KBC Embedded Value Report 2007

Contents

1. Introduction

For many years now, KBC has published its Embedded Value results to provide an indication of the economic value created by its Life insurance business.

In 2006 KBC made the transition from a traditional Embedded Value model towards a Market Consistent Embedded Value (MCEV) model. With this move towards MCEV, KBC is not only complying with the European Embedded Value (EEV) principles, it has also taken a further step towards more objective and comparable reporting on the value of its Life business.

The MCEV framework is also being used internally as a management tool for the governance of the Life insurance portfolios. Profit-testing, value of new business analysis and other applications derived from the MCEV model are integrated into the everyday operations of the Life business.

2. Highlights

As at 31/12/2007 the MCEV after dividends of the Life insurance business in KBC's Business Units Belgium and European Private Banking stood at 2 654 million EUR (7,75 EUR per share).

Before dividend payout, a value increase was recognised in the amount of 143 million EUR vis-à-vis the restated MCEV figures of 2006. The value added by the new policies written in 2007 (Value of New Business) amounted to 82 million EUR. The new business margin measured on an Annualised Premium Equivalent basis came to a high 40% while it stood at a high 4,4% when compared to the Present Value of New Business Premiums. These levels, however, are lower than those recorded in the preceding year due to the change in product mix of new business (lower unit-linked sales volumes).

To calculate the MCEV, the Value of Business In Force (VBI) is added to the Adjusted Net Asset Value (ANAV). The ANAV of the covered Life business, net of dividends, amounted to 1 426 million EUR, while the VBI came to 1 228 million EUR.

The MCEV was adversely impacted by the prevailing financial market context (resulting in a mark-down of the investment revaluation reserve, which forms part of the ANAV). There was also a significant negative impact from the goodwill paid on 2007 acquisitions (mainly) in Central and Eastern Europe, which, from a conservative viewpoint, has been fully deducted for valuation purposes. If the goodwill amount had not been deducted, the MCEV would have been higher by another 117 million EUR.

The model's scope includes the entire in-house value chain from origination to distribution of the covered Life insurance policies. Ca. 12% of the MCEV and ca. 14% of the Value of New Business was generated by KBC Asset Management via the management of investment units linked to insurance policies.

3. **Scope**

The 2007 scope of KBC's MCEV model is the Life insurance business of KBC's Business Units (BU) Belgium and European Private Banking, for both components of the MCEV: the Value of Business In Force (VBI) and the Adjusted Net Asset Value (ANAV).

Although strong growth in insurance activities has been achieved by the entities of the BU Central and Eastern Europe and Russia , the bulk of the Life business is still accounted for by the three Benelux subsidiaries: KBC Insurance Belgium (bank branches and tied agents) and Fidea (brokerage) belonging to the BU Belgium and VITIS Life in Luxemburg belonging to the BU European Private Banking.

For 2007 the covered business lines account for 94% of the technical provisions and 84% of the premium inflow (including unit-linked) of the Life insurance business within KBC Group.

An overview of the technical provisions for Life insurance per BU within KBC Group can be found in Annex 1.

The published figures do not include the value of:
- the Life insurance business of the BU Central and Eastern Europe and Russia;
- the Non-life insurance business;
- the expected future Life business.

In our disclosures of previous years, the ANAV of the total insurance business was taken into scope (hence also including that of the Non-life business and of the BU Central and Eastern Europe and Russia) while the scope of the VBI was restricted to the Life insurance business of the BU Belgium and European Private Banking. In 2007, work has been undertaken to allocate assets between business in and out of the scope of the MCEV, so as to obtain the same scope for the ANAV and the VBI. The new methodology is believed to be more in line with the EEV principles.

For comparison purposes, the 2006 figures have been restated accordingly.

4. Methodology

MCEV methodology

A market-consistent valuation is a valuation of both the assets and the liabilities of the company in a way that is consistent with prices in the financial markets. The value of unquoted assets and liabilities is equivalent to the value that would be placed on the cash flows generated by these assets and liabilities in a deep and liquid market. It is in a sense simply an application of standard valuation principles by insurance companies which is also consistent with modern financial valuation theory applied in the financial markets and hence also with the replication concepts used in ALM.

