenses	- 131	- 147	- 144	- 118	- 127
Impairments	16	0	0	4	0
Gross technical charges	- 18	- 7	- 14	- 23	- 21
Ceded reinsurance result	0	0	0	0	0
Share in results associates	1	1	1	1	1
Taxes	- 17	- 22	- 22	- 9	11
Profit after tax	**50**	**57**	**45**	**45**	**38**
Minority interests	- 2	- 1	- 1	- 1	0
Net profit - Group Share	**49**	**55**	**44**	**44**	**38**
RWA	8 772	9 539	9 000	7 005	5 842

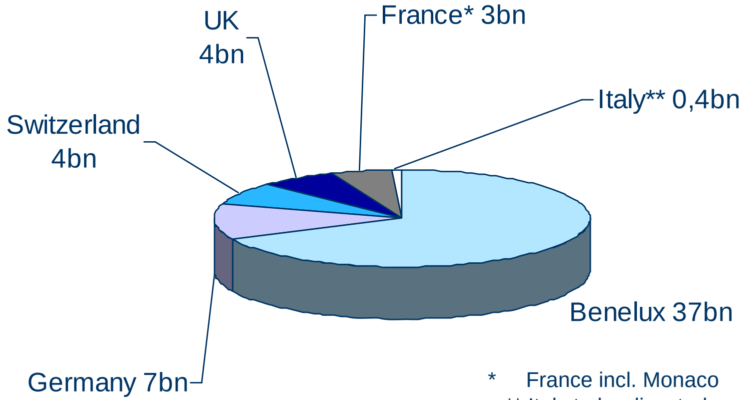
- Q4 F&C up 7% q/q, down 14% y/y. Excluding the deconsolidation impact from *Banco Urquijo* (-17m) F&C up by 16% y/y.
- In line with strategy, non-core businesses (i.e. commercial lending and capital market activities) were gradually scaled down, which had an adverse effect on the revenue trend.
- Q4 underlying operating expenses up 8% q/q, due to one-off staff pension insurance expenses (9m) and restructuring provisions (6 m).
- Assets under management up 2% q/q to 55bn outstanding at year-end. Net outflow of low-yielding off-shore assets as expected, 6% growth in on-shore assets
- No loan impairments in Q4
- Underlying net profit in Q4 at 38m. Average quarterly deconsolidation impact of *Banco Urquijo* ca. 2m since Q3 06
- FY underlying cost/income at 73%
- FY underlying ROAC at 29%

Business Unit European Private Banking (2)

FY 2006 performance by business segments (y/y changes of underlying figures)



AUM - geographical breakdown



As of Dec-06

* France incl. Monaco
** Italy to be divested

AUM – Breakdown by asset type

	YE 05	YE 06	Growth	o/w net inflow	
Offshore private banking	15 bn	15 bn	+ 1%	-2%	Low growth area
Onshore private banking	21 bn	24 bn	+15%	+9%	Sound growth, delivering on strategic ambitions
Institutional assets	11 bn	12 bn	+ 9%	+2%	Growth concentrated in limited number of files
Low-yielding assets	4 bn	4 bn	-5%	-13%	Outflow due to intentional pricing out
Total	**51 bn**	**55 bn**	**+8%**	**+2%**	

Group Centre

Underlying, m euros	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	- 21	- 14	2	- 7	- 14
Gross earned premiums	- 8	- 7	- 9	- 5	- 11
Dividend income	3	0	16	0	2
Net gains from FI at FV	5	2	- 1	- 11	0
Net realized gains from AFS	0	0	0	0	0
Net fee & commission	13	12	9	4	11
Other income	9	15	- 2	- 3	25
Gross income	**1**	**8**	**14**	**- 22**	**13**
Operating expenses	- 32	- 26	- 25	14	- 5
Impairments	- 6	0	0	0	- 1
Gross technical charges	5	9	1	0	- 1
Ceded reinsurance result	3	- 3	8	5	12
Share in results associates	- 1	0	1	0	0
Taxes	- 20	5	- 18	- 6	- 14
Profit after tax	**- 51**	**- 8**	**- 19**	**- 8**	**3**
Minority interests	0	0	0	1	- 1
Net profit - Group Share	**- 51**	**- 9**	**- 19**	**- 8**	**3**
of which banking	-4	-3	7	14	18
of which insurance	-2	-1	0	0	-1
of which group company	-45	-4	-26	-21	-15

FY net profit of 214m:

- 27m from the holding company, including one-off positive impacts:
  - divestment of *Agfa-Gevaert*
  - merger of *Gevaert* and *KBC Group*
- 165m dividends and realized gains from centrally managed equity portfolio booked in KBC Bank
- The settlement of tax-related receivables had an impact of 30 m
- Underlying result was 3m in Q4 and -33m in FY 2006

Including all intrasegment eliminations

Group financial performance

Performance per business unit

Q1 07 business developments

Q1 07 developments

- Even with the mid-January storm that affected Europe, January was a good month for the Group. The storm Kyrill's consequences entailed insurance claims for an amount of ca. 40 m (pre-tax, of which 27 m in Belgium, 9 m in CEE and 4 m in Merchant Banking). Net earnings impact expected to be around 28 m.

