KBC Group

Company presentation Spring 2009

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Ticker codes: KBC BB (Bloomberg)
KBC BR (Reuters)

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- By reading this presentation, each investor is deemed to represent that it possesses sufficient expertise to understand the risks involved.

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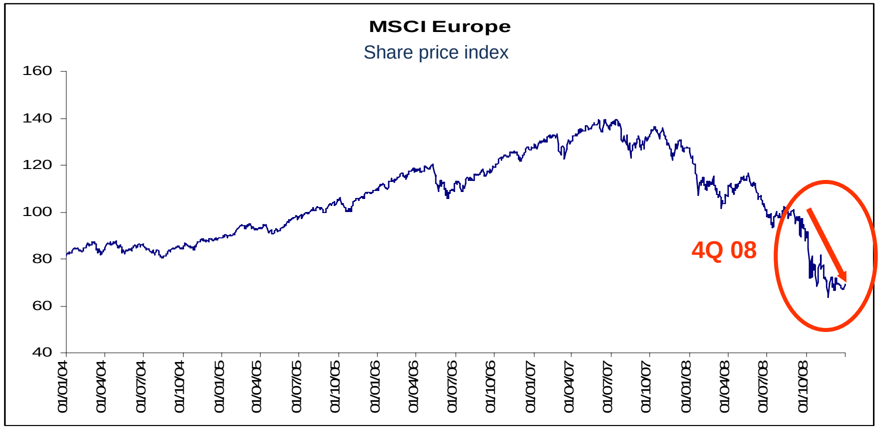
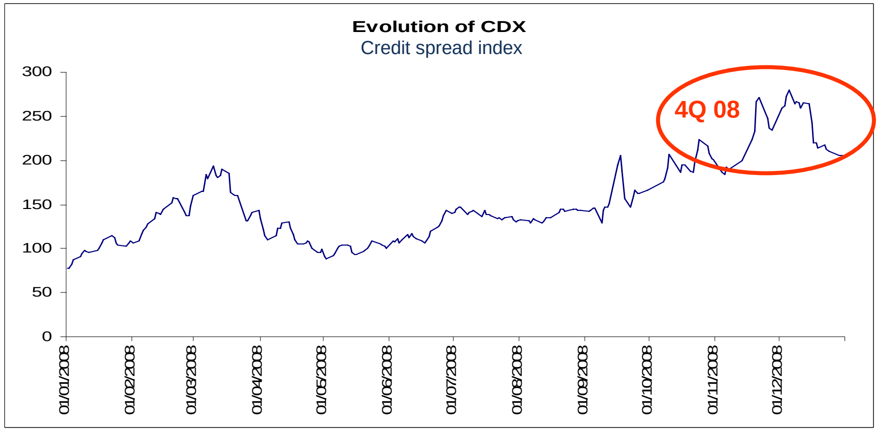
PART 1

2008

financial hightlights

4Q 08 was one of the most eventful and challenging periods in financial history

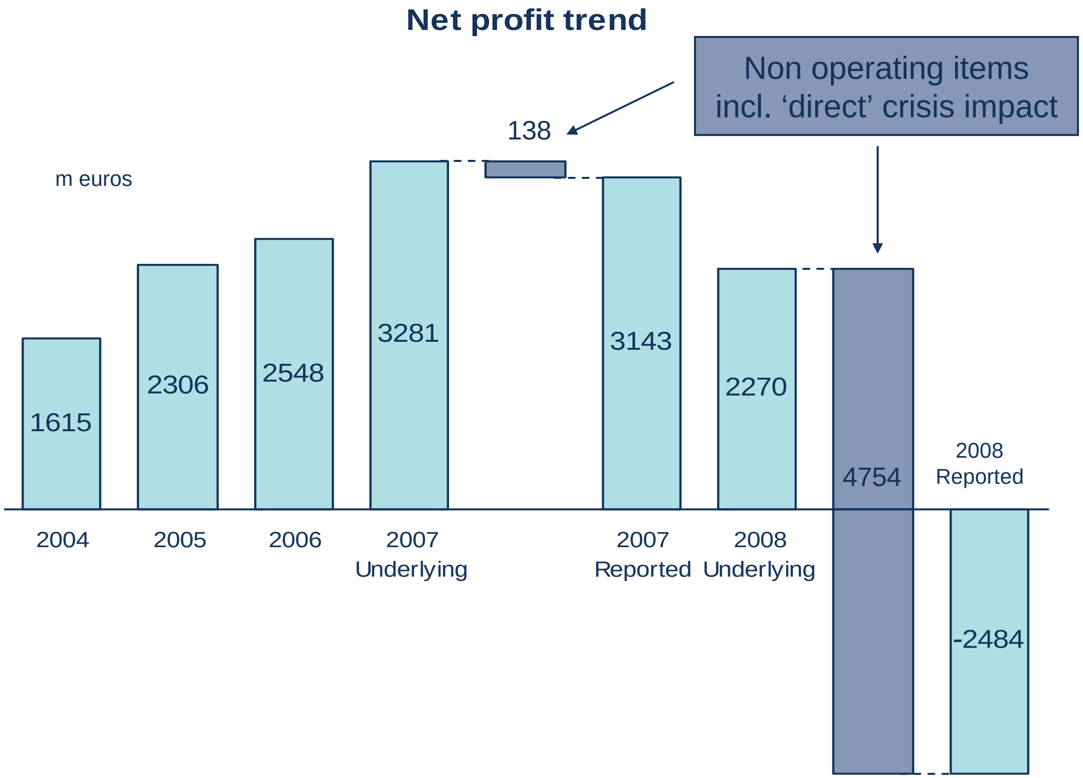




QUARTERLY EARNINGS HIGHLIGHTS

- Additional investment mark-downs of -2.6bn, net after having applied a conservative valuation approach (write down of non super senior CDO notes, more strict share impairment rules, …)
- Negative impact on merchant banking results by trading losses in the derivative products business while non-domestic loan losses increased
- Impact of adverse investment climate on European private banking earnings
- Business profitability in Belgium underpinned by strong market position (e.g. steady deposit inflow)
- Resilient volume and margin trends in CEE while credit loss remained manageable

As a result, FY 2008 accounts significantly impacted by financial crisis



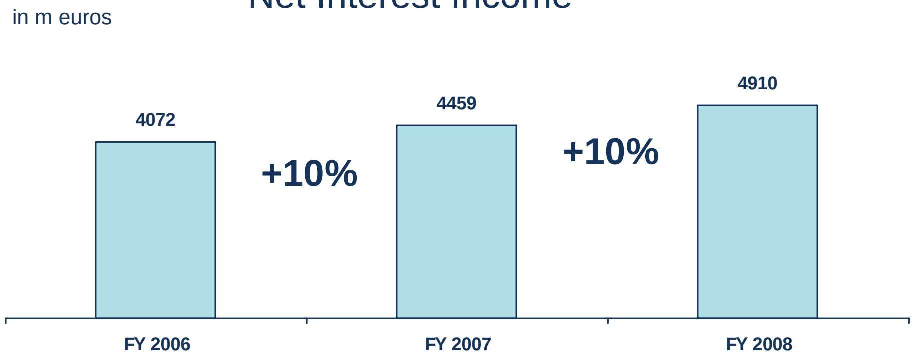
- Performance kept up well until summer, but operating environment changed markedly since September
- 'Direct damage' from financial markets crisis by means of asset markdowns: 4.7 bn, net*
- Also significant business impact from crisis (deposit margin pressure, depressed fee and commission income, poor trading performance)
- On the other hand, volume growth remained resilient and loan losses were 'reasonable'
- Net reported loss for the year of -2.5 bn, but +2.3 bn underlying profit (excl. non-operating items)

* o/w 3.1 bn markdown on structured credit, 1.1 bn value loss on equity holdings, 0.3 bn impairment on troubled US and Icelandic banks and 0.2 bn loss from unwinding trading positions (all post tax figures)

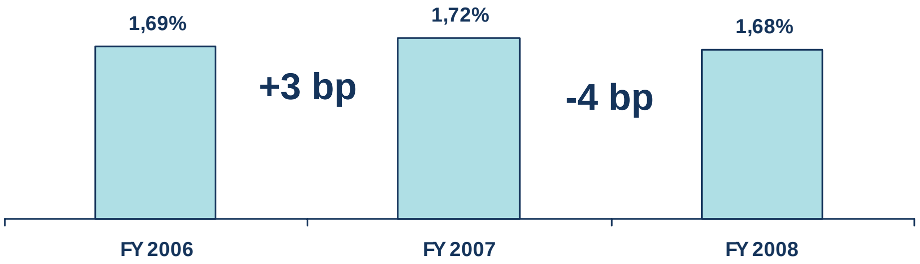
Nevertheless, interest income grew by good 10%

58% of underlying total income

Net Interest Income



Net Interest Margin

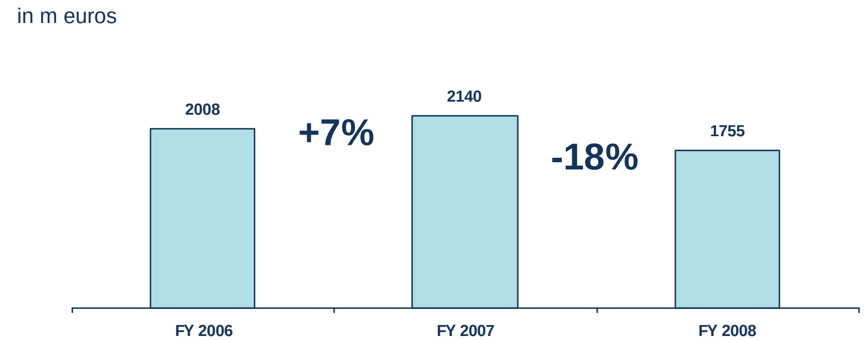


- On an underlying basis, net Interest income up 10% compared to 2007
- Major growth driver was solid organic volume growth across core markets
  - Belgium: loans +8%, deposits +6% y/y
  - CEE: loans +25%, deposits +8% y/y
- Net Interest Margin down 4 bps to 1.68%, whereby margin expansion in CEE was offset by margin pressure in Belgium (on the back of increased competition for core deposits)
- Lending slowed down towards end of year, especially outside home markets (by intention), but also in Belgium (from 16% y/y in Q1 to 8% y/y in Q4) , while it kept its ca. 25% growth rate in CEE

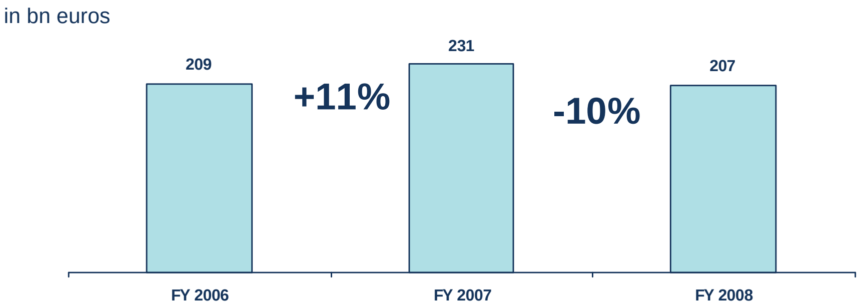
Fee income reflecting the investment climate

19% of underlying total income

Net fees & Commission income



Assets Under Management



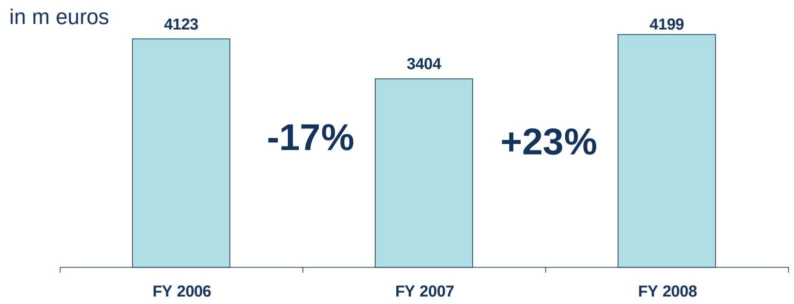
- Fee income 18% below year-earlier level, largely due to lower customer investment transaction levels, negative fund performances and shift to lower-margin funds
- Assets under management dropped 10%, hit by poor fund performance (-12%) and shift towards more secure investments (1% net money inflow vs +11% in 2007)
- Despite market context, no massive outflows:
  - Belgium (151 bn AUM): 1% net inflow
  - Private banking (44 bn): 3% net inflow
  - CEE (12 bn): 1% net outflow*
  - Merchant banking: activity stopped in Q4

* Adjusted for currency changes

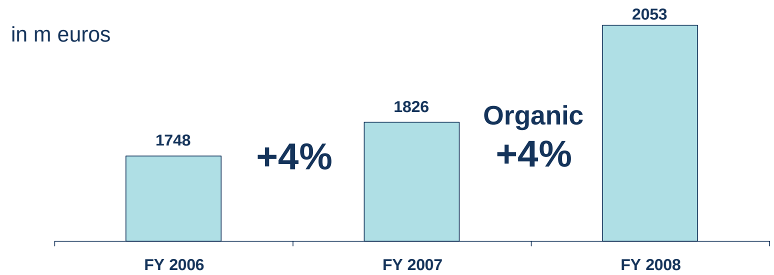
Underwriting income from insurance kept up well

7% of underlying total income

Premium inflow, life



Gross earned premium, non-life



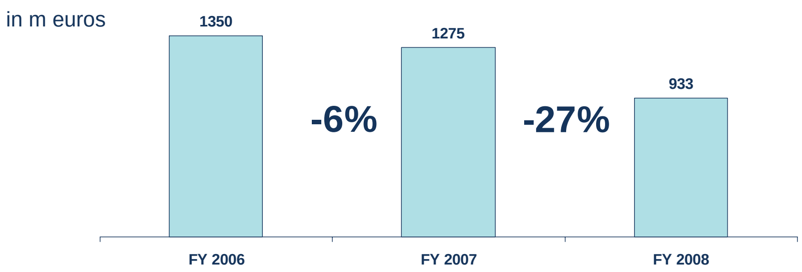
- Life premium inflow up 48% for interest-guaranteed life policies (despite low guaranteed rate compared to bank deposit rates), but down -19% for unit-linked products (on the back of the adverse investment climate)
- Premium income, non-life organically up 4% (similar growth trend as in previous years)
- Underwriting result (i.e. net of insurance claims and other technical charges) up 21%. Combined ratio, non-life at favourable level of 95% (96% in Belgium, 95% in CEE and 87% for reinsurance)
- However, lower investment income from insurance reserves (lower gains and higher impairment on equity holdings)

Professional trading income suffered

8% of underlying total income

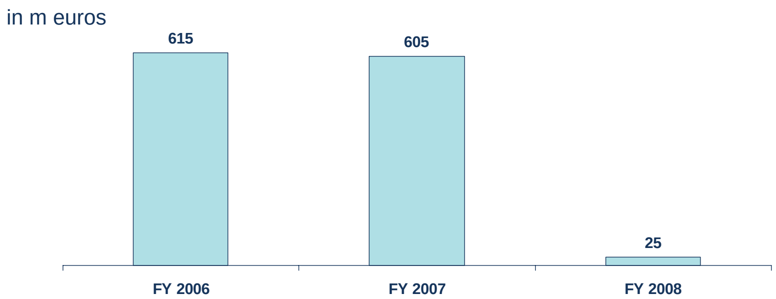
Net gains from financial instruments at fair value

(underlying basis, ex. CDO markdown and unwinding losses on discontinued business)



Trading income at KBC Financial Products

(underlying basis, ex. CDO markdown and unwinding losses on discontinued business)



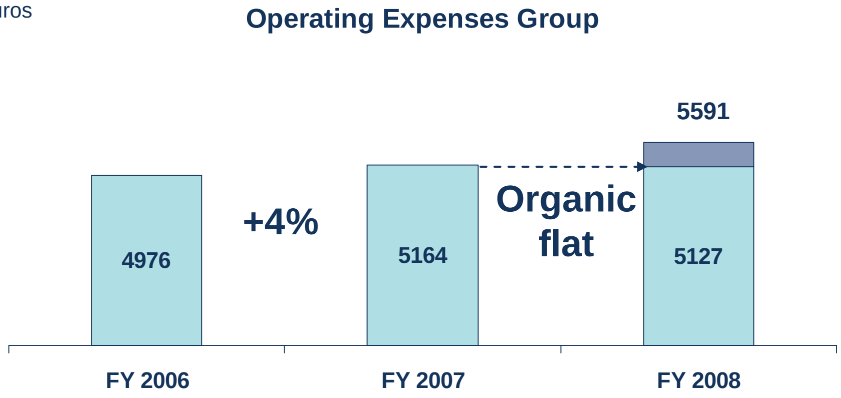
- Income from professional money and securities trading negatively impacted by adverse capital market climate
- “Once in a long time” volatility and asset correlation levels hit 4Q 2008 trading positions for equity and credit derivatives (within the *KBC Financial Products* entity)
- Average trading VAR* increased (largely ‘mechanically’) from 18m in 1Q 2008 to 37m in 4Q 2008 due to higher market volatility (peak level at 47m), but remained within set risk limits
- Action has been taken to reduce risk exposure (several business lines will be discontinued)