Valuing MCEV directly addresses three key criticisms of traditional EV and to a less extent of EEV:

- The risk discount rate (or equivalent) is set objectively, and is based on observable risk-free market rates at the valuation date.

- The costs of options and guarantees are valued objectively and explicitly, on the basis of stochastic option pricing techniques used in the financial markets.

- The costs associated with the non-hedgeable risks of an insurance company are explicitly allowed for through a cost-of-capital approach.

Presentation

Several methods exist to present the market-consistent value of the Life insurance business. KBC has opted to present the figures in a way that is intuitively close to the traditional way of presenting embedded values and in line with the EEV principles.
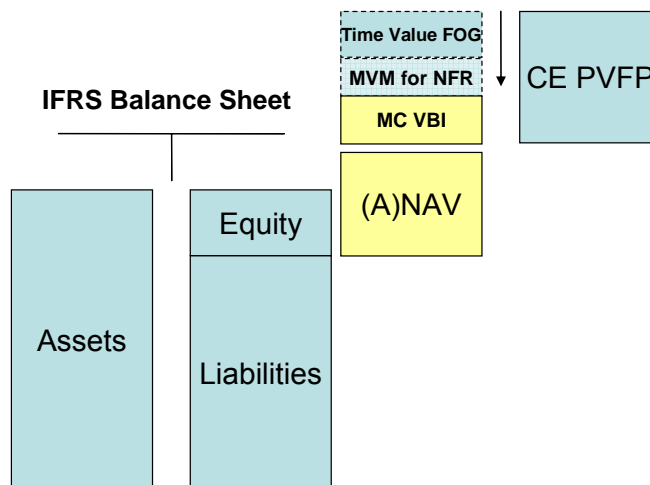
Adjusted Net Asset Value (ANAV). The ANAV is derived from the shareholders' equity on a consolidated IFRS balance sheet corresponding to the Life insurance business in scope. This shareholders' equity is adjusted in order to reflect the full economic (market-consistent) value.

Value of Business In Force (VBI). The VBI is the market-consistent value of the Life insurance portfolio in scope. The VBI is composed of the following elements:

- The **Certainty Equivalent Present Value of Future Profits (CE PVFP),** which represents the value of the business without taking account of any future investment risk premiums (expected excess returns obtained by taking a risk position on the asset side).

- The **Time Value of Financial Options and Guarantees (TVFOG),** which is deducted from the CE PVFP.

- A **Market Value Margin (MVM) for non-hedgeable risks,** which is also deducted from the CE PVFP.

ANAV methodology

Starting from the shareholders' equity on consolidated IFRS accounts of the Life insurance business in scope, the net tangible assets are derived. The following main adjustments are made to arrive at the ANAV:

- Unrealized capital gains/losses that are not yet reflected in the IFRS balance sheet are added, e.g. the unrealized capital gains/losses on the held-to-maturity (HTM) bonds.

- Some intangible assets (mainly goodwill) are eliminated, since they conceptually represent a book value of what is in principle taken into account in the VBI. Note however that acquired Life insurance portfolios within the BU Central and Eastern Europe and Russia are not yet in scope of the VBI and that in general no value is attributed for future new business.

- Some additional reserves on the IFRS balance sheet are considered to be part of the ANAV from an economic viewpoint. These reserves are added to the ANAV.

- Unrealised capital gains that will be included in the VBI as part of the portfolios' value need to be subtracted from the ANAV in order to preclude double-counting.

- Tax adjustments relative to the above changes in capital need to be taken into account.

VBI methodology

The different building blocks used to calculate a market-consistent VBI are described in detail below.

Certainty Equivalent Present Value of Future Profits (CE PVFP)

The CE PVFP is the base value of the business without taking into account risk margins on the expected investment returns. This CE PVFP can be calculated using the traditional EV models,

excluding all risk margins from the projections and discounting at the risk-free rates. This value takes the expected or intrinsic value of the financial options and guarantees in the portfolio into account, but ignores the time value of options and guarantees, which is valued separately.

Time value of Financial Options and Guarantees (TVFOG)

The TVFOG is disclosed explicitly to place a market-consistent value on the asymmetry of shareholder profits around their expectations as a result of financial options and guarantees embedded in the insurance cash flows.

This TVFOG needs to be deducted from the basic CE PVFP.