- Moreover, KBC booked a value gain of 200 m euros following the sale of its entire non-strategic 0.4% stake in *Intesa Sanpaolo*

- The divestment from the Italian private bank, *Fumagalli* (0.4 bn AUM), is expected to be closed in Q1 2007, generating a 14 m gain

- The sale of our share in Hungarian bankcard clearing house *GBC* will have a positive net earnings impact (closing probably in H1 07, subject to approval of the local authorities)

Financial calendar

Reminder: Date changes!

26-Apr, 2007	• Annual General Meeting
30-Apr, 2007	• Dividend Payment
16-May, 2007	• Publication of 2007 Q1 results
10-Aug, 2007	• Publication of 2007 H1 results
9-Nov, 2007	• Publication of 2007 9M results
14-Feb, 2008	• Publication of 2007 FY results

3 Additional information regarding the accounts

Reminder: Underlying P&L concept

Underlying P&L concept covers the followings:

- MTM result of derivatives for hedging purposes are excluded
- One-off items are excluded
- Income tax and minorities adjustments related to the above items are made
- Income components related to capital markets activities (trading book) are grouped as trading income (i.e. non-IFRS net gains from financial instruments at fair value)
- The interest expense related to ALM hedging derivatives is considered to be part of our concept of non-IFRS net interest income, together with the interest income from the underlying assets

Group earnings, by quarter

Underlying, m euros	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Net interest income	954	952	969	986	979	1020	1034	1078
Gross earned premiums	729	978	810	1034	768	754	852	946
Dividend income	19	107	5	24	12	71	15	18
Net gains from FI at FV	221	306	336	287	482	284	201	344
Net realized gains from AFS	82	71	49	135	108	62	86	70
Net fee & commission	479	438	460	564	531	529	398	550
Other income	114	115	106	123	103	142	84	123
Gross income	**2598**	**2966**	**2734**	**3153**	**2984**	**2861**	**2670**	**3129**
Operating expenses	-1104	-1189	-1177	-1324	-1238	-1223	-1126	-1388
Impairments	-15	-42	3	0	3	-67	-19	-92
Gross technical charges	-612	-852	-696	-899	-631	-620	-754	-838
Ceded reinsurance result	-17	-17	-10	-26	-18	-6	-18	-21
Share in resutls associates	21	13	-19	2	11	12	15	7
Taxes	-237	-252	-220	-290	-292	-281	-160	-197
Profit after tax	**635**	**626**	**614**	**616**	**818**	**676**	**607**	**600**
Minority interests	-48	-48	-48	-41	-42	-41	-33	-36
Net profit - Group Share	**586**	**578**	**566**	**575**	**776**	**634**	**574**	**564**

Number of shares outstanding

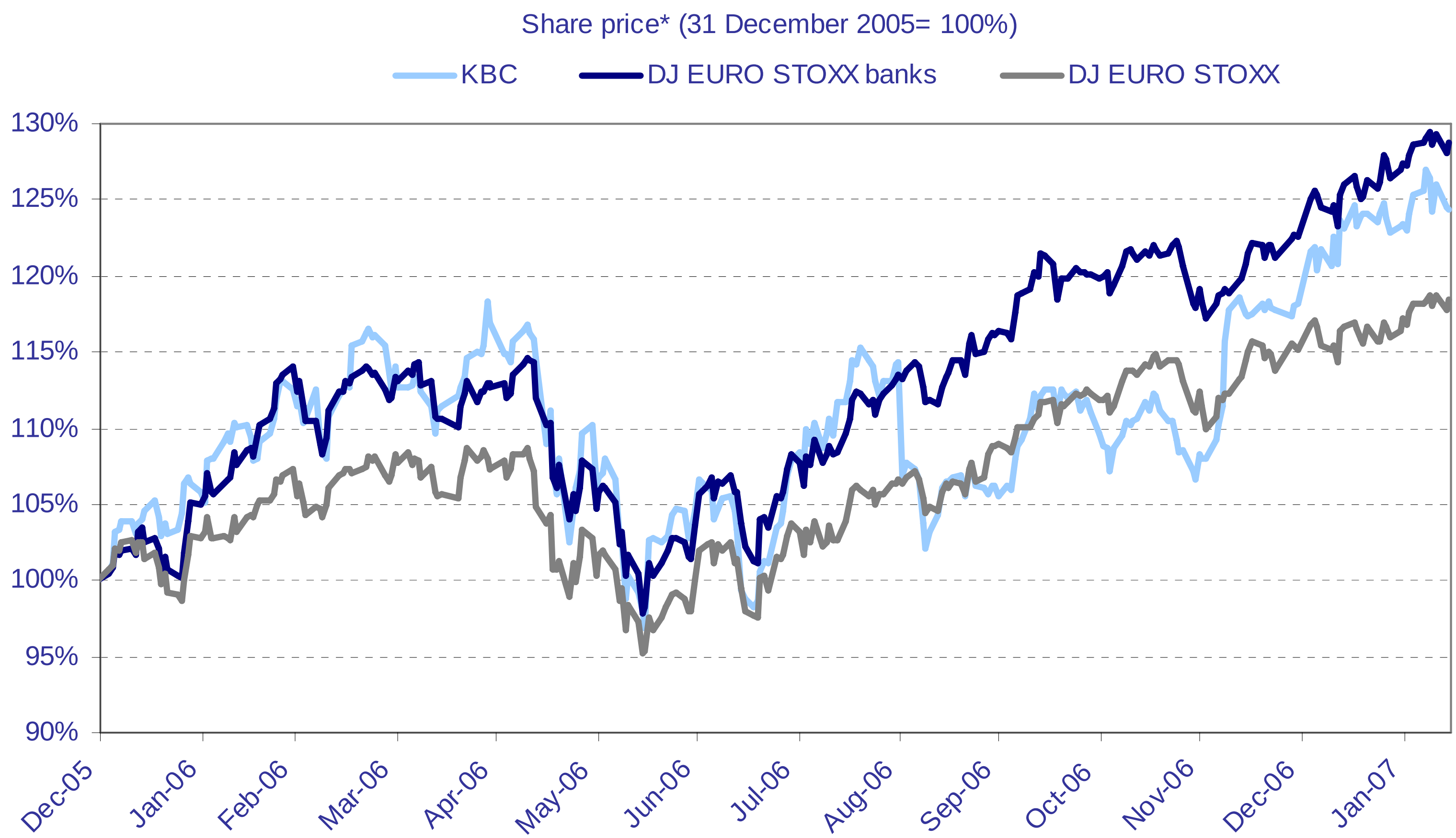
- As at 31 Dec 2006, the number of ordinary shares outstanding stood at 363.2m
- The 2006 1 bn share buy-back programme was completed on 8 November 2006. At the average share price of 85.08 euros, this corresponds to 11.75 million shares