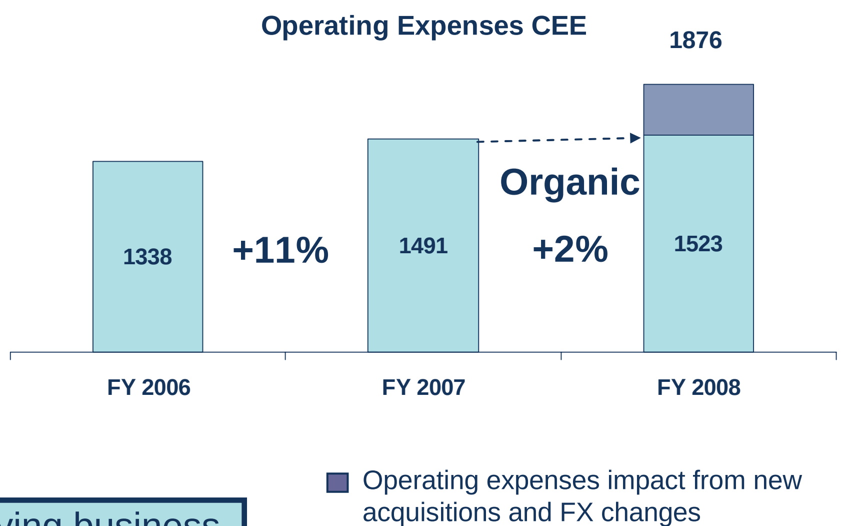
* 1-day value-at-risk for KBC Bank, KBL EPB and KBC FP (99% confidence)

Underlying business performance

Operating expenses under control

in m euros





- Compared to 2007, the 8% cost growth is largely explained by new acquisitions and currency appreciations
- Excluding these factors, flat cost level flat whereby lower staff bonus accruals offset inflation, cost of branch network expansion and restructuring and pension charges
- 135 m restructuring charges were booked in Q4 across BU's when cost savings programs for 2009-2010 were started to be rolled out

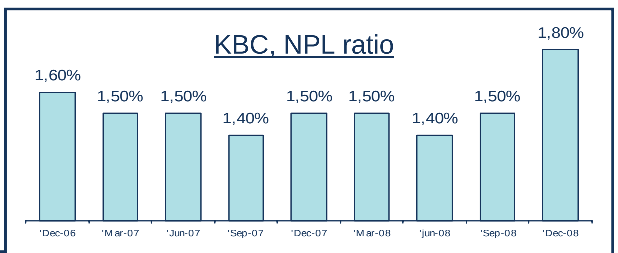
Underlying business performance

Manageable credit loss, though rising

Loan loss ratio: 46 bps (70 bps incl. loans to troubled banks)

Market	Size of loan book	2006 loss ratio	2007 loss ratio	2008 loss ratio
Belgium	55bn	0.07%	0.13%	0.09%
CEE	43bn	0.58%	0.26%	0.73%
- Czech	20bn	0.36%	0.27%	0.38%
- Poland	7bn	0.00%	0.00%	0.95%
- Hungary	7bn	1.50%	0.62%	0.41%
- Slovakia	4bn	0.36%	0.27%	0.82%
- Russia	3bn	-	0.21%	2.40%*
Merchant	76bn	0.00%	0.02%	0.48%
- Ireland	19bn	0.01%	0.03%	0.29%
Total	178bn	0.13%	0.13%	0.46%

Loan loss ratios excl. impairment on troubled US and Icelandic banks
* Including impact of tightened provisioning criteria



- Cost of credit risk remained low in Belgium and ‘reasonable’ in CEE (incl. Hungary)
- Pronounced increase in non-domestic corporate loan book within merchant banking (US and UK exposure taking the lead)
- Non performing loans at 1.8% (vs. 1.5% end-2007)

<u>Stress test 1</u>
If Moody’s current 2009 corporate default expectations were to materialise, loan loss ratio would rise to around 100 bps

<u>Stress test 2</u>
If CEE currencies were to fall by 30%, impairment loss on FX mortgages would be ca. 60 m pre-tax

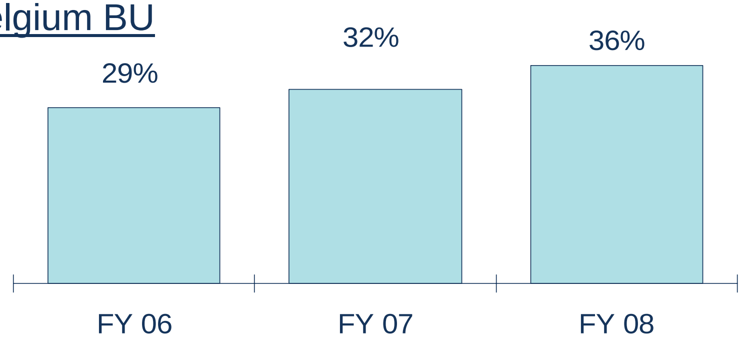
Cost of risk

Satisfactory core business performance

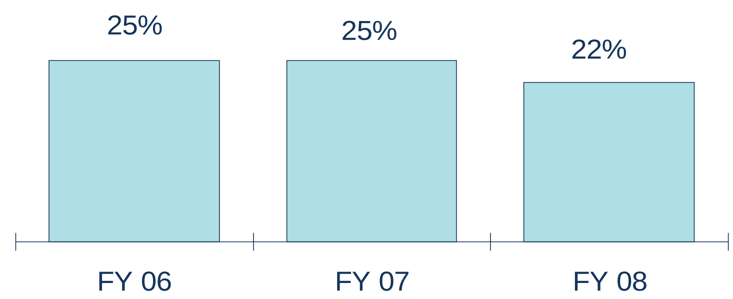
<u>Underlying return on allocated shareholders' capital</u>
ex. 'direct damage' from financial crisis* - using Basel II capital approach as of 2007

* Excl. markdown on structured credit investments, value loss on equity holdings, impairment on troubled US and Icelandic banks and unwinding losses on discontinued trading activities

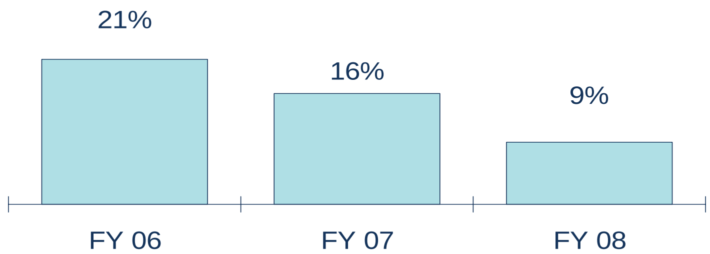
Belgium BU



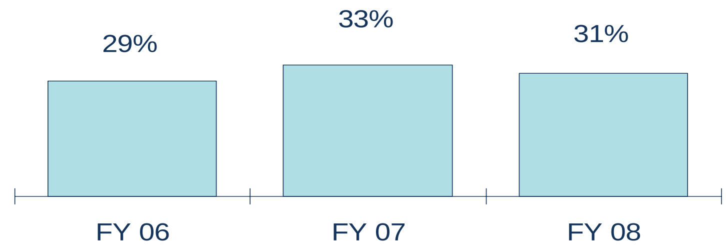
CEER BU *



Merchant Banking BU *



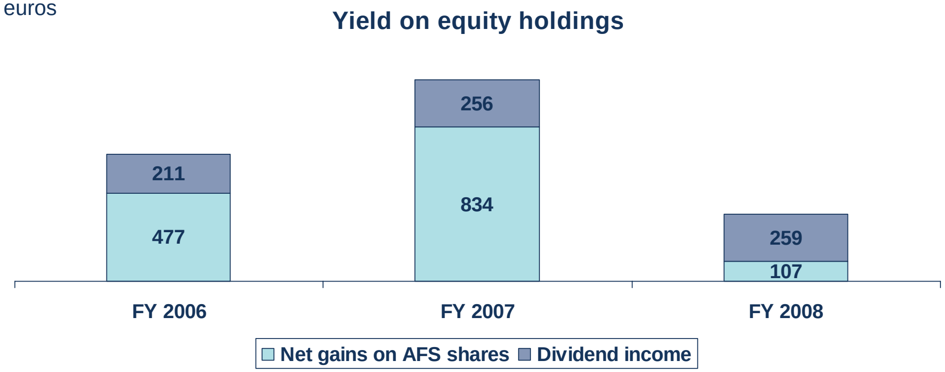
European Private Banking BU *



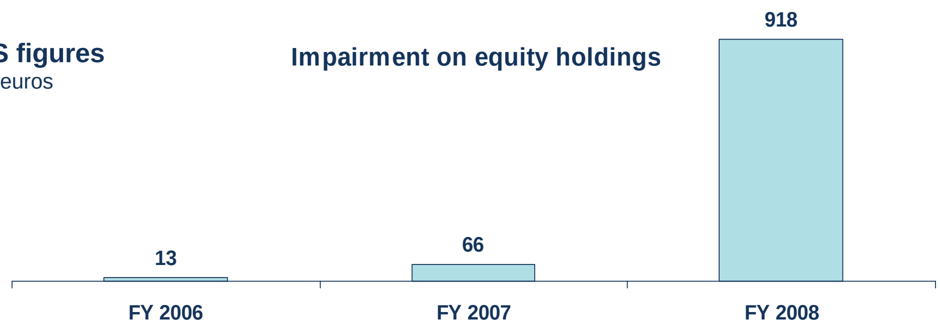
* Return level after deduction of funding costs borne by KBC parent company

Depressed yield on equity holdings

IFRS figures
in m euros



IFRS figures
in m euros



- KBC has share investment portfolio of 2.7 bn, mainly investment of insurance liabilities (vs. 4.1 bn at end-2007)
- Significant drop in realised gains compared to previous years (obviously) related to greatly reduced share prices
- Also, 0.2 bn loss realised* on sales in order to reduce share exposure
- Moreover, share holdings impaired to the tune of 0.9 bn since individual market prices remained below purchase price for more than 1 year or fell below 70% of purchase price*

Stress test
If equity markets were to fall further by 25%, additional impairment charges would be 580m (virtually no tax impact)

* Updated impairment rules used as of 4Q 2008. Impairment charges and realised losses were excluded from the underlying profit

Revaluation of structured credit portfolio

CORPORATE SYNTHETIC CDO PORTOLIO

- - 4.0 bn financial impact since start of crisis, booked against revenue
- Outstanding book: 5.4 bn (57% of original value), backed by 84% corporate instruments - 13% Alt A/subprime RMBS - 3% other*
- Reduced future earnings sensitivity due to write-down of non super senior exposure on all KBC FP CDOs

ABS PORTFOLIO

- - 1.7 bn financial impact since start of crisis, mostly booked against shareholders' equity
- Outstanding book: 4.8 bn (74% of original value), backed by 52% prime RMBS** - 15% Alt A/subprime RMBS** - 16% CLO - 17% other ABS*
- Accounting reclassification to 'loans and receivables' at end-2008 (largely sheltering earnings sensitivity to market value changes)

** RMBS 28%, USA 72% Europe

* Full details available on www.kbc.com

RMBS: Residential Mortgage Backed Securities – CLO: Collateralised Loan Obligation – CDO: Collateralised Debt Obligation – ABS: Asset Backed Securities

Scenario analysis for KBC FP CDO portfolio

Amounts in bn €	Value KBC FP CDOs	Loss	as % of nominal
Nominal (excl. CDO in run-off)	7.4		
Market value	4.2	-3.2	-43%
Impairment scenario	7.1	-0.3	-4%
"Expected loss" scenario	6.2	-1.2	-16%
Stress scenario 1	5.6	-1.8	-24%
Stress scenario 2	4.1	-3.3	-44%

KBC, total, nominal outstanding

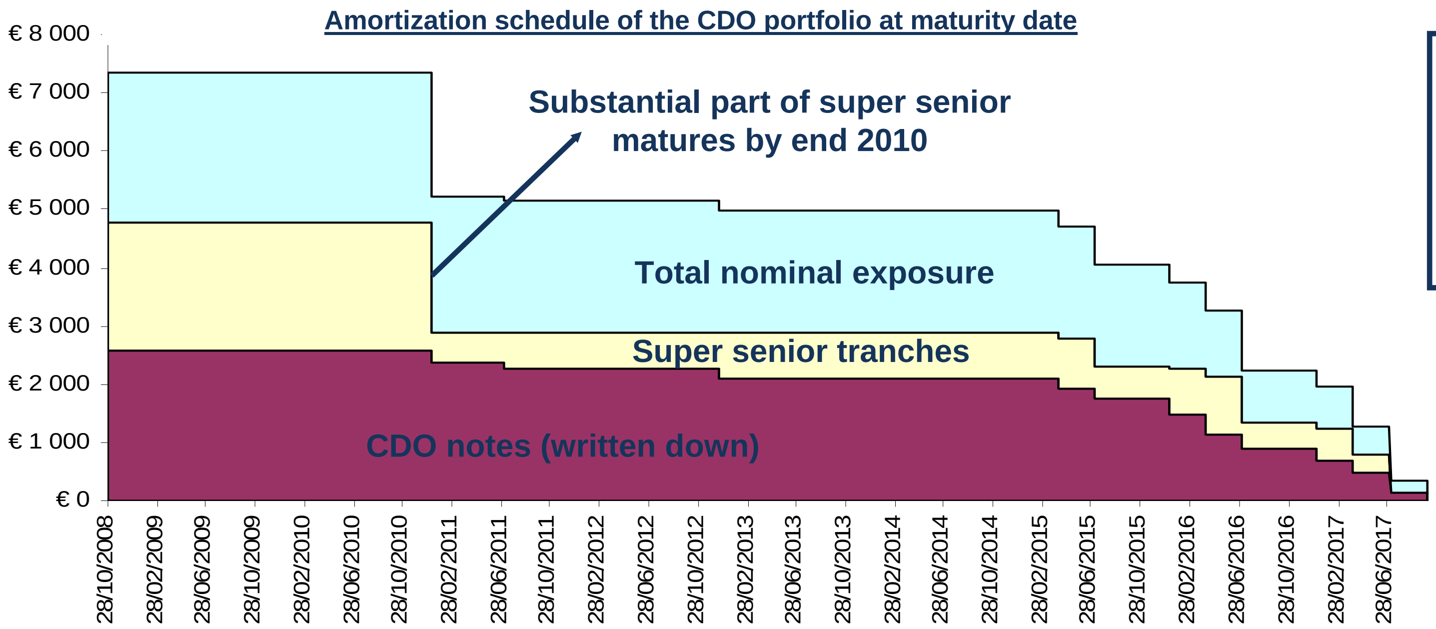
Total CDO	8.7bn
o/w third party CDO	-0.8bn
Total CDO issued by KBC FP	7.9bn
o/w CDO in run-off	-0.5bn
Total CDO issued by KBC FP (excl. CDO in run-off)	7.4bn

Test assumptions

- Impairment scenario: expected losses on ABS, claimed corporate names and corporates with highest near term credit event risk
- "Expected loss scenario": (fundamental value): expected losses on ABS and claimed corporate names and 8% expected cumulative losses on the underlying corporate portfolio
- Stress scenario1: expected losses on ABS and claimed corporate names and 13% expected cumulative losses on the underlying corporate portfolio
- Stress scenario 2: 26% subprime Alt/A underlying cumulative losses, 100% losses on structured finance CDOs, claimed corporate names, 80% losses on monoline insurers, corporates with highest near term credit event risk and 9% losses on remaining underlying corporates

Amortization schedule of KBC FP CDO portfolio

CDOs issued and managed by *KBC Financial Products* and invested in by KBC
Nominal amount in millions of EUR, net of provision for equity & junior pieces and before mark-downs and excl. CDO in run-off



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Total CDO issued by KBC FP	7.9bn
o/w CDO in run-off	-0.5bn
Total CDO issued by KBC FP (excl. CDO in run-off)	7.4bn

Solvency position

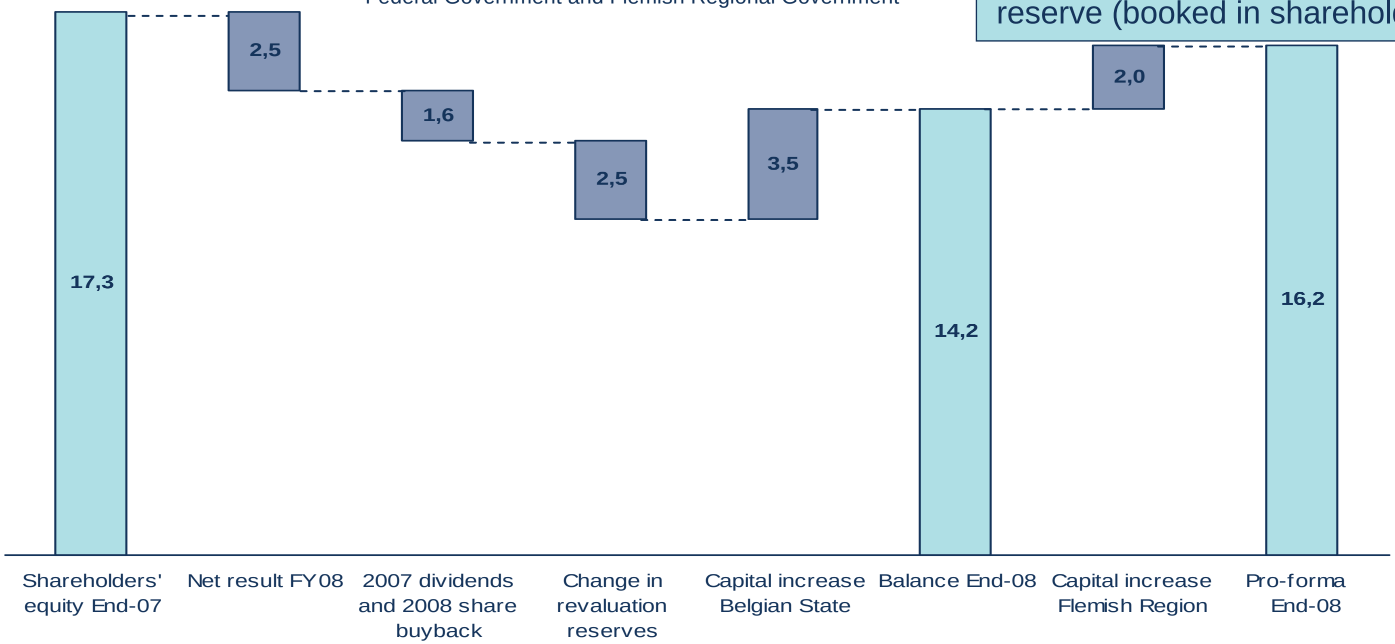
Solvency,
(pro-forma end-08*)

Tier-1	11.2%
Core Tier-1	8.6%
Insurance	188%

* Including the support received from the Belgian Federal Government and Flemish Regional Government

Stress test 1
If Moody's 2009 corporate rating migration expectations were to materialise, ceteris paribus, procyclical impact on Tier-1 ratio due to higher RWA would be around 85 bps (bringing the Tier 1 ratio from 11.2% to 10.4%)

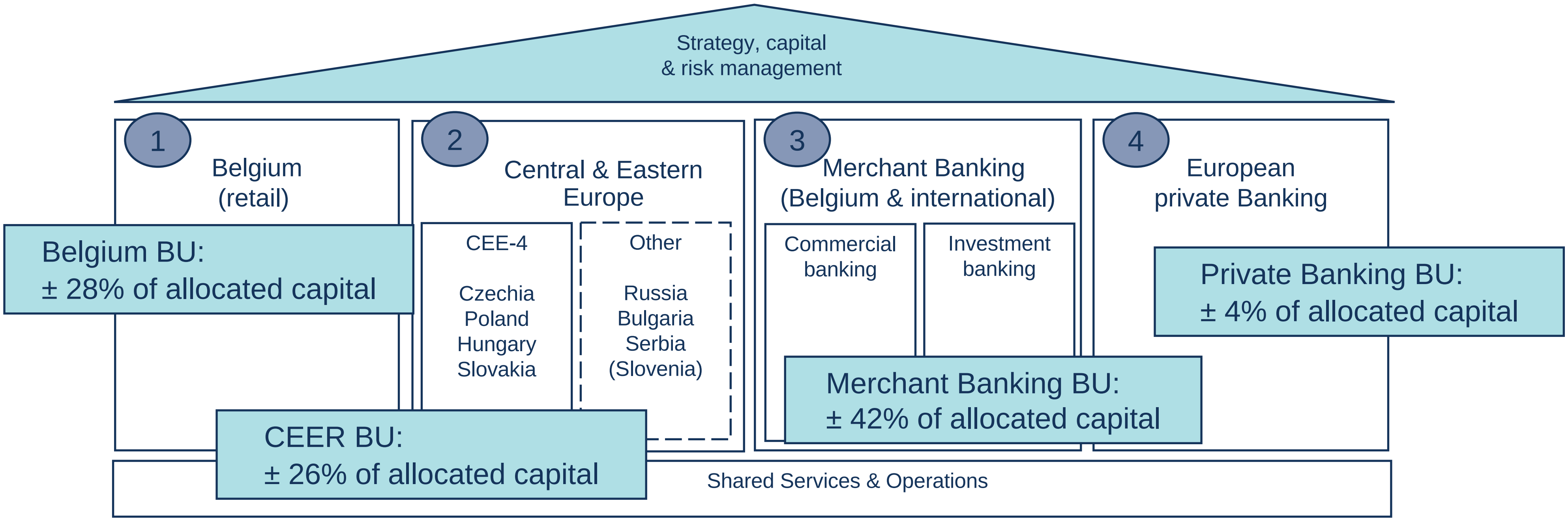
Stress test 2
If equity markets were to fall further by 25%, impact on revaluation reserve (booked in shareholder's equity) would be immaterial



Company profile

and strategy

Business profile



- KBC is a top-3 player in Belgium and CEE-4 (retail bancassurance, commercial and local investment banking); 75-80% of revenue is generated in markets with leading market share
- Moreover, KBC pursues niche strategies in selected merchant banking activities and private banking outside its home markets (mainly European focus)

Allocation of capital as of 31-Dec-08

Belgium Business Unit

Retail bancassurance & asset management in Belgium (28% of allocated group capital)

Trends & challenges

- Solid market share trends despite competitive pressure (margins suffered but recovered by the end of the year and are expected to gather pace in 2009)
- Investment portfolio - mainly insurance assets - severely hit by credit crisis (1.3 bn value loss in 2008)
- No housing ‘bubble’, moderate loan losses (only 9 bps loss ratio for 2008)

Strategy

- Committed to keep lending (but aware of increasing underwriting risk)
- Adjusted pricing to obtain sustainable margin levels (if competition allows)
- Reduced operating expenses to cope with cyclical low revenue level
- Most CDO exposure written down to zero in 4Q 2008

Financial impact

- Capital allocation: franchise ready to pick up when cycle and market sentiment turn; single-digit growth of risk weighted assets anticipated for 2009 (including moderate ‘pro-cyclical’ effect)
- Cost savings: 5% reduction of staff cost base, net, negotiated with employee representatives

Reminder: presence in CEE

Main markets

Czech Republic
Total assets: 30 bn
Bank ranking: Top-3
Insurance ranking: Top-5
Entry: 1999

Hungary
Total assets: 12 bn
Bank ranking: Top-3
Insurance ranking: Top-10
Entry: 2000

Poland
Total assets: 7 bn
Bank ranking: Top-10
Insurance ranking: Top-3
Entry: 2001

Slovakia
Total assets: 6 bn
Bank ranking: Top-5
Insurance ranking: Top-10
Entry: 1999

New markets

Russia
Total assets: 4 bn
Bank ranking: Top-25
Entry: 2007

Bulgaria
Total assets: 1 bn
Bank ranking: Top-10
Insurance ranking: Top-3
Entry: 2007

Serbia
Total assets: 0.2 bn
Bank ranking: Top-25
Entry: 2007

Assets in bn euros as at 31 Dec 2008
'Entry' year means year of majority-holding acquisition

CEE Business Unit

Home market strategy in Czechia, Slovakia, Poland and Hungary (90% of CEE assets); build-up phase in Russia, Bulgaria and Serbia (10% of assets)

Trends & challenges

- Resilient growth and margin trends
- Weakening credit environment (2008 loan loss ratio at 73 bps) and macro concerns about Hungary and Russia (6% of loan book)
- Investment portfolio hit by credit crisis (0.4 bn value loss in 2008)

Strategy

- Home market strategy re-affirmed for CEE-4
- Stop growth in Hungary and Russia for corporate lending, consumer finance, car leasing and CHF mortgage lending
- Reduced intra-group funding to Russia (10% of shareholder's equity)
- Reduction of costs to cope with slowdown (branch expansion stopped, ca 5% reduction of headcount, IT and marketing expenses cut…)
- CDO exposure written down to zero

Financial impact

- Capital allocation: single-digit growth for risk weighted assets anticipated for 2009 (dependent on 'pro-cyclical effect' – low visibility on loan loss cycle)
- Cost savings should restrict cost growth for 2009 to consumer inflation level

Update on Hungary

8% of underlying group profit
4% of group loan book

Areas of concerns

- Large external public debt resulted in bank funding strains and put foreign currency borrowers at risk
- Interest rate defence of currency adversely affects potential economic recovery

Key figures, KBC, Dec-08
- Loan portfolio 7.5 bn (Loan to Deposit 104 %)
- Non Performing Loans: 1.7%
- Mortgages: 2.5 bn (Indexed Loan to Value 57%), o/w 2.1 bn FX (60% Loan to Value / 1.2% Non Performing Loans)

KBC, Non Performing Loan ratio, Hungary

Our cautious stance since mid-2006

- Increase of provision coverage in 2H 2006 (leading to 2008 loan loss of ‘only’ 41 bps)
- No corporate loan growth (-4% y/y in 2007 and flat in 2008)
- Conservative foreign currency lending criteria (average indexed FX mortgage Loan to Value 60%, well below sector average of 80%+)

Additional measures taken in 2008

- Deposit-gathering campaigns in order to consolidate favourable funding position (Loan to Deposit ratio of ca 104% vs. sector average of 130%)
- Further tightening of credit underwriting criteria (stop growth for corporate lending, consumer finance and CHF mortgage loans…)

Stress test
If HUF currency would fall with 30%, impairment loss on foreign currency loans would be ca. 30 m

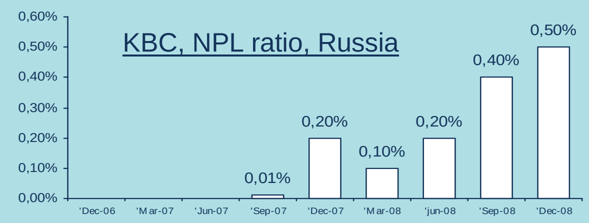
Update on Russia

1% of underlying group profit
2% of group loan book

Areas of concerns

- Foreign capital outflows - triggered by geopolitical tensions, falling oil prices and RUB devaluation - generated financing problems for corporate Russia (incl. Russian banks)

Key figures, KBC, Dec-08
- Loan portfolio 3.0 bn (Loan to Deposit 414%)
- Non Performing Loans: 0.50%
- Mortgages: 0.9 bn (Indexed. Loan to Value 58%), o/w 0.3 bn FX (57% Loan to Value / 0.6% Non Performing Loans)



Our strategy (updated since September 2008):

- Use of liquidity provided by financial authorities backed up by funding provided by Group treasury, partly secured by Belgian Export Credit Agency (related net ‘transfer risk’ of ca. 10% of shareholders’ equity)
- Restriction of corporate and retail lending (risk weighted assets expected to further drop in 2009)
- Conservative loan provision methodology applied (2.4% loan loss charge in 2008)
- In January 2009, 17% staff reduction (no outlets closed) in addition to a reduction exercise on non-staff expenses

Commercial banking

Commercial banking in Belgium and international corporate lending (mainly Europe); ca.50% of total loan book, combined

Trends & challenges

- Manageable loan losses (48 bps in 2008), though rising, notably in non-domestic portfolios (UK/US exposure taking the lead)
- Competitive market with low end through-the-cycle profitability
- Specific macro concerns about Ireland
- Investment portfolio hit by credit crisis (0.6 bn value loss in 2008)

Strategy

- Consolidation of position of 'preferred bank' on Belgian domestic SME market
- Restriction of non-domestic corporate credit activity (strategy review ongoing)
- Stop new commercial real estate financing outside home markets (zero growth of outstanding within home markets)
- Non super senior CDO exposure written down

Financial impact

- Net freeze of allocated capital: anticipated growth in Belgium to be offset by reduction of RWA elsewhere and anticipated negative 'pro-cyclical' effect to be offset by reduced credit amounts outstanding
- Targeted cost savings > 10% (differentiated amongst business lines according to level of support of core business and economic value added)

Update on Ireland

4% of underlying group profit
12% of group loan book

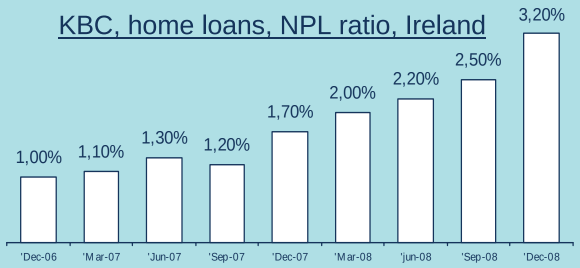
Areas of concerns

- Falling real estate prices (-16% since 4Q 2006 peak level) and climbing unemployment raising questions about asset quality (notably retail mortgage and commercial real estate exposure)

Key figures, KBC, Dec-08

- Loan book: 18.6 bn o/w 13.7 bn home loans (indexed LTV 75%, high granularity)
- NPL: 3.0% (3.2% in retail)
- Loss ratio '08: 29 bps (15 bps in retail)

KBC, home loans, NPL ratio, Ireland



Our experience before

- Selective underwriting policy pursued (10y avg loan loss ratio: 7 bps, o/w 3 bps for retail)
- No sub-prime or self-certification mortgages and mortgage LTV 'top slice' (>80%) highly covered by mortgage insurance

Additional measures taken in 2008

- Further tightening of underwriting criteria (e.g. mortgage LTV cap currently reduced to 80%)
- Commercial real estate nominal outstanding reduced (-8% y/y)

NPL: Non-performing loans; LTV: Loan to Value

Investment banking

Capital market activities and small-cap investment banking in Belgium and CEE and niche strategies in derivatives

Trends & challenges

- 2008 performance severely hit by credit crisis
- reduced viability of derivatives strategy due to increased funding costs, changed market prospects for future business and anticipated incremental regulatory capital requirements

Strategy update

- Credit derivatives & structured credit business put on run-off (maturities >5 yr, managed out of London & NY)
- Fund derivatives activities stopped; existing positions largely run off by end 2009
- Sales and trading of equity derivatives refocused to plain vanilla products only (based in London & Hong Kong)
- Alternative Investment Management (third-party and proprietary investments) closed at year-end 2008
- Sales & trading of US high-yield bonds stopped at year-end 2008
- Insurance derivatives & reverse mortgages put on hold (these were 2007 start-ups in the US), strategy being reviewed

Investment banking (cont'd)

Strategy update (2)

- Strategy for sales and trading Money market and Debt Capital Market largely untouched (mainly Brussels and CEE based)
- Business model for equity brokerage & corporate finance largely unchanged but fixed cost base cut (mainly based in Brussels, London and CEE)
- Niche strategy for market making in convertible bonds continued (London, NY, Hong Kong; 100m low risk revenue/year in 2003-07m on average)

Financial impact

- Headcount of derivatives activities (*KBC Financial Products* entity) reduced by 35% at end-2008, may be further reduced by another 35% (500 FTE) by end-2009 dependent on strategy review
- Activities sold and put on run-off status represented 400m revenue per year (average 2003-07), obviously 2008 level severely burdened by value losses
- Significantly reduced downwards impact of CDO marked to market on future earnings

KBC Asset Management

Branch network distribution of funds in Belgium and CEE; direct sales & third-party distribution in Western Europe and Asia & Pacific

Trends & challenges	• Although profitability came down recently due to current market conditions, home market strategy has shown to be highly rewarding in the long run • Strong market share in Belgium and CEE-4 untouched by recent market events • Strong position in capital-protected products based on collateralised positions with first-quality counterparties
Strategy	• Home market strategy reconfirmed • Freeze of plan to set up local asset management operations in more recently acquired CEE markets (Russia, Bulgaria, Serbia) • Reduction of direct sales activities outside home markets in Western Europe, Asian and Pacific markets (2-3 bn assets under management), however, building further on recent inroads in India, China and Taiwan (0.6 bn AUM)
Financial impact	• Limited financial impact

European private banking

Boutique-style private wealth management in Benelux and neighbouring countries (44 bn AUM)

Trends & challenges	
	• Business model is delivering (pure organic onshore asset influx: +5% in 2008), but a shift to more defensive products will slow down margin expansion in years ahead • Credit investment portfolio (excess liquidity) severely hit by credit crisis (0.2 bn loss) • Cost well contained, operational efficiency gains achieved by setting up central hub function, among other factors

Strategy	
	• Private banking business model to continue (incl. low-profile start-up in CEE) • Credit activity to be scaled down as portfolios mature; excess liquidity to be reoriented to Group Treasury • Further cost containment required; headcount to be reduced by ca. 5-10% by end-2009 (up for discussion with employee representatives)

Financial impact	
	• 8% reduction of risk weighted assets and capital allocated in 2009 (to be continued in 2010) • All CDO exposure written down to zero • Cost savings: stable underlying cost basis targeted

Wrap Up

Wrap up

- 2008, especially 4Q, was very difficult
- Results impacted by financial crisis and deteriorating investment sentiment
  - Reflected in structured credit portfolio and equity investments
  - Reflected in assets under management, fee and commission income and trading income
- Underlying performance remains encouraging
  - Growth of net interest income and of loan and deposit volumes
  - Good underwriting result in insurance business
- Strong solvency position
- Looking forward
  - Focus on core activities in KBC’s home markets (Belgium and CEE-R)
  - Reduce activities in non-home markets
  - Cost control and reduction program in progress
  - Financial crisis not finished yet but encouraging underlying performance at start of new year; underlying results January 09 better than January 08

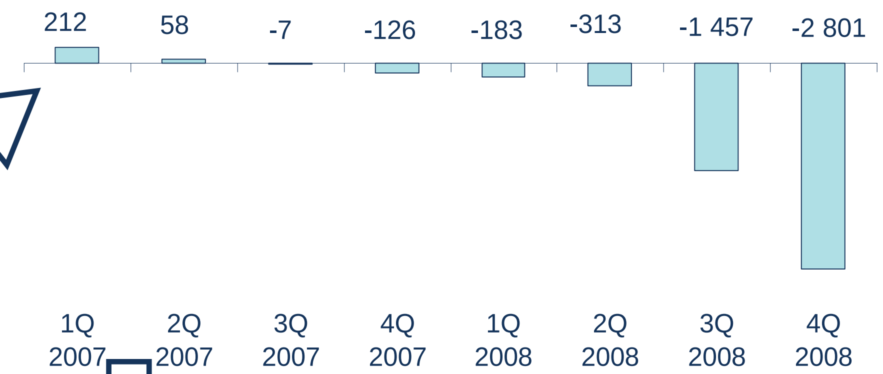
PART 2

4Q 2008

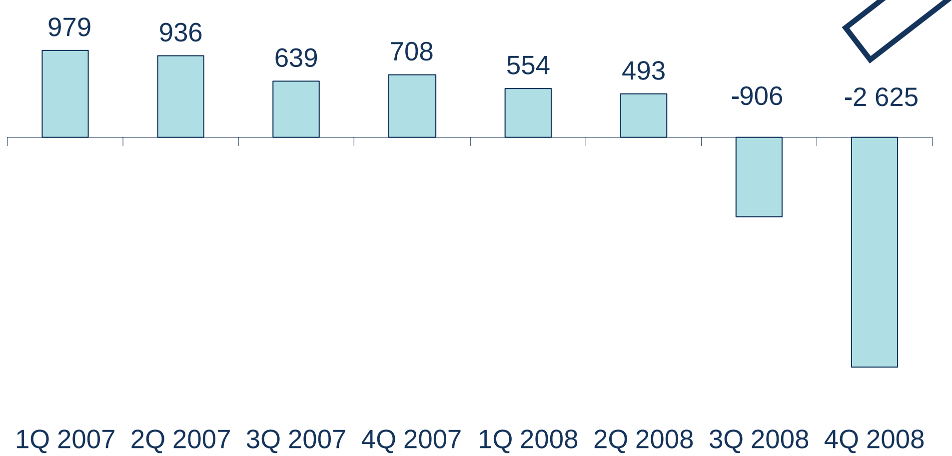
financial highlights

Financial highlights 4Q 2008

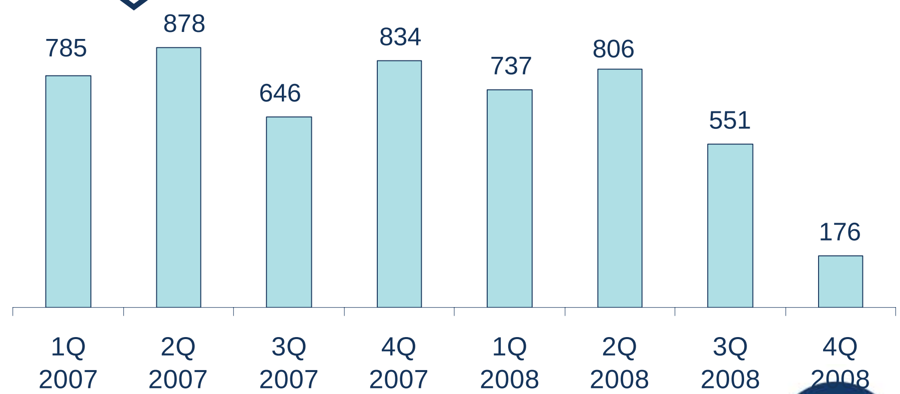
One-off items + result of ALM-hedges +impact of financial crisis*



Net profit, reported



Underlying net profit



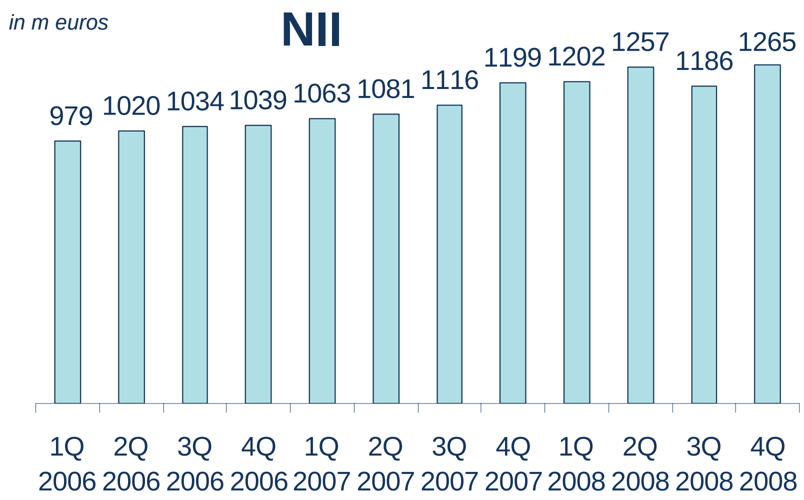
This presentation refers to the underlying figures only in the next slides

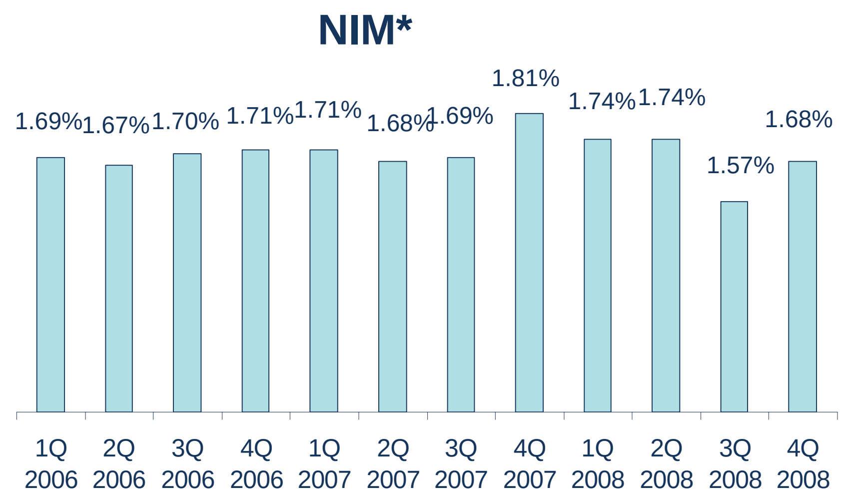
* Impact of financial crisis consists of losses on structured credits, on exposures to troubled banks, on equity investments and on trading positions unwound due to the discontinuation of activities

Financial headlines 4Q 08 (2)

- Significant impact from investments markdown after having applied a conservative valuation approach
- Profitability in Belgium underpinned by strong market position, despite weakening environment
- Resilient volume and margin trends in CEE with credit risk remaining at manageable levels
- Merchant banking impacted by trading losses and increasing non-domestic loan losses
- European private banking impacted by adverse investment climate
- Measures taken to contain costs and reduce credit and market risk
- Pro forma Tier-1 capital ratio, banking at 11.2%, of which 8.6% core equity (including all state support received)

Revenue trend - Group

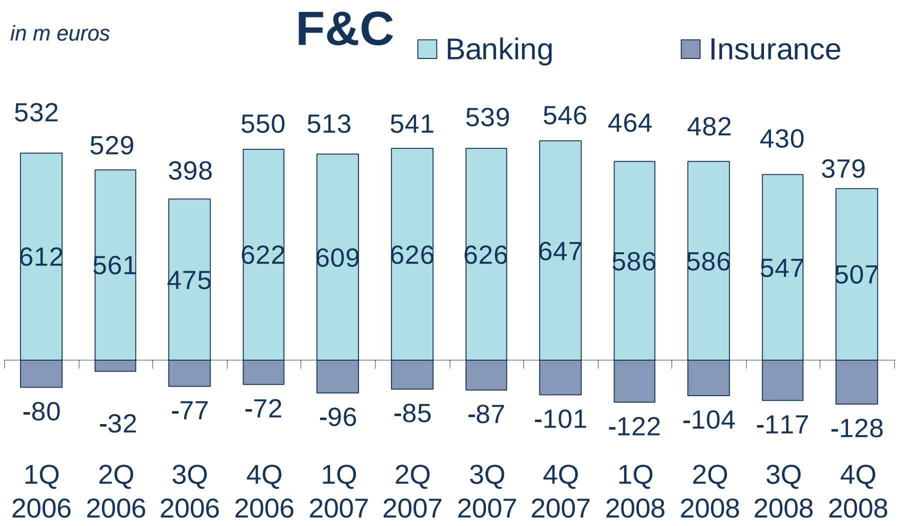


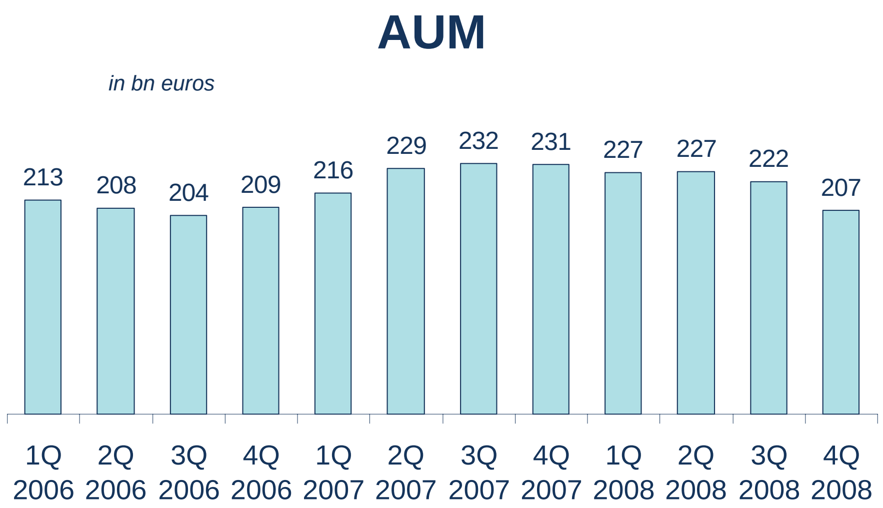


- NII (1265m), up 7% q/q and 6% y/y, on the back of:
- Continued volume-growth (loans up 8%, or 11.7bn y/y, deposits up 2%, or 3.7bn y/y)
- a moderate increase in NIM (1.68%), up 11 bps q/q:
  - increased traditional saving deposit remuneration in Belgium since July 2008, but was lowered as of 1 December, following consecutive decreases in the ECB interest rate
  - In CEE NIM continued its upward trend q/q (from 3.18% to 3.29%)

* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

Revenue trend - Group

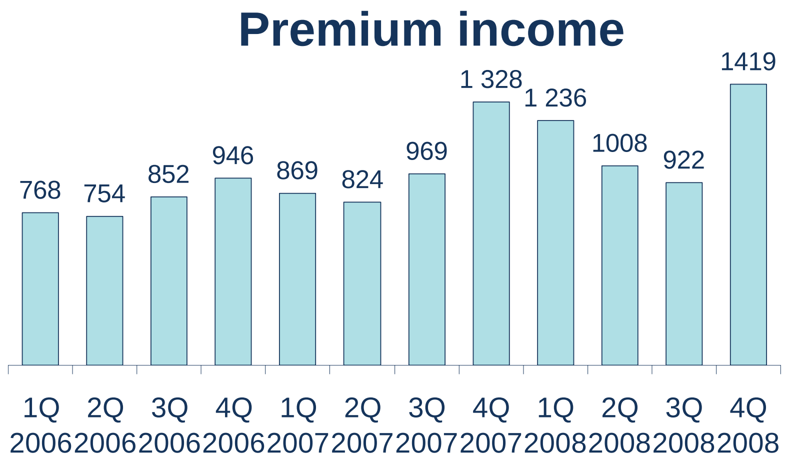


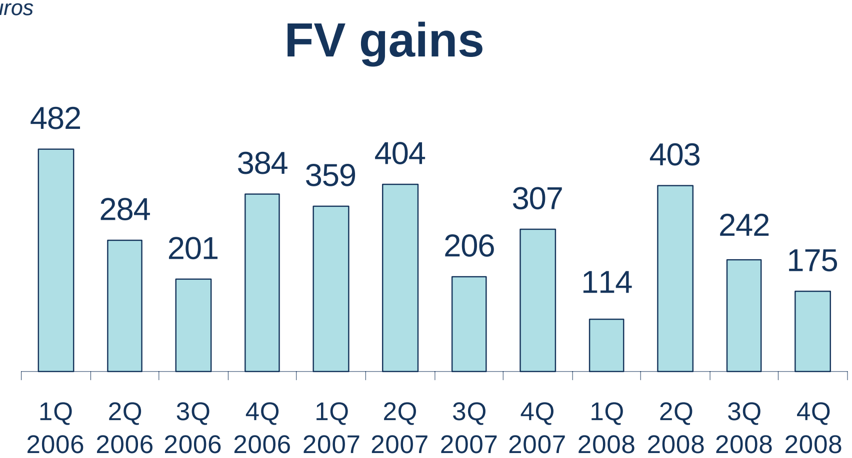


- F&C (379m) down 12% q/q and 31% y/y, as a result of:
  - Lower fees received (banking), due to low customer appetite for investment products
  - Increased paid fees to insurance agents based on higher sales
- AUM (207bn) down 7% q/q, and down 10% y/y, negatively impacted by the depressed market performance. 1% net new inflow overshadowed by -12% negative price-impact

Revenue trend - Group

All figures are in m euros





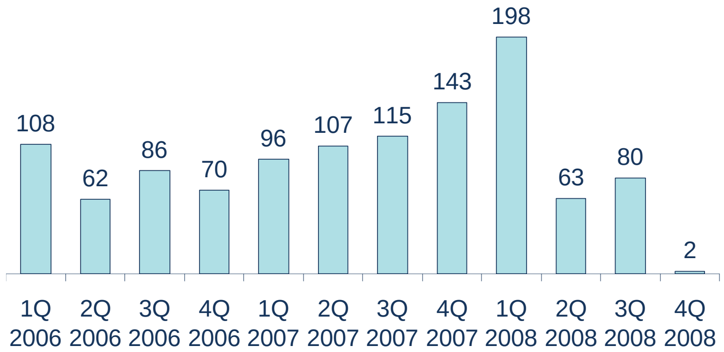
- Premium income (1 419m) significantly up q/q (+54%) and 7% y/y, as a balance of:
  - outstanding sales volumes in interest-guaranteed products (almost doubled q/q).
  - continued downward trend in sales of unit linked-policies, resulting from adverse customer investment sentiment

- FV gains (‘trading and other fair value income’): 175m gain, down 28% q/q and 43% y/y. These underlying figures exclude the negative impact of valuation changes of the structured credit portfolio and ‘unwinding losses’ of trading positions in derivative products (operations to be discontinued)

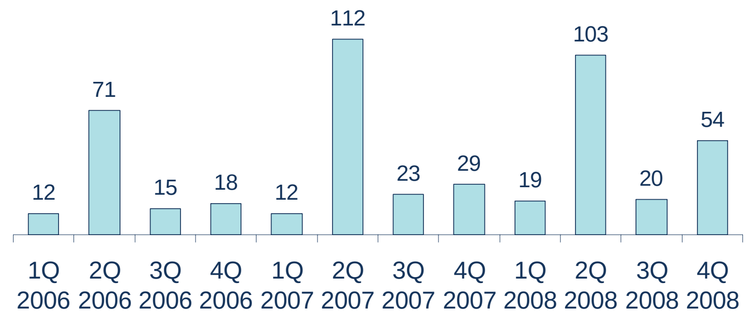
Revenue trend - Group

All figures are in m euros

AFS realised gains



Dividend income



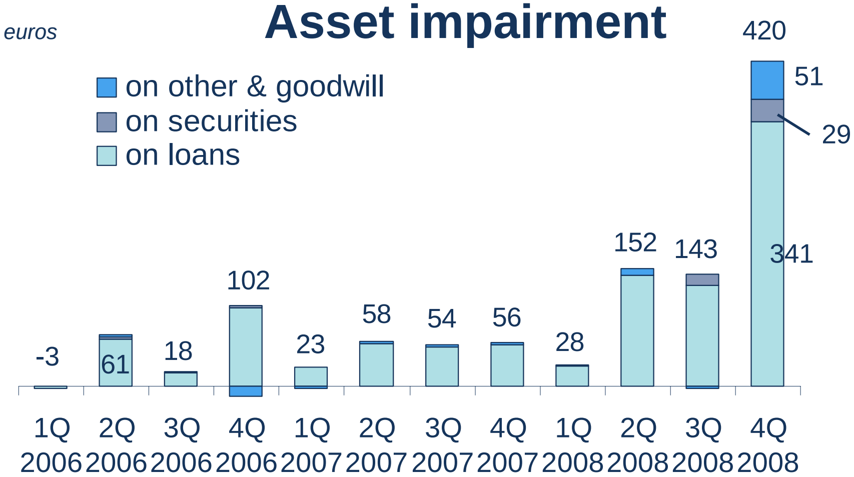
- Realised gains from AFS-assets (2m), down q/q and y/y. 4Q 07 result was boosted somewhat by gains on sales due to corporate actions. However, the decrease is largely caused by the equity market weakness (limited availability of value gains on equity holdings)
- Dividend income (54m) somewhat higher than in the previous quarter (20m) and in 4Q 07 (29m)

Operating expenses and asset impairment – Group

Operating expenses

All figures are in m euros

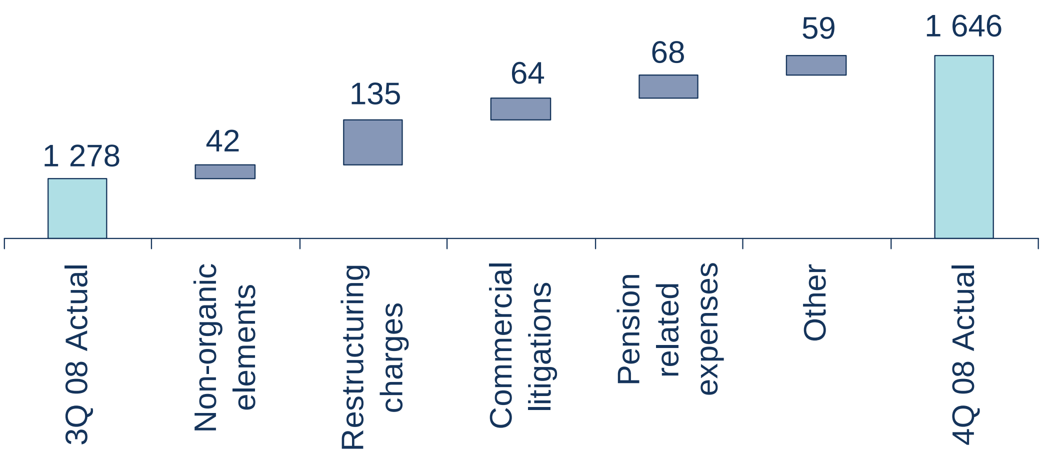
Asset impairment



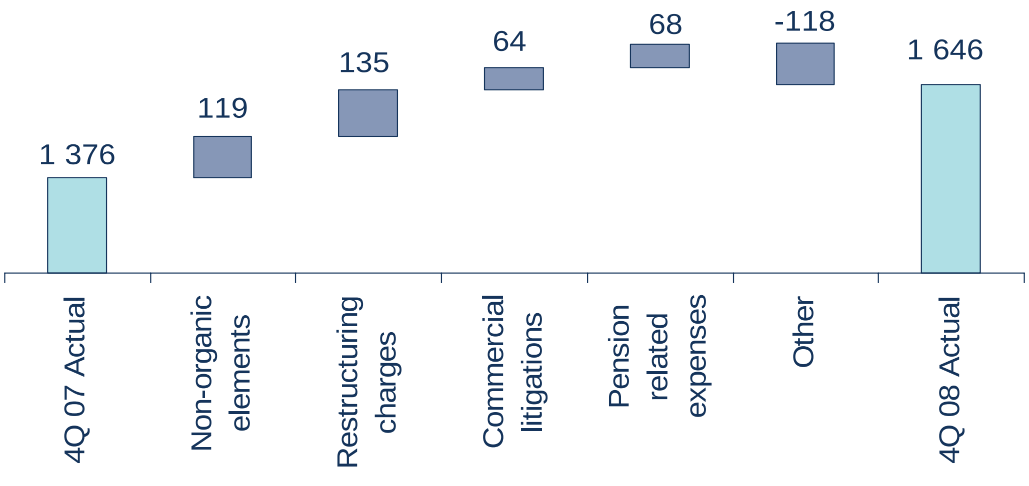
- Costs up significantly q/q and y/y, boosted by one-off items; for the details please see the next slide
- YTD C/I ratio (banking) at 64% on an underlying basis (FY 2007: 57%)
- Asset impairments, excluding financial crisis-impact, at 420m, of which 341m in loan impairments and 29m AFS-related impairments
- Impact of financial crisis: impairments on Icelandic credit exposure: 194m, impairments on share portfolio: 460m
- YTD credit cost ratio at 70bps. Excl. crisis-impact: 46 bps (FY 07: 13 bps)
- Loan quality showed a moderate deterioration. NPL ratio at 1.8% (up from 1.5% at the end of 2007)

Operating expenses (2)

Quarter-on-quarter developments



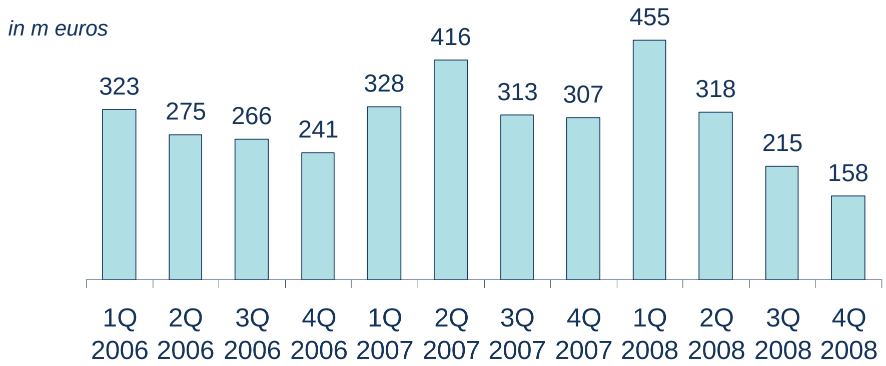
Year-on-year developments



Non-organic elements: FX-impact, Acquisition costs, Change in accounting treatment (without impact on the bottom-line)

Business Unit Belgium

Underlying net profit



Volume trends

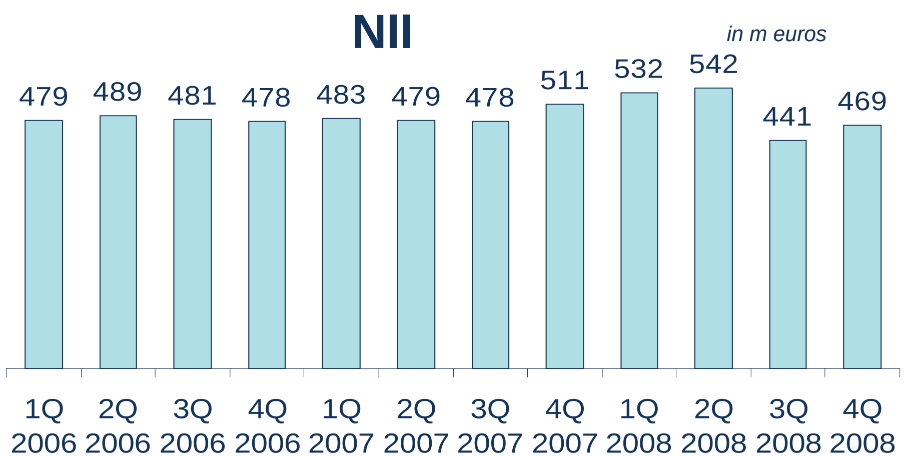
	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Growth q/q*	+1%	+2%	+2%	-4%	0%
Growth y/y	+8%	+9%	+6%	-7%	0%

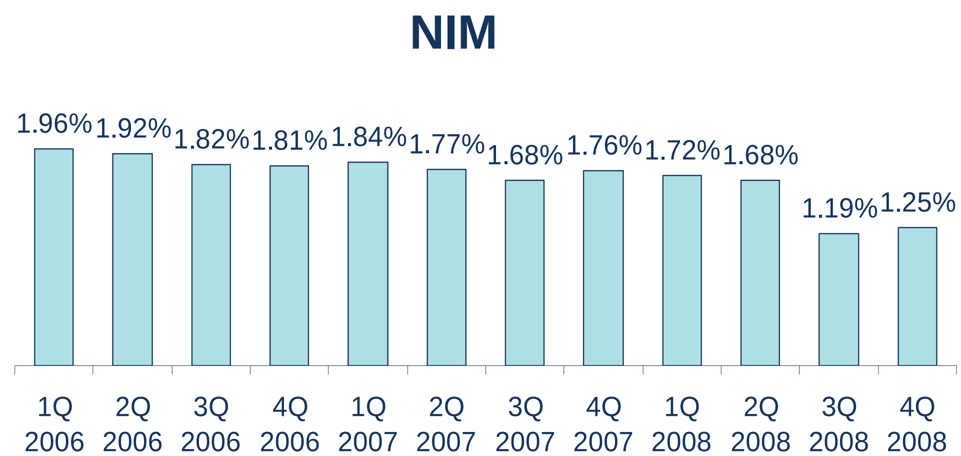
**non-annualized*

- Underlying result at 158m, down 27% q/q and 49% y/y, excluding direct impact of the financial crisis, consists among others of:
  - 168m negative valuation adjustments on CDOs
  - 557m impairments and realised losses on the share portfolio
- Increased total income q/q offset by an increase in operating expenses

- Total loans up 1% q/q and 8% y/y. Mortgages grew 2% q/q, 9% y/y
- Customer deposits up 2% q/q and 6% y/y

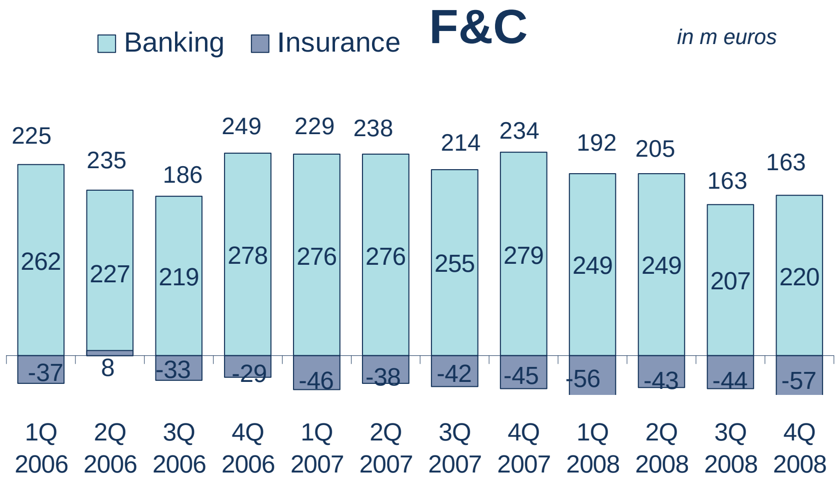
Business Unit Belgium (2)

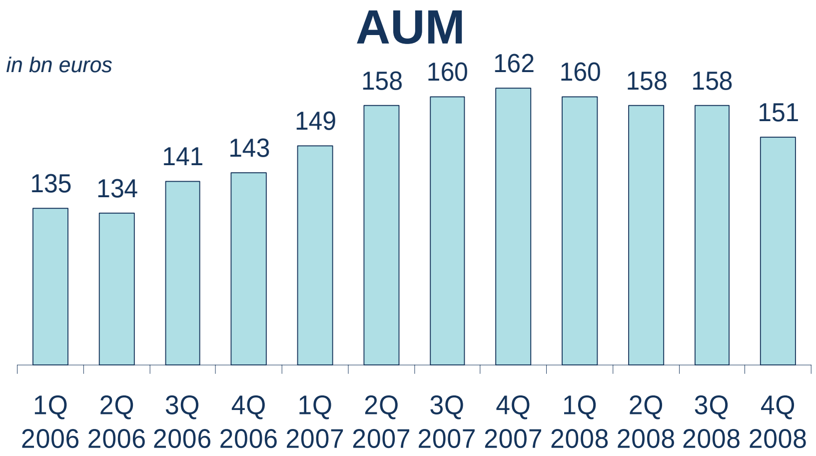




- NII (469m) increased 6% q/q, thanks to higher volumes in deposits and loans and increased NIM
- NIM at 1.25%, up 6bps q/q, thanks to the lowered interest rate paid on traditional saving deposits. (Margins recovered by year-end. This trend is expected to gather pace in 1Q 09)

Business Unit Belgium (3)



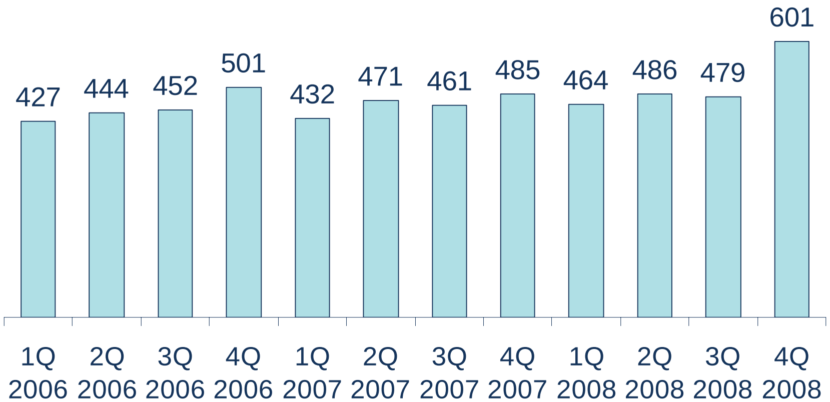


- AUM (151bn) down 4% q/q and 7% y/y (+1% y/y net new inflow fully offset by negative price impact)
- Net F&C (163m) remained stable q/q, but down 30% y/y
- ‘Fees paid’ had been shifted from F&C to operating expenses (15m) due to the in sourcing of payment transactions (no bottom-line impact)

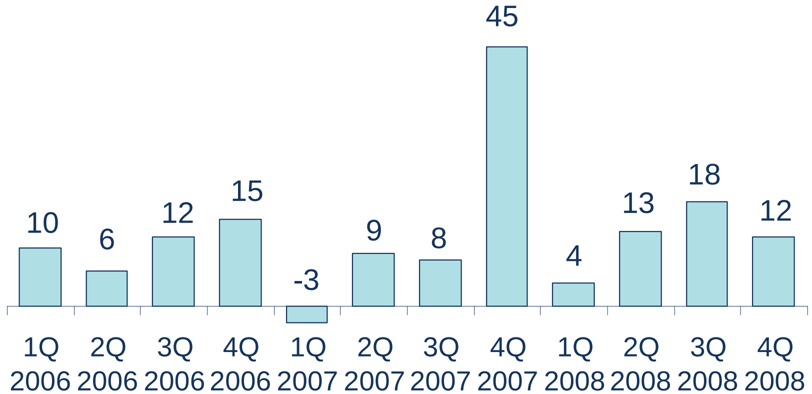
Business Unit Belgium (4)

Operating expenses

All figures are in m euros



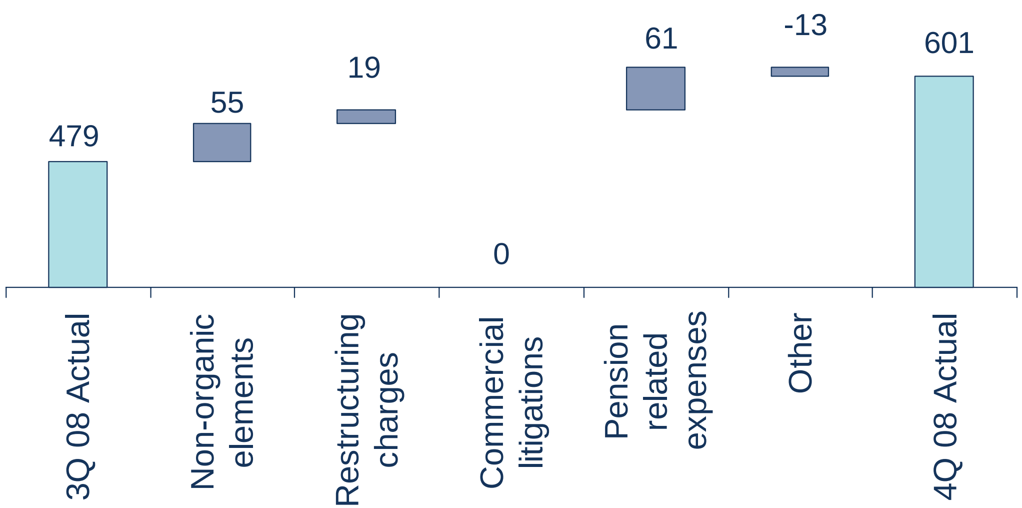
Asset impairment



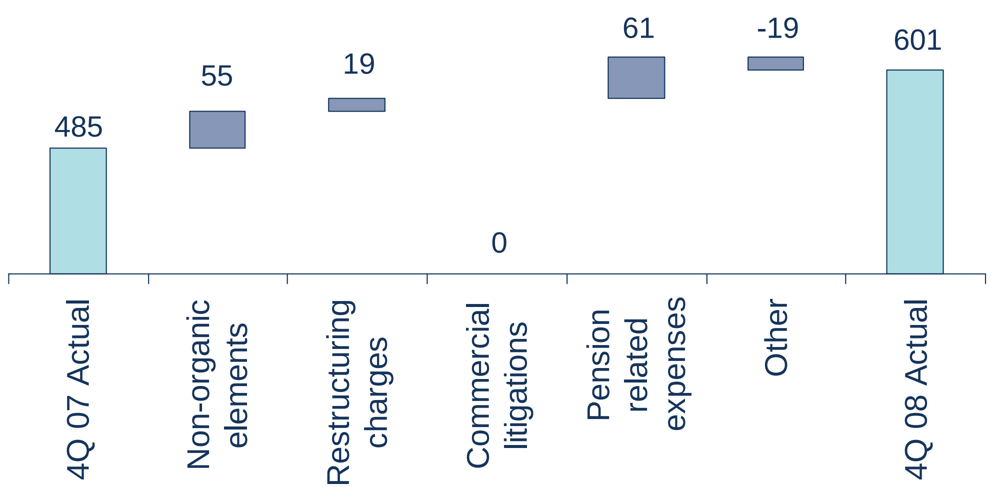
- Operating expenses (601m) boosted by:
  - pension charges (61m)
  - restructuring costs (19m)
  - changes in accounting treatment without impact on the bottom-line (55m):
    - 15m shift from 'fees paid' to opex, due to insourcing of payments processing
    - 40m due to grossing up of profit-sharing remuneration (offset under 'income tax' heading)
- FY C/I ratio at 71%
- Impairments stood at a low 12m. The worsening economic climate did not yet have a significant impact on loan losses; loan impairments remained stable at a low level (FY 08: 9bp, in line with the 13bp of FY 07)

Business Unit Belgium (5)
Operating expenses

Quarter-on-quarter developments



Year-on-year developments



Non-organic elements: for Business Unit Belgium, essentially accounting changes

Business Unit CEER

Underlying net profit

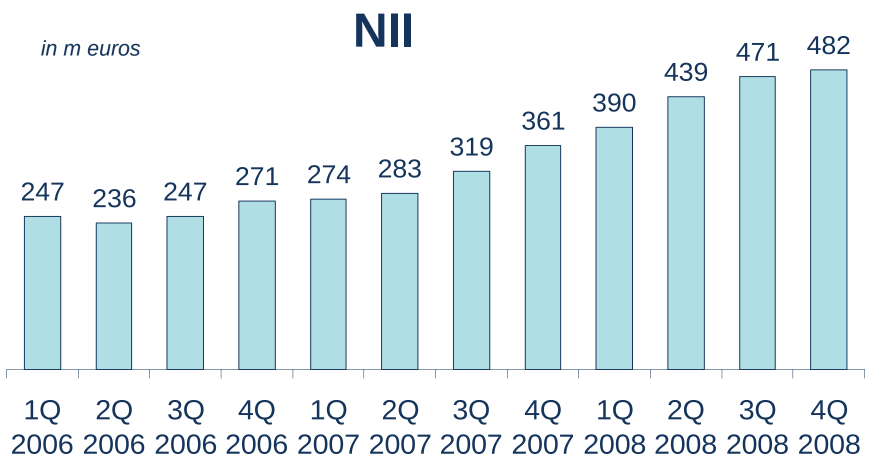
Volume trends

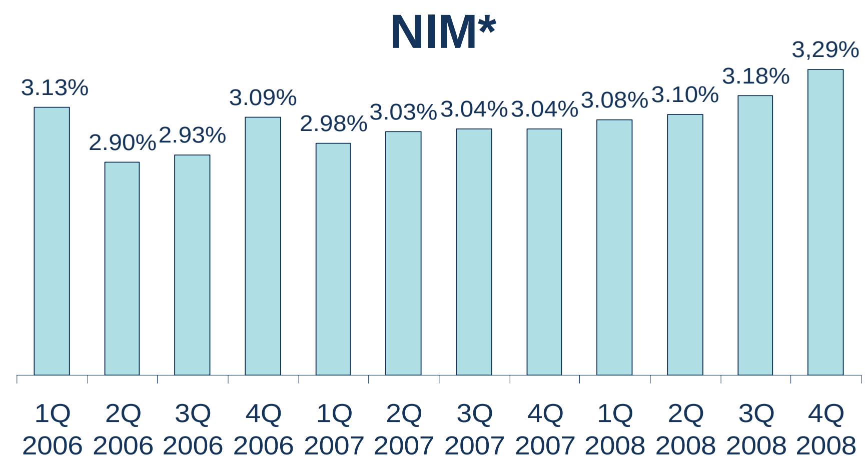
Organic trends	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Growth q/q*	**+6%**	**+15%**	**+1%**	**-8%**	**+14%**
Growth y/y	**+25%**	**+52%**	**+8%**	**-6%**	**+28%**

**non-annualized*

- Underlying quarterly net profit at 84m, excl. direct impact of the financial crisis, which consists of:
  - 82m negative valuation adjustments on CDOs, net
  - 28m impairments on troubled Icelandic banks, net
  - 56m impairments on the share portfolio, net
- Underlying net profit broken down as follows: 115m in the Czech Republic, -2m in Slovakia (including integration costs of Istrobanka), 1m in Hungary, 26m in Poland, 1m in Russia and -57m other results (mostly funding costs on goodwill)
- Organic volume-growth (excluding FX-impact and changes in consolidation scope): loans: 6% q/q, 25% y/y; deposits: +1% q/q, 8% y/y

Business Unit CEER (2)



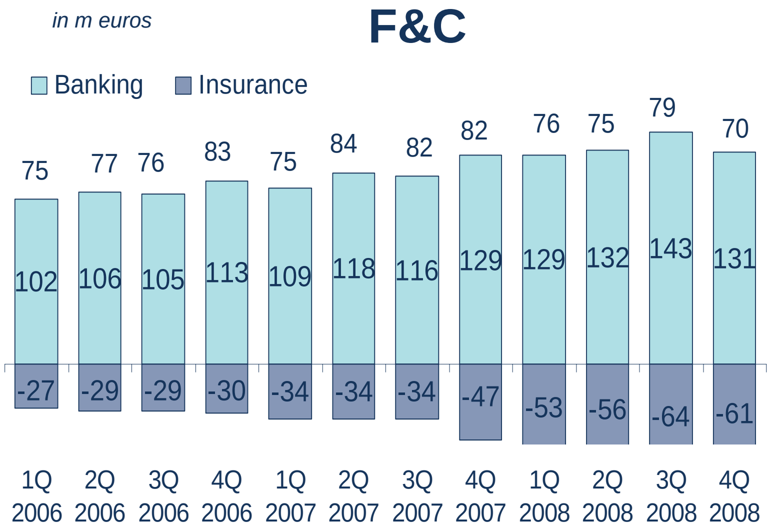


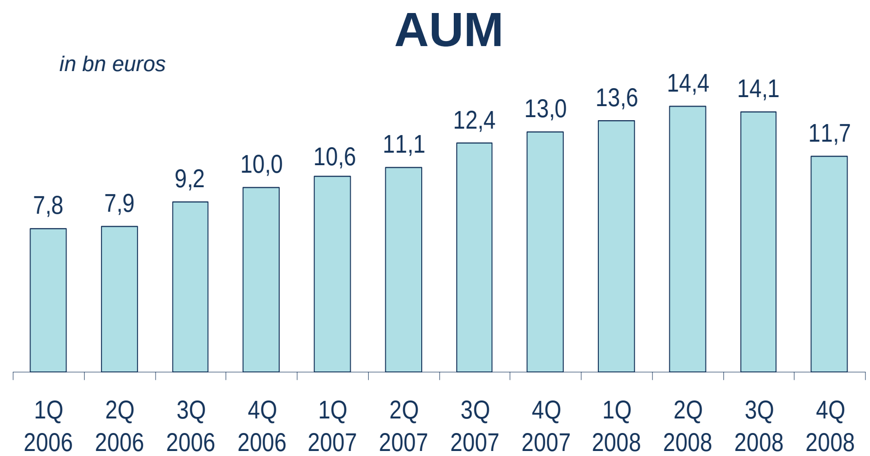
- NII (482m) up 7% q/q and 27% y/y on an organic basis (excluding FX-impact and changes in consolidation scope), thanks to increased loan- and deposit volumes and increasing NIM
- NIM (3.29%) up 11bps q/q and 25bps y/y, as margins edged up further, partially due to FX-changes (ca. 50% of the increase)
- RWA dropped 3% q/q due to currency-depreciations

All growth figures above are organic growth y/y; FX-impact excluded

* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

Business Unit CEER (3)





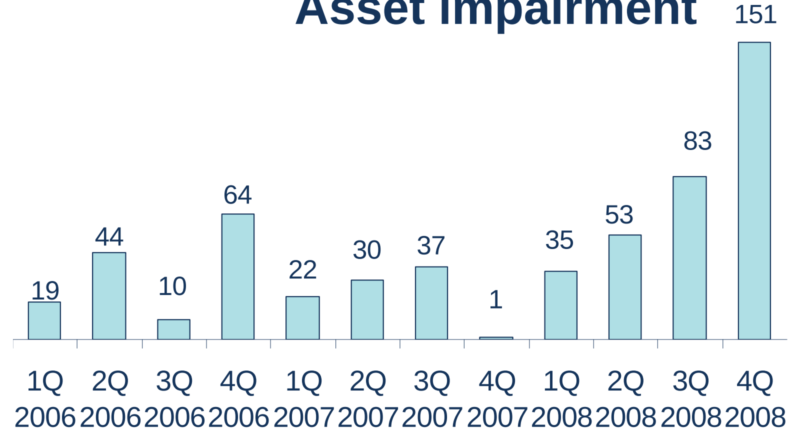
- Net F&C (70m) down 11% q/q and 15% y/y (driven mainly by insurance, where higher sales volumes led to higher commissions paid to agents)
- AUM (11.7bn) down 8% q/q and 6% y/y on an organic basis (excluding FX-impact). 5% of the decrease y/y is due to negative market performance

Business Unit CEER (4)

All figures are in m euros

Operating expenses

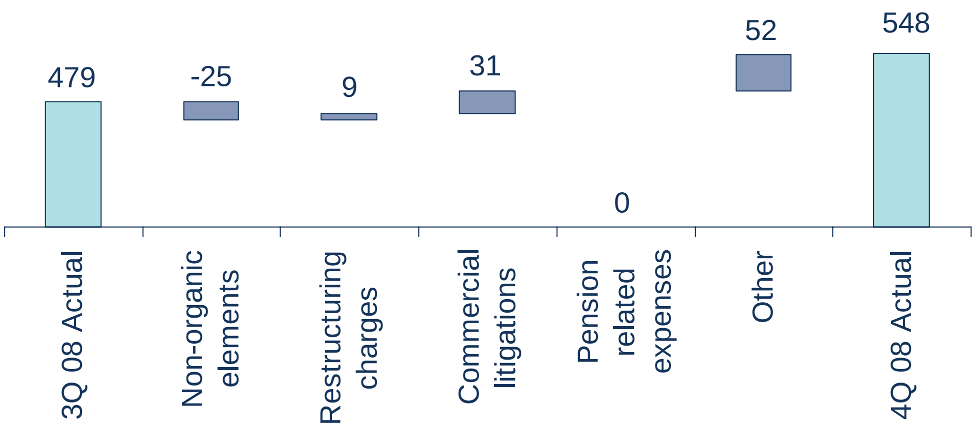
Asset impairment



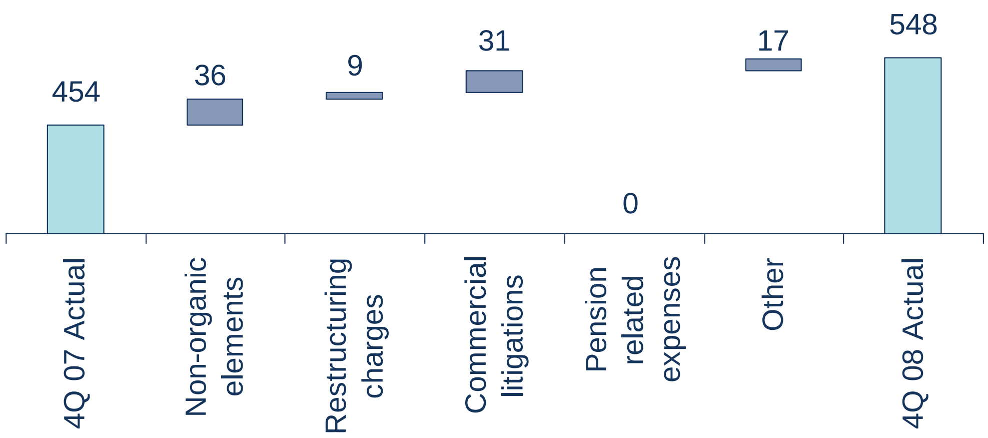
- Operating expenses (548m) up, pushed up partially by provisions for commercial litigation (31m), restructuring charges (9m) and higher IT and marketing costs
- FY C/I ratio, excluding negative CDO impact at 60% (FY 07: 63%)
- Loan impairments stood at 149m, significantly up both q/q and y/y
- FY credit cost ratio in CEER stood at 73bps, 57bps in the Czech Republic (38 bps excl. troubled US and Icelandic banks), 82 bps in Slovakia, 95bps in Poland, 41bps in Hungary and 240bps Russia (174bps excl. generic provisions)
- NPL ratio stable at 2%. As loan losses tend to follow economic downturns with some delay, one might expect the loan losses to increase in the quarters to come

Business Unit CEER (5)
Operating expenses

Quarter-on-quarter developments



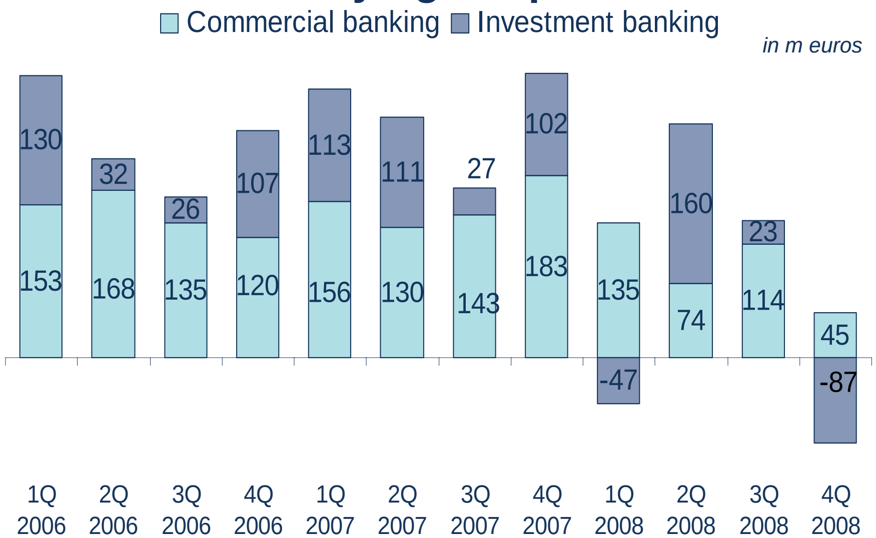
Year-on-year developments



Non-organic elements: FX-impact, Acquisition costs, Change in accounting treatment (without impact on the bottom-line)

KBC Business Unit Merchant Banking

Underlying net profit



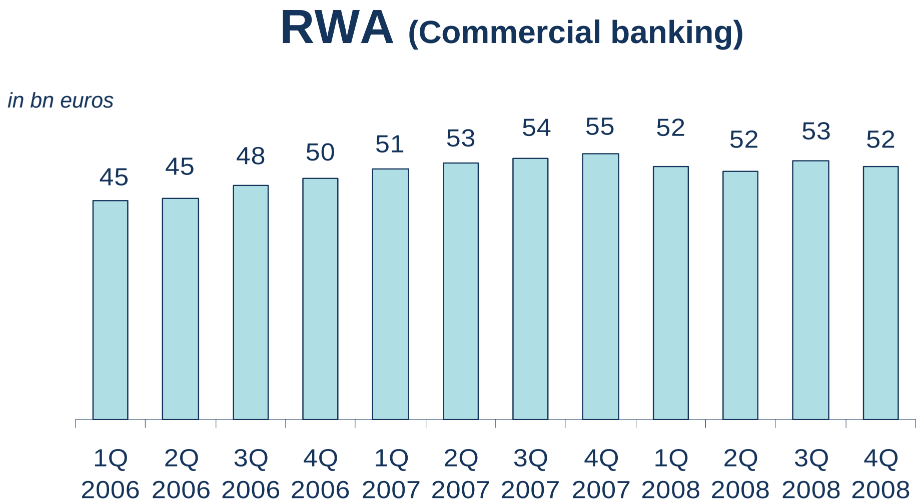
Volume trends

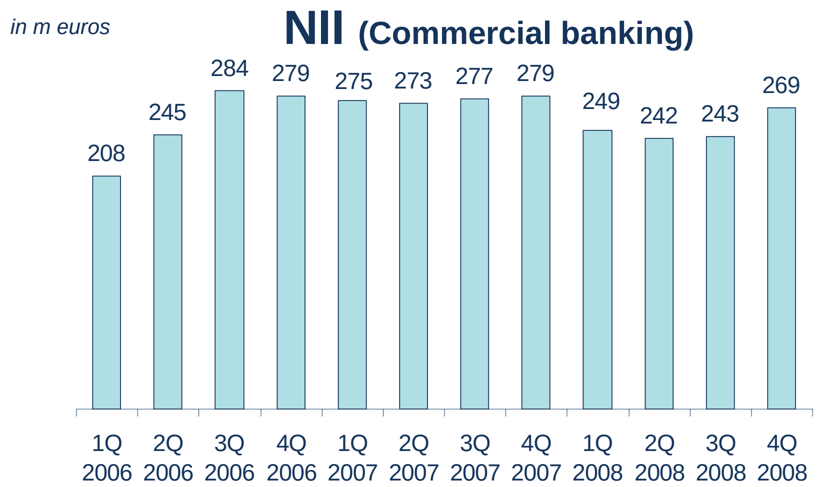
Organic trends	Total loans	Customer deposits
Growth q/q*	**-3%**	**-14%**
Growth y/y	**0%**	**-4%**

**non-annualized*

- Underlying net profit, excluding the direct impact of the financial crisis (negative valuation adjustments on CDOs, as well as impairments on the share portfolio, on troubled US banks and trading losses on unwinding of derivative positions) at -42m, significantly down from the previous quarters' results
- The net result can be broken down into 45m gain for commercial banking and -87m loss for investment banking activities

Business Unit Merchant Banking (2)



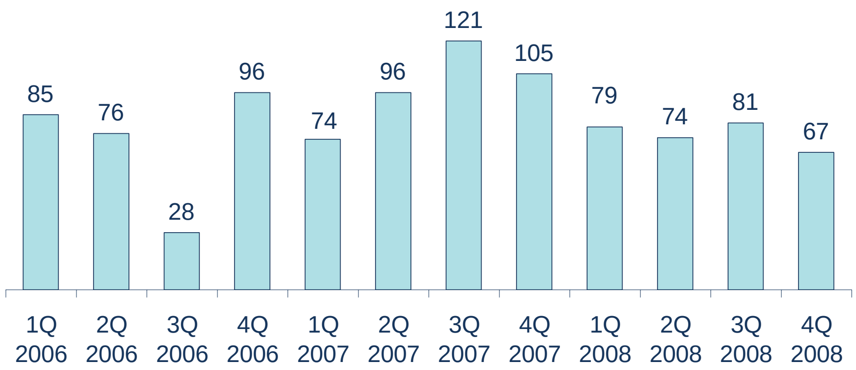


- RWA, commercial banking (52bn) down 2% q/q and down 5% y/y
- NII relates to commercial banking (269m) up 11% q/q, driven by improved lending margins and lower funding costs
- Higher funding costs, however, together with the changed income treatment for lease finance since 1Q 2008, explain the 4% drop y/y

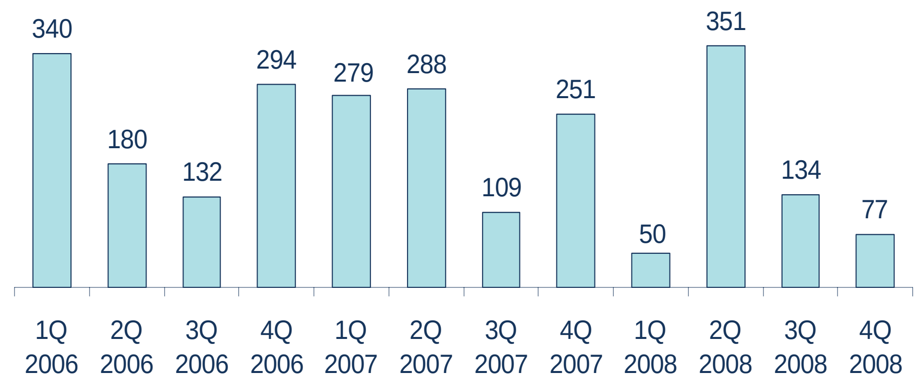
Business Unit Merchant Banking (3)

All figures are in m euros

F&C



FV gains (Investment banking)

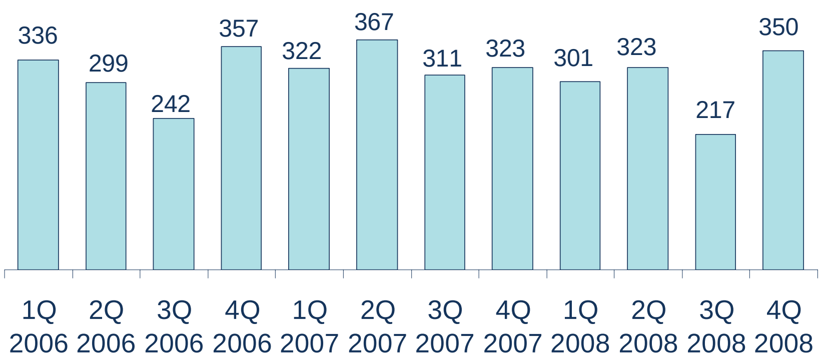


- Net F&C-income (67m) remained roughly stable q/q in the commercial banking activities, but a negative income was realised in the investment banking activities (-14m), mainly in the derivatives business
- FV gains in investment banking (77m , excluding crisis-impact) down significantly q/q and y/y
- FV-markdowns on CDOs and ABSs amounted to 1 259m (after-tax) in 4Q 08 (excluded from underlying results)
- 245m trading loss on unwound derivative trading positions and 57m value losses on shares also excluded from underlying results

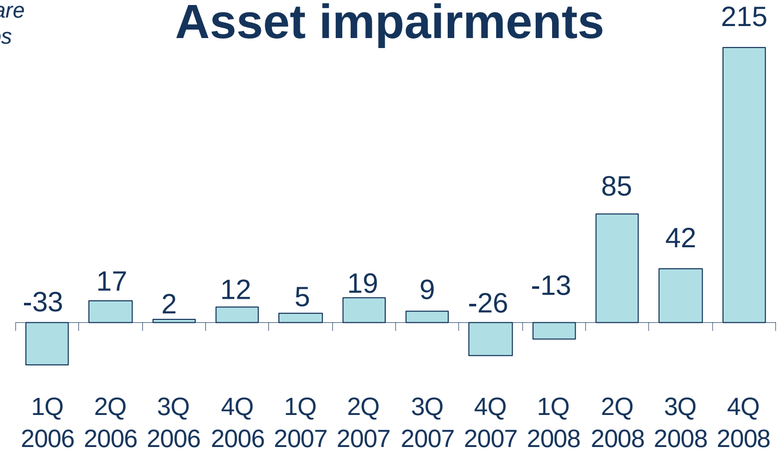
Business Unit Merchant Banking (4)

Operating expenses

All figures are in m euros



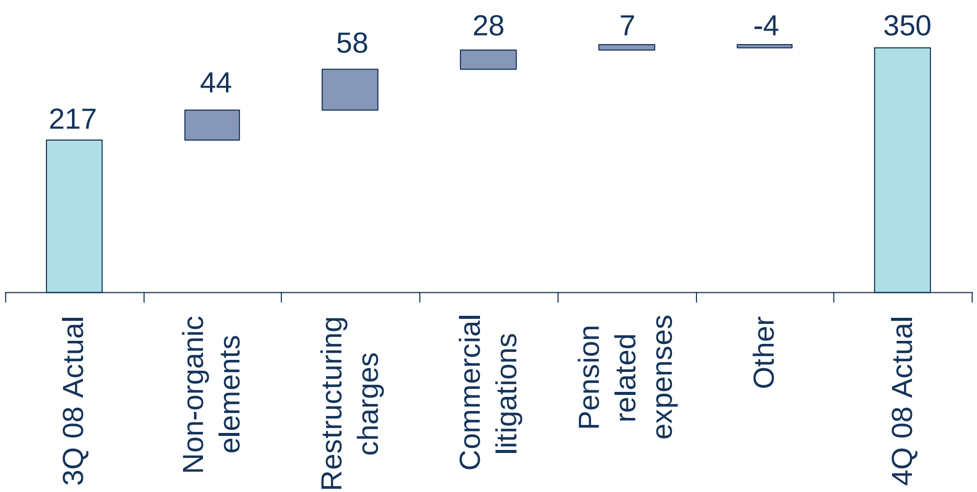
Asset impairments



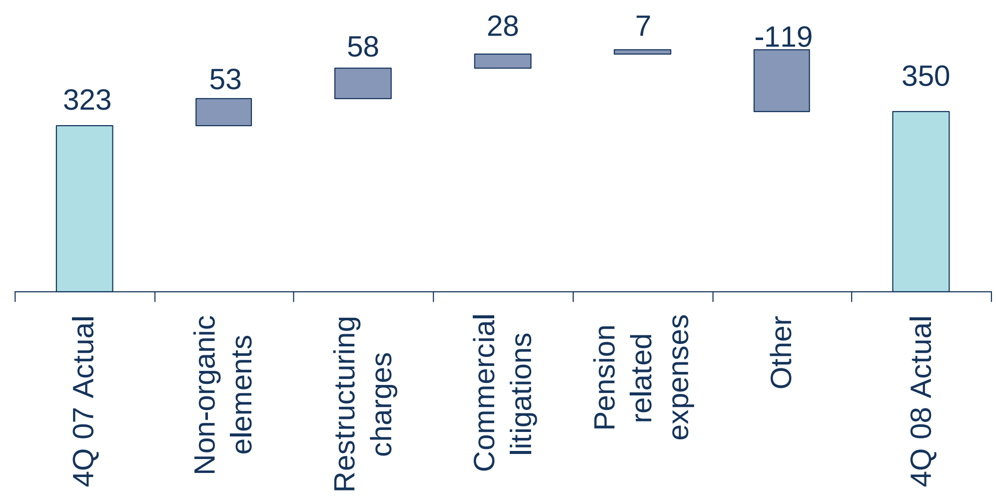
- Operating expenses (350m) up 133m compared to 3Q 08, due to, among others, restructuring charges (58m), commercial litigation (28m) and accounting changes (22m)
- Impairments stood at 215m, mainly on loans and receivables (180m), of which 99m relates to corporate loans in non-home markets (mainly US, Ireland, UK)
- Impairment of 64m related to the restructuring of *KBC Financial Products* (mainly on goodwill and intangible assets)
- Over and above these impairments, net145m set aside on troubled Icelandic banks and 57m on share portfolio. Both items are seen as exceptional and excluded from the underlying figures
- FY credit cost ratio stood at 48bps (FY 2007 stood at extremely low, 2bps)
- Credit loss ratio for the Irish business was 30 bps (of which 15bps on the mortgage portfolio)

Business Unit Merchant Banking (5) Operating expenses

Quarter-on-quarter developments



Year-on-year developments



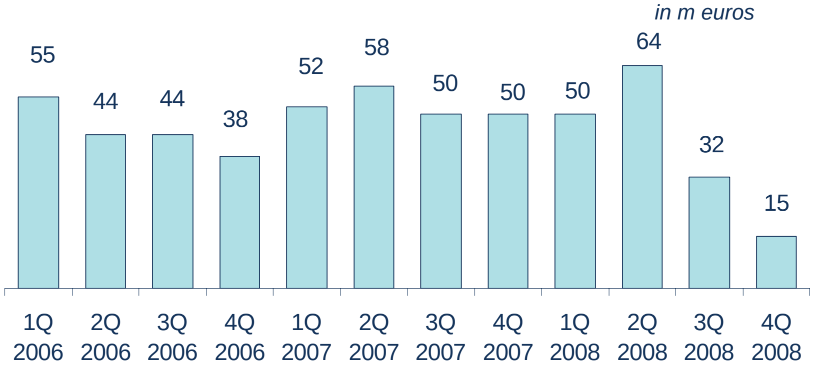
Non-organic elements: FX-impact, Acquisition costs, Change in accounting treatment (without impact on the bottom-line)

Changes in accounting treatment without impact on the bottom-line (22m):

- 15m shift from ‘fees paid’ to opex, due to insourcing of payments processing
- 7m due to grossing up of profit-sharing remuneration (offset under ‘income tax’ heading)

KBC Business Unit Private Banking

Underlying net profit



Volumes

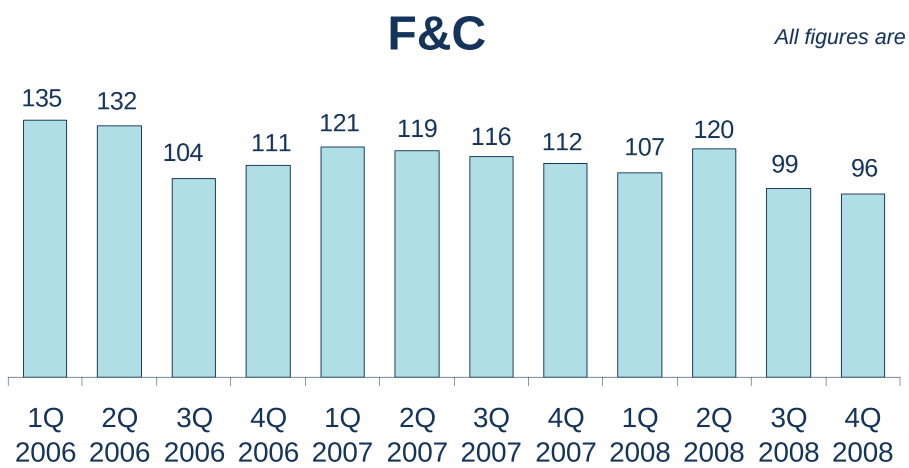
Organic trends	Customer deposits	AUM	Life reserves
Growth q/q*	**-12%**	**-12%**	**-26%**
Growth y/y	**-13%**	**-19%**	**-28%**

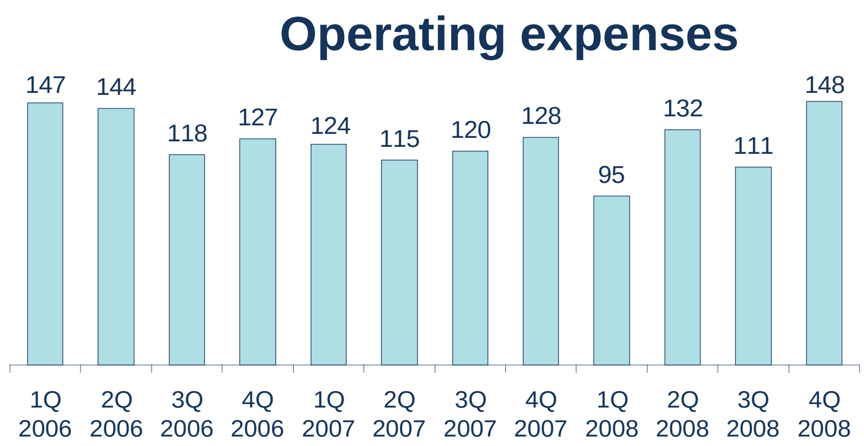
**non-annulized*

- Underlying net profit, excluding the direct impact of financial crisis at 15m, compared to 32m in 3Q 08 and 50m in 4Q 07
- 4Q 08 underlying profit figure excludes the direct impact of the financial crisis, which consists of:
  - 112m impact on structured credit investments, net
  - 35m value loss on the share portfolio, net
  - 22m impairment on troubled Icelandic banks, net
- AUM (44bn) down 12% q/q and 19% y/y
- Notwithstanding the difficult market climate, 3% net inflows recognized y/y, more than offset by negative price effect (-22%)

Business Unit Private Banking (2)

All figures are in m euros

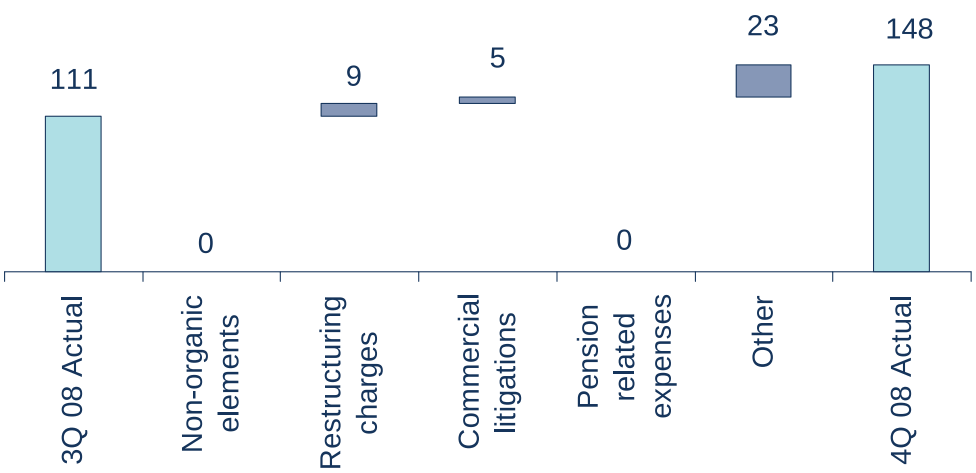




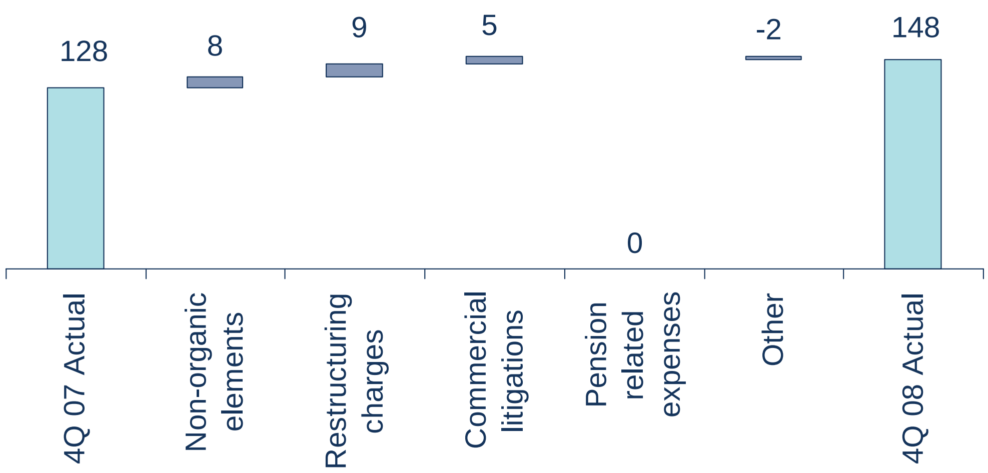
- F&C (96m) income continued to be negatively impacted by the depressed investment climate
- Operating expenses (148m) increased markedly q/q and y/y, due to higher non-staff expenses, among others:
  - 8m contribution to the Luxembourg Deposit Guarantee Scheme
  - 9m restructuring charges
  - 5m asset tax
  - 5m provision for commercial litigation

Business Unit Private Banking (3)
Operating expenses

Quarter-on-quarter developments



Year-on-year developments



Non-organic elements: FX-impact, Acquisition costs, Change in accounting treatment (without impact on the bottom-line)

Update on topics

Update on loan portfolio

	Outstanding loan volumes	Share of sectors: mortgages	automotive	building and construction	real estate risk	banks	Small-cap LBO/MBO
KBC Group total	178bn	30%	2%	4%	7%	4%	2%

	Total mortgages	LTV outst. mortgages	LTV new production	Share of FX-mortgages	LTV FX-mortgages	NPL – Total mortgages
KBC Group total	54bn	60%	76%	9%	75%	1.4%

	Outstanding volume	NPL ratio		
		In % of outst. volume	YTD change	q/q change
Belgium	55bn	1.70%	+0.10%	+0.30%
CEER	43bn	2.10%	0%	+0.20%
Merchant Banking	76bn	1.60%	+0.60%	+0.40%
EPB	4bn	-	-	-
KBC Group total	178bn	1.80%	0.30%	0.30%

Stress test 1
If Moody's current 2009 corporate default expectations were to materialise, loan loss ratio would rise to around 100 bps

Stress test 2
If CEE currencies would fall by 30%, impairment loss on FX-mortgages would be ca. 60m (pre-tax)

Update on Ireland

Areas of concerns

- Falling real estate prices (-16% since 4Q 2006 peak level) and climbing unemployment raising questions about asset quality (notably retail mortgage and commercial real estate exposure)

Key figures, KBC, Dec-08

- Loan book: 18.6 bn o/w 13.7 bn home loans (indexed LTV 75%, high granularity)
- NPL: 3.0% (3.2% in retail)
- Loss ratio ‘08: 29 bps (15 bps in retail)

Our experience before

- Selective underwriting policy pursued (10y avg loan loss ratio: 7 bps, o/w 3 bps for retail)
- No sub-prime or self-certification mortgages and mortgage LTV ‘top slice’ (>80%) highly covered by mortgage insurance

Additional measures taken in 2008

- Further tightening of underwriting criteria (e.g. mortgage LTV cap currently reduced to 80%)
- Commercial real estate nominal outstanding reduced (-8% y/y)

Economic outlook for 2009

	Real GDP-growth 2008	Forecasts for 2009	
		KBC-estimation	Market consensus (Jan 2009)
Eurozone	1.0%	-1.8%	-1.4%
Belgium	1.4%	-1.8%	-0.7%
US	1.2%	-2.1%	-1.8%
Ireland	-1.5%	-5.0%	-2.6%
Poland	4.8%	1.3%	1.9%
Czech Republic	3.3%	0.8%	0.3%
Hungary	0.6%	-1.9%	-2.4%
Slovakia	7.0%	1.1%	2.9%
Bulgaria	6.0%	0.9%	1.9%
Russia	7.0%	0.3%	1.1%

Source: KBC

Measures taken (summary)

	Strategy	Financial impact (2009)
Belgium	Committed to keep lending Adjusted pricing to obtain sustainable margins	Single-digit RWA-growth anticipated for 2009 (incl. pro-cyclicality) Cost savings: 5% reduction of salary base
CEER	“Ban” on growth in higher-risk markets Reduced transferability-risk on Russia	Single-digit RWA growth anticipated Cost growth restricted to CPI-level
Merchant Banking	Consolidation of position in Belgium Downsizing of investment banking *(KBC Financial Products)* Restrictions on non-home market lending	Net freeze of allocated capital (incl. pro-cyclicality) Targeted cost savings > 10%
EPB	Business model to continue Low-profile start-up in CEE	8% reduction of RWA and allocated capital Stable underlying cost basis targeted

Revaluation of structured credit portfolio

- CORPORATE SYNTHETIC CDO PORTOLIO
- - 4.1bn financial impact since start of crisis, booked against revenue
- Outstanding book: 5.4bn (57% of original value), backed by 84% corporate instruments - 13% Alt A/subprime RMBS - 3% other
- Reduced future earnings sensitivity due to write-down of non super senior exposure on all KBC FP's CDOs

ABS PORTFOLIO

- - 1.7 bn financial impact since start of crisis, mostly booked against shareholders' equity
- Outstanding book: 4.8bn (74% of original value), backed by 51% prime RMBS* - 16% Alt A/subprime RMBS* - 16% CLO - 15% other ABS
- Accounting reclassification to 'loans and receivables' at end-2008 (largely sheltering earnings sensitivity to market value changes)

*RMBS: 28% US, 72% Europe

Scenario analysis for KBC FP CDO portfolio

Amounts in bn €	Value KBC FP CDOs	Loss	as % of nominal
Nominal (excl. CDO in run-off)	7.4		
Market value	4.2	-3.2	-43%
Impairment scenario	7.1	-0.3	-4%
"Expected loss" scenario	6.2	-1.2	-16%
Stress scenario 1	5.6	-1.8	-24%
Stress scenario 2	4.1	-3.3	-44%

KBC, total, nominal outstanding

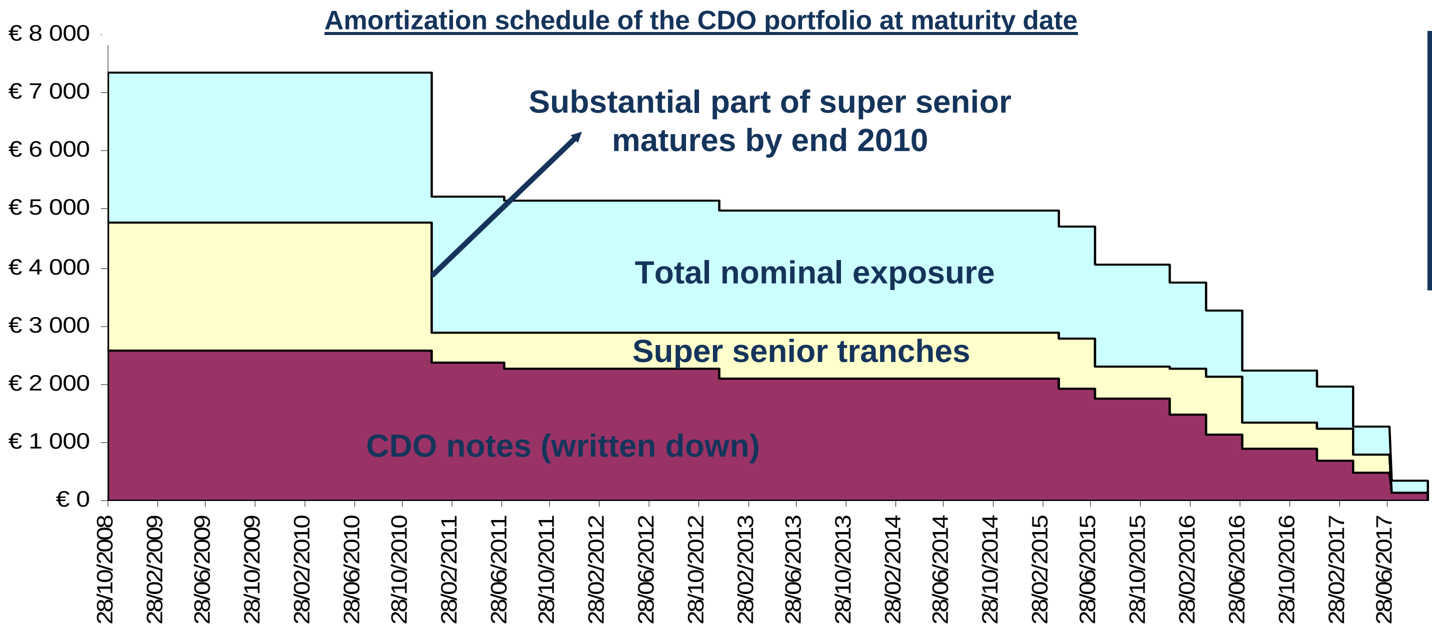
Total CDO	8.7bn
o/w third party CDO	-0.8bn
Total CDO issued by KBC FP	7.9bn
o/w CDO in run-off	-0.5bn
Total CDO issued by KBC FP (excl. CDO in run-off)	7.4bn

Test assumptions

- Impairment scenario: expected losses on ABS, claimed corporate names and corporates with highest near term credit event risk
- "Expected loss scenario": (fundamental value): expected losses on ABS and claimed corporate names and 8% expected cumulative losses on the underlying corporate portfolio
- Stress scenario1: expected losses on ABS and claimed corporate names and 13% expected cumulative losses on the underlying corporate portfolio
- Stress scenario 2: 26% subprime Alt/A underlying cumulative losses, 100% losses on structured finance CDOs, claimed corporate names, 80% losses on monoline insurers, corporates with highest near term credit event risk and 9% losses on remaining underlying corporates

Amortization schedule of KBC FP CDO portfolio

CDOs issued and managed by *KBC Financial Products* and invested in by KBC
Nominal amount in millions of EUR, net of provision for equity & junior pieces and before mark-downs and excl. CDO in run-off



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Solvency position

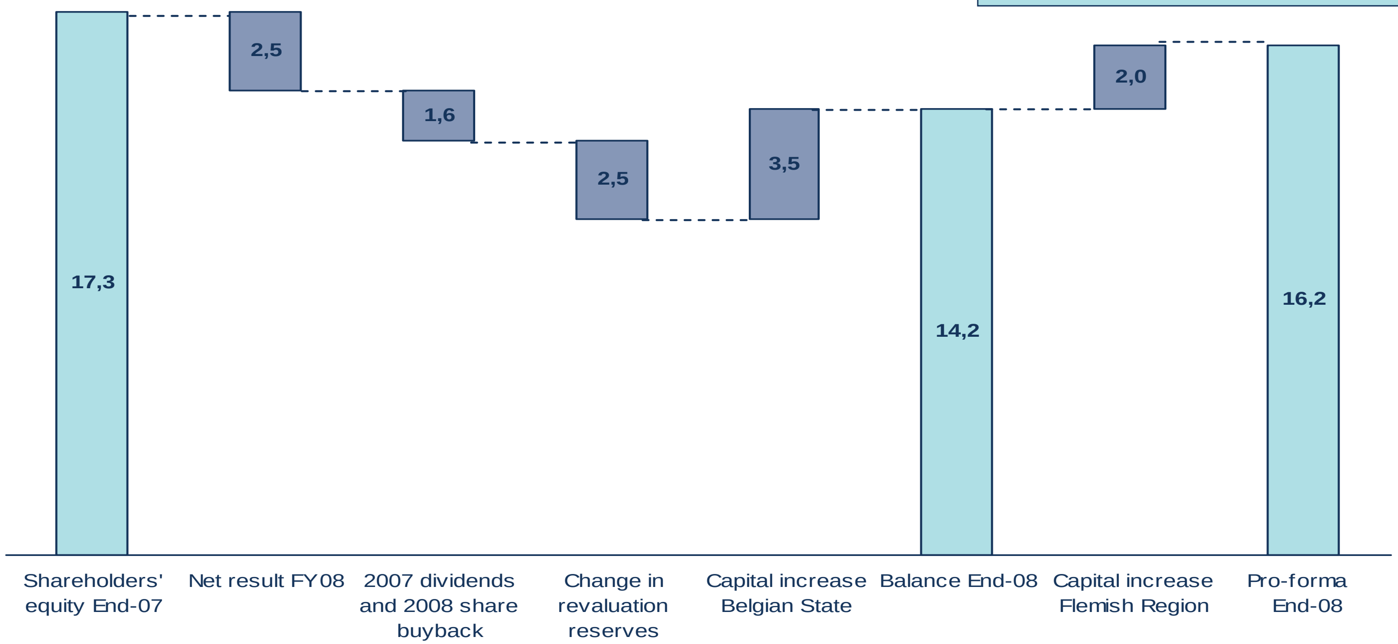
Solvency,
(pro-forma end-08*)

Tier-1	11.2%
Core Tier-1	8.6%
Insurance	188%

* Including the support received from the Belgian Federal Government and Flemish Regional Government

Stress test 1
If Moody's 2009 corporate rating migration expectations were to materialise, ceteris paribus, procyclical impact on Tier-1 ratio due to higher RWA would be around 85 bps (bringing the Tier 1 ratio from 11.2% to 10.4%)

Stress test 2
If equity markets were to fall further by 25%, impact on revaluation reserve (booked in shareholder's equity) would be immaterial



Wrap up

Wrap Up

- Significant impact from investments markdown after having applied a conservative valuation approach
- Profitability in Belgium underpinned by strong market position, despite weakening environment
- Resilient volume and margin trends in CEE with credit risk remaining at manageable levels
- Merchant banking impacted by trading losses and increasing non-domestic loan losses
- European private banking impacted by adverse investment climate
- Measures taken to contain costs and reduce credit and market risk
- Pro forma Tier-1 capital ratio, banking at 11.2%, of which 8.6% core equity (including all state support received)
- The financial crisis has obviously not come to an end, yet. However, underlying business performance in the beginning of the year showed to be encouraging. Underlying results in January 2009 were better than in January 2008

Annexes

Annex 1: Volumes y/y

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	157	56	197	207	23
Growth, y/y	**+8%**	**+19%**	**+2%**	**-10%**	**+2%**
Belgium	**+8%**	**+9%**	**+6%**	**-7%**	**+0%**
CEE R	**+25%**	**+52%**	**+8%**	**-6%**	**+28%**
- Czech Republic	+16%	+30%	+2%	-3%	+9%
- Slovakia	+21%	+19%	+12%	-5%	+17%
- Hungary	+11%	+28%	+35%	-8%	+14%
- Poland	+62%	+90%	+10%	-15%	>100%
Merchant Banking	**+0%**	**-**	**-4%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**-19%**	**-28%**

Notes:
- Organic growth rates only
- Growth rates excluding repo and reverse repo actvities
- Trends for CEE in local currency

Annex 2:
Volumes q/q – non-annualised

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	157	56	197	207	23
Growth, q/q	**+1%**	**+4%**	**-4%**	**-7%**	**+1%**
Belgium	**+1%**	**+2%**	**+2%**	**-4%**	**+0%**
CEE R	**+6%**	**+15%**	**+1%**	**-8%**	**+5%**
- Czech Republic	+2%	+5%	-2%	-10%	+0%
- Slovakia	+3%	+1%	+9%	-15%	+3%
- Hungary	+8%	+8%	+9%	-8%	+4%
- Poland	+21%	+13%	-2%	-4%	+14%
- Serbia	+58%	>100%	+3%	-	-
- Russia	-3%	+5%	+1%	-	-
- Bulgaria	+2%	+4%	-3%	-	+2%
Merchant Banking	**-4%**	**-**	**-14%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**-12%**	**-26%**

Notes: Organic growth rates only. Growth rates excluding repo and reverse repo actvities. Trends for CEE in local currency

Annex 3:
Structured Credit Portfolio – Overview

Portfolio in million euros As of 31 Dec 2009	TOTAL	ABS	CDO
Initial nominal amount	15 944	6 439	9 505
Initial write down	-779		-779
Nominal outstanding	**15 165**	**6 439**	**8 726**
Value mark downs (1,2,3,4 next slide)	-4 962	-1 680	-3 282
Outstanding (Fair Value)	**10 203**	**4 759**	**5 444**

Other financial impact (5,6,7 next slide)	-759		-759
TOTAL FINANCIAL IMPACT	**-5 721**	**-1 680**	**-4 041**

Annex 4: Structured Credit Portfolio – Detailed financial crisis impact

All figures are in million euros	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	TOTAL 2008	GRAND TOTAL
Value markdowns	**-100**	**-208**	**-220**	**-263**	**-1 642**	**-2 529**	**-4 654**	**-4 962**
CDO through P&L (1)	-51	-114	-125	-169	-1 420	-1 403	**-3 117**	**-3 282**
CDO through equity (2)	0	0	0	0	0	0	**0**	**0**
ABS through P&L (3)	0	-13	-4	11	-22	-147	**-162**	**-175**
ABS through equity (4)	-49	-81	-91	-105	-200	-979	**-1375**	**-1 505**
Other financial impact	**0**	**-39**	**-12**	**-156**	**-191**	**-361**	**-720**	**-759**
On monoliners (5)	0	-39	0	-148	-100	-355	**-603**	**-642**
On CDOs (6)	0	0	-12	-8	-91	-6	**-117**	**-117**
On ABSs (7)	0	0	0	0	0	0	**0**	**0**
TOTAL IMPACT	**-100**	**-247**	**-232**	**-419**	**-1 833**	**-2 890**	**-5 374**	**-5 721**

Total through P&L	**-51**	**-166**	**-141**	**-314**	**-1 633**	**-1 911**	**-3 999**	**-4 216**
Total through equity	**-49**	**-81**	**-91**	**-105**	**-200**	**-979**	**-1 375**	**-1 505**

Annex 5:
Credit cost ratio per business units

Credit cost ratio	FY 06	FY 07	FY 08	FY 08 excl LB, WaMu, Iceland
Belgium	0.07%	0.13%	0.09%	0.09%
Czech Republic	0.36%	0.18%	0.57%	0.38%
Slovakia	-	0.96%	0.82%	0.82%
Hungary	1.50%	0.62%	0.41%	0.41%
Poland	0.00%	0.00%	0.95%	0.95%
Russia	-	0.21%	2.40%*	2.40%*
Merchant Banking	0.00%	0.02%	0.90%	0.48%
Total	**0.13%**	**0.13%**	**0.70%**	**0.46%**

*boosted by the allocation of generic provisions

Annex 6:
Loan-to-Deposit ratio per countries

Loan-to-Deposit ratio	As of 31 Dec 2008
Belgium	79%
Czech Republic	72%
Slovakia	80%
Hungary	104%
Poland	129%
Russia	414%
KBC Group consolidated	**92%**

Definition of Loan-to-Deposit ratio