The options and guarantees in respect of which an explicit time value is calculated, are:

- the interest rate guarantees that are given under policies in the portfolio;

- profit-sharing in addition to the interest rate guarantees.

At this time, KBC has chosen not to model other policyholder behaviour options, such as lapses, on a stochastic basis. Including this will require further study and an extension of the models.

The TVFOG is calculated as the difference between a stochastic valuation of the shareholders margins (calculated by using 1000 risk-neutral scenarios on the basis of a KBC proprietary economic scenario generator) and a single deterministic valuation based on the central scenario at the time of projection (current market conditions also used in the CE PVFP valuation).

Market Value Margin (MVM) for non-hedgeable risks

Where the market-consistent value of future liability cash flows can be determined as the cost of setting up a replicating portfolio, the price can be determined from observable market prices. In order to determine the full market value of the liabilities, an explicit MVM for non-hedgeable risks needs to be deducted. This way, an investor is compensated for the cost of taking on non-hedgeable risks.

KBC models the MVM for non-hedgeable risks according to a cost-of-capital approach. This approach is supported by the CRO Forum and is in line with approaches taken in Solvency 2 and the Swiss Solvency Test. The basic premise of the cost-of-capital approach is that sufficient capital is needed to cover these non-hedgeable risks during the run-off of the business.

The non-hedgeable risks that are taken into account as the basis for the MVM calculations are life insurance risks (mortality and longevity), operational risks and non-hedgeable ALM risks. The capital required for these risks is estimated using KBC's internal Economic Capital model. This Economic Capital model is based on the capital requirements for an AA solvency rating for the Life business.

In line with the proposals in the Quantitative Impact Studies for Solvency 2 and the approach taken in the Swiss Solvency Test, a cost-of-capital risk premium (above the risk-free rate) of 6% is used to determine the MVM.

KBC believes that this cost-of-capital approach to estimate the cost of non-hedgeable risks is the most transparent, easily verifiable and understandable technique currently available.

VNB methodology

The Value of New Business (VNB) includes only the value of the new policies written in 2007. The value of new premiums on existing business is not recognised as VNB.

Expected future new business is not taken into account in the VNB or VBI figures.

The methodology used for the VNB is the same as the one used for the valuation of existing business. The VNB is calculated at date of sale, using year-end assumptions. The reported VNB includes the initial income and expenses incurred at the inception of the policies involved.

5. Assumptions

Economic assumptions

Yield Curve

The euro swap curve as at 31/12/2007 is adopted as the basis for the risk-free investment assumptions. The evolution of the yield curve between 2006 and 2007 is plotted on the figure below (rates beyond 30 years were derived from the assumption of a flat forward curve). This yield curve is used to derive stochastic economic scenarios, risk-free discount factors and forward reinvestment yields in the CE PVFP.
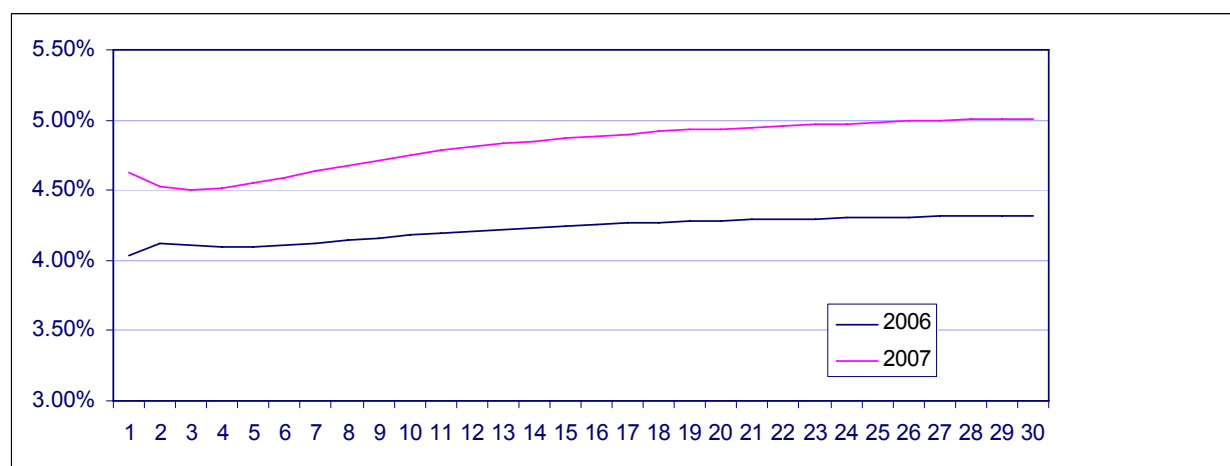
Implied volatilities

The volatilities in a risk-neutral model are calibrated to the implied volatilities of market prices for different asset classes. The Economic Scenario Generator is calibrated to volatilities of at-the-money 10-year swaptions and at-the-money equity options for the Eurostoxx 50.

The applied volatilities for 2006 and 2007 are shown in Table 1.

Table 1

Swaption volatilities		
Year	2006	2007
1	14,00%	13,00%
3	14,10%	12,20%
5	13,60%	11,70%
10	12,50%	11,00%
20	11,80%	10,30%
30	11,30%	9,90%

Equity volatilities		
Year	2006	2007
1	16,60%	20,70%
3	18,30%	23,12%
5	19,70%	24,98%
10	21,41%	27,24%
20	22,22%	28,27%
30	22,48%	29,27%

Inflation

The inflation rates are adjusted according to the most recent forecasts of KBC Asset Management for Belgium. Table 2 shows the applied inflation rates for 2006 and 2007.

Table 2

	2006		2007	
	Wage	CPI	Wage	CPI
2007	2,5%	2,0%	2,8%	1,9%
2008	2,5%	2,0%	3,0%	2,4%
2009	2,5%	2,0%	2,6%	1,9%
>=2010	2,5%	2,0%	2,5%	2,0%

The CPI inflation rate is used e.g. for indexation of premiums.

Expenses are inflated at the expected wage inflation instead of CPI inflation as we believe wages are the main component of expenses.

Modelling of participating (or with profit) business

Participating business is typically characterised by

- A minimum guaranteed interest rate;

- Bonuses on top of this minimum guarantee interest rate. The amount granted to the clients in the portfolios is – in line with local regulations – determined at the management's discretion. The models reflect profit-sharing according to past KBC practice, reflecting the link with the performance of the financial markets, competition and taking into account management actions.

The nature of this business makes stochastic modelling necessary in order to capture the variation in value that stems from changing economic environments.

The minimum guarantee level and bonuses attributed impact that part of the CE PVFP that is not linked to the actual investment result.

The TVFOG will reflect the likelihood of additional payment to the policyholder. This is the value on top of the intrinsic value of those options, which is captured in the CE PVFP. The nature of the bonus policy leads to asymmetric results, since it is likely that part of the returns will be paid out to policyholders if the market performs well, while conversely, if the market does not perform well, shareholders will bear part, if not all, of the negative returns.

Non-economic assumptions

Mortality and lapse rates

Cash flows are based on best-estimate assumptions in order to reflect the obligations to the policyholders.

- Mortality experience rates are based on the Belgian mortality experience tables that are published by Assuralia (the Belgian professional organization of insurance companies) and updated each year.

- Lapses and dormancy figures are based on yearly experience studies performed by the life actuaries of KBC. Based on historic figures and management judgement of future best estimates, lapse and dormancy figures are derived for the following years. The lapse and dormancy assumptions are set on product level and take into account several aspects, such as the sales channel, age of policyholder(s), lifetime of the policy, fiscal treatment,...

Tax assumptions

Tax is modelled on a top-down basis. The appropriate tax rates are applied to all items that are recognised as (future) profits.

Expenses

All expenses of the covered Life insurance business are included in the projections by means of a detailed Activity-Based Costing model.

In 2007 the cost allocation model has been fundamentally revised and refined, which led to a shift from one-off acquisition costs to recurrent administration costs. This fundamental change of the cost allocation model has been taken along as a model change in the restatement of the 2006 VBI figures.

For Fidea an expense amount of 1,3 million EUR concerning the acquisition and integration of the Life insurance portfolio of OVMB was kept outside the cost allocation model as it concerns one-off development costs.

Projected expenses are expected to grow at the same rate as expected future wage inflation. There is no allowance made for future productivity gains.

6. MCEV 2006 restated

Table 3 shows the restated MCEV 2006 figures taking into account
- the new, narrowed scope of the ANAV (as explained under section 3)
- some model changes w.r.t. the VBI of the covered Life insurance portfolios

Table 3

thousand EUR	2006	2006 restated
ANAV	3 163 742	1 575 320
VBI	1 279 925	1 205 000
MCEV	4 443 667	2 780 320

The restated ANAV 2006 includes only the ANAV of the Life insurance businesses covered in the VBI.

The model changes mainly consist of

- the transition to a new refined cost allocation model used to define the expenses (as explained on page 10). As the new cost allocation model led to a shift from one-off acquisition costs to recurrent administration costs, it has a significant negative impact of -41 million EUR on the VBI;

- some parameter changes to the profit sharing formula, which account for an impact of -15 million EUR on the VBI.

7. MCEV 2007 results

Overview

Table 4 shows the MCEV results as at 31/12/2007 and the comparison with the restated MCEV figures of 2006.

Table 4

thousand EUR	2006 restated		2007	%change 2006 restated - 2007
ANAV after dividens	1 575 320	ANAV before dividends	1 695 608	+7,6%
		ANAV after dividends	1 426 047	-9,5%
VBI	1 205 000	VBI	1 228 116	+1,9%
MCEV after dividends	2 780 320	MCEV before dividends	2 923 724	+5,2%
		MCEV after dividends	2 654 163	-4,5%

Although the ANAV is negatively impacted by the decrease of unrealized capital gains and a strong increase of goodwill we note an increase of the ANAV before dividends of 7,6%. The goodwill paid on 2007 acquisitions mainly in Central and Eastern Europe is, from a conservative stance, fully deducted for valuation purposes. If the goodwill amount would not have been deducted, the ANAV and MCEV would have been 117 million EUR higher.

The changes in the ANAV and VBI are fully detailed in the Movement Analysis below.

Ca. 12% of the total MCEV is generated by KBC Asset Management via the management of unit-linked funds.

ANAV

Table 5 shows the composition of the ANAV as at 31/12/2007.

Table 5

thousand EUR	2007
Shareholders equity after dividends allocated to the covered Life insurance business	1 589 313
Adding minority interests and unrealized capital gains not recognized in IFRS	16 696
Elimination of Intangible Assets / Goodwill	- 117 290
Allocation of unrealized capital gains to VBI	-276 429
Reserves adjustments	213 757
ANAV after dividends	1 426 047

VBI

Table 6 shows the composition of the VBI as at 31/12/2007 and the comparison with the restated VBI figures of 2006.

Table 6

thousand EUR	2006 restated	2007
CE PVFP after tax	1 565 318	1 426 834
TVFOG	-208 486	-98 415
MVM	-151 832	-100 302
VBI	1 205 000	1 228 116

The stochastic valuation techniques used to calculate the VBI make it possible to explicitly show the Time Value of Financial Options and Guarantees. The evolution of the yield curve in 2007 reduced this time value significantly.

The change of the Market Value Margin for non-hedgable risks is mainly caused by the decrease of the Economic Capital for Operational Risk calculated according to the Solvency II rules as set out in the Quantitative Impact Studies.

Table 7 shows the evolution of the VBI expressed as a percentage of the technical provisions of the covered Life insurance portfolios, exclusive of extra reserves for low interest rate risk.

Table 7

thousand EUR	2006 restated	2007
VBI	1 205 000	1 228 116
Technical provisions	19 758 526	20 798 837
VBI / TP	6,1%	5,9%

Movement Analysis

The evolution of the MCEV is analysed in Tables 8 and 9. They respectively analyse the changes in the ANAV and the VBI.

Table 8

thousand EUR	
ANAV 2006 restated	1 575 320
Profit in 2007	323 918
Dividends paid	-269 561
Changes in asset value adjustments	-203 630
ANAV 2007	1 426 047

"Profit in 2007" contains the profit created by the covered Life insurance business in scope of the MCEV 2007.

Part of this value created is paid out as dividends..

The changes in asset value adjustments mainly consist of the decrease of unrealized capital gains and the increase of goodwill, caused by the 2007 acquisitions in Central and Eastern Europe.

Table 9

thousand EUR	
VBI 2006 restated	1 205 000
Changes economic environment	6 706
Changes non-economic parameters	-24 823
Roll forward	-95 208
Adding new business at year-end value	106 085
Changes during 2007	30 355
VBI 2007	1 228 116

The net impact of the changes in the economic environment (mainly the rise of the yield curve) is rather small. The decrease in the value of assets is offset by the decrease in the value of liabilities.

The negative impact of the changes in non-economic parameters is mainly due to an increase in expense assumptions and an increase in lapse rate assumptions especially for certain unit-linked products (based on an update of experienced data).

The roll forward contains the release of VBI that is brought to the ANAV.

At the end of 2007 a value of 106 million EUR is added through the sale of new policies. This is the year-end value of the new business of 2007. This value is composed of 82 million EUR value at date of sale and 24 million EUR new business strain. The new business strain is the loss on initial expenses and commissions that is already recognised in the profit and loss account of 2007. The composition of the VNB at date of sale is described in more detail in section 8.

"Changes during 2007" consists of

- value created by additional premiums paid by policyholders under existing single premium contracts
- value created by the difference between parameter values and experienced data in 2007
- the change in the MVM mainly caused by the decrease of the Economic Capital for Operational Risk calculated according to the Solvency II rules as set out in the Quantitative Impact Studies.

Sensitivities

Non-economic sensitivities

Three groups of sensitivities are calculated for the non-economic parameters.

- Lapses +/-10%. Lapse assumption rates throughout the projection are multiplied by 1,1 and 0,9 respectively. Where an original lapse assumption rate for a certain year was assumed to be 100%, this rate is kept in the sensitivity calculation.

- Expenses +/-10%. All non-commission expense figures throughout the projection are multiplied by 1,1 and 0,9 respectively. Expense inflation is kept at the same level as in the basic calculation.

- Mortality Rate +/-5%. All mortality experience rates throughout the projection are multiplied by 1,05 and 0,95 respectively.

Since these sensitivities only have an impact on the VBI, the impact is expressed as a percentage of the VBI.

Table 10

thousand EUR	
Base case VBI	1 228 116
Expenses +10%	-2,03%
Expenses -10%	2,03%
Lapses & Dormancy +10%	-3,02%
Lapses & Dormancy -10%	3,37%
Mortality + 5%	-0,72%
Mortality - 5%	0,73%

Economic sensitivities

Also three groups of economic sensitivities are calculated:

- Up- and downward parallel shifts of 50 Bp and 100 Bp in the risk-free yield curve;

- A 10% increase and decrease in the value of equity markets at the start of the projection;

- A 10% increase on implied volatilities for both interest rates and equities. All implied volatilities are multiplied by 1,1.

These sensitivity shocks have an impact on the value of the portfolios, as well as on the other assets covering the net asset value of the business in scope. The impact of these shocks is therefore expressed as a percentage on the total MCEV.

Table 11

thousand EUR	
Base case MCEV	2 654 163
IR +50Bp	-1,23%
IR -50Bp	0,73%
IR +100Bp	-3,82%
IR -100Bp	-0,65%
Equity +10%	7,61%
Equity -10%	-7,46%
IR volatilities +10%	-0,76%
Equity volatilities +10%	0,63%

The fact that the assets covering the net asset value are also shocked (with no corresponding liabilities) explains why an interest rate increase has a negative impact. The asymmetric behaviour of changes in the level of the yield curve is a consequence of profit-sharing by policyholders.

8. VNB 2007 results

VNB results and ratios

Table 12 shows the ratios of the VNB at date of sale compared to

- the Present Value of New Business Premiums (PVNBP)

- the Annualized Premium Equivalent (APE)
  = recurrent premiums + 1/10th of single premiums

Table 12

thousand EUR	2006	2006 restated	2007
VNB	161 774	154 204	81 684
PVNBP	2 763 832	2 749 078	1 874 544
VNB/PVNBP	5,8%	5,6%	4,4%
APE	301 399	301 399	203 125
VNB/APE	53,7%	51,2%	40,2%

Ca. 14% of VNB of 2007 is generated by KBC Asset Management via the management of unit-linked funds.

The decrease of the VNB in absolute numbers is mainly due to a decrease of unit-linked sales volumes in KBC Insurance Belgium.
The decrease of the VNB ratios is due to a shift in the product mix of new business towards non-linked life contracts with lower ratios. Nevertheless both ratios remain at a high level.

VNB sensitivities

The same sensitivities as used in the VBI sensitivity analysis are used for the VNB sensitivity analysis.

Table 13 shows the VNB sensitivity to the non-economic parameters.

Table 13

thousand EUR	
Base case VNB	81 684
Expenses +10%	-7,09%
Expenses -10%	7,09%
Lapses & Dormancy +10%	-3,00%
Lapses & Dormancy -10%	2,60%
Mortality + 5%	-1,18%
Mortality - 5%	1,19%

Because of the different portfolio composition, the impact on the VNB is different from the impact on the VBI figures. The inclusion of the initial expenses in the VNB is the main factor accounting for the higher sensitivities relative to expenses.

Table 14 shows the VNB sensitivity to the economic parameters.

Table 14

thousand EUR	
Base case VNB	81 684
IR +50Bp	10,79%
IR -50Bp	-13,31%
IR +100Bp	19,76%
IR -100Bp	-29,94%
Equity +10%	-3,08%
Equity -10%	3,38%
IR volatilities +10%	-1,73%
Equity volatilities +10%	1,30%

The asymmetric behaviour of the impact on the VNB under the interest rate shocks is a consequence of the participating business, where the minimum guaranteed interest rate constitutes a floor in favour of the policyholders

9. Review

Watson Wyatt NV ("Watson Wyatt") has reviewed the calculation of the embedded value of KBC as at 31 December 2007 and the value of its new business written during 2007. The covered business included all Life insurances business lines written in the group insurance companies KBC Insurance Belgium, Fidea and Vitis.

Watson Wyatt has concluded that the methodology and assumptions used comply with the European Embedded Value Principles and with the European Embedded Value Guidance. The risks to shareholder profits in the embedded value were evaluated using a market consistent approach.

Watson Wyatt has performed limited checks on the results of the calculations and has discovered no material issues. Watson Wyatt has not, however, performed detailed checks on the models and processes used.

In arriving at these conclusions, Watson Wyatt has relied on the accuracy and completeness of data and information supplied by KBC. KBC is responsible for the embedded value calculations and attention is drawn to their cautionary statements in the disclosure document.

To the fullest extent permitted by law, Watson Wyatt does not accept or assume responsibility to anyone other than KBC for its work or for the opinions it has formed.

10. Cautionary Statements

Embedded Value is the result of cash-flow projections based on underlying assumptions and expectations.

Many assumptions made with regard to general economic conditions, the performance of financial markets, taxes, changes in legislation, the frequency and severity of insured loss events, mortality and morbidity levels and trends, etc., are beyond KBC's control. If an assumption is altered, this can result in a significantly different Embedded Value. Deviations from assumed experience are normal and are to be expected. Even without any change in the parameters, actual results will vary from those projected, due to normal random fluctuations.

Embedded Value cannot be considered as an absolute value. Embedded Value, together with a sensitivity analysis, provides an idea of the magnitude of the expected value created by insurance activities.

Under no circumstances should the inclusion of the projections (including the relevant underlying assumptions and expectations) be regarded as a representation, warranty or prediction that the business will achieve or is likely to achieve any particular results.

Annex 1

KBC Life technical provisions 31/12/2004-31/12/2007 per Business Unit

thousand EUR)		2004	2005	2006	2007	Δ'06-07
	Unit Linked	3 588 268	7 214 680	8 175 106	7 574 587	-7,35%
Belgium	Non Linked	8 361 750	9 618 530	10 445 791	12 019 892	15,07%
	Total	11 950 018	16 833 210	18 620 897	19 594 479	5,23%
	Unit Linked	274 493	364 119	795 932	952 899	19,72%
EPB	Non Linked	644 602	611 286	601 376	568 233	-5,51%
	Total	919 095	975 404	1 397 308	1 521 132	8,86%
	Unit Linked	68 488	198 707	395 966	571 369	44,30%
CEER	Non Linked	556 839	669 780	778 229	886 887	13,96%
	Total	625 327	868 487	1 174 195	1 458 256	24,19%
KBC	Total	13 494 440	18 677 101	21 192 401	22 573 867	6,52%

EPB = Business Unit European Private Banking

CEER = Business Unit Central and Eastern Europe and Russia