In millions	31/12/05	30/06/06	31/12/06
No. of ordinary shares outstanding	366.6	363.1	363.2
Average number of shares for calculation of the basic EPS:*			
- ordinary shares	366.6	363.1	363.2
- mandatory convertibles (+)	2.6	2.6	2.6
- treasury shares (-)	-9.2	-11.7	-15.8
- total, end of period	360.0	354.1	350.0
- total, average year-to-date	359.1	356.9	354.3

*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



* daily closing prices

Current valuation

Key figures:
- Share price: 97.30 euros
- Net asset value: 49.2 euros
- Daily traded volume 2006 : 58m euro

Analyst estimates:
- 2007 EPS consensus: 8.01 euros
- 2007 P/E: 13.06

- **Recommendations:**
- Positive: 72%
- Neutral: 28%
- Negative: 0%

Valuation relative to peer group:

	P/E 2007
CEE banks [2]	18.99
CEE-exposed banks [3]	18.77
Euro-zone banks [4]	13.46
KBC [1]	13.06
BEL banks [5]	11.39

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., RZB Int.
[4] Top-20 DJ Euro Stoxx Banks
[5] Fortis, Dexia

Situation as at 13 February 2007

Analysts' opinions

Situation on 13 February 2007

Broker	Analyst	Telefon	Rating	Target price
ABN·AMRO	Ron Heydenrijk	+44 20 7678 0442	Buy	110
Bank Degroof	Ivan Lathouders	+32 2 287 91 76	Accumulate	106
Cheuvreux	Jaap Meijer	+31 20 573 06 66	Outperform	110
citigroup	Kiri Vijayarajah	+44 20 7986 4258	Buy	110
Credit Suisse	Ivan Vatchkov	+44 20 7888 0873	Outperform	101
delta lloyd	Carlo Ponfoort	+32 3 204 77 11	Accumulate	104
Deutsche Bank	Gaelle Cibelly	+33 1 44 95 66 28	Hold	94
Exane	Patrick Leclerc	+33 1 42 99 25 12	Outperform	105
Fortis	Kurt Debaenst	+32 2 565 60 42	Hold	95
FPK	Britta Schmidt	+44 20 7933 4392	In Line	101
ING Bank	Alain Tchibozo	+33 1 56 39 32 84	Buy	110
IXIS Securities	Christophe Ricetti	+33 1 58 55 05 22	Buy	107
JPMorgan	Paul Formanko	+44 20 7325 6028	Overweight	92
KBW	Jean-Pierre Lambert	+44 20 7663 5292	Market perform	104
Kepler Equities	Albert Ploegh	+31 20 563 2382	Buy	116
Merrill Lynch	Manus Costello	+44 20 7996 1953	Neutral	102
ODDO Securities	Scander Bentchikou	+33 1 44 51 83 08	Add	95
Sal. Oppenheim	Thomas Stögner	+49 69 7134 5602	Buy	107
Petercam	Ton Gietman	+31 20 573 54 63	Hold	102
Rabobank	Bart v der Feen de Lille	+31 20 460 48 65	Buy	110
UBS Investment Bank	Simon Chiavarini	+44 20 7568 2131	Buy	114
WestLB	Ralf Breuer	+49 211 826 4987	Add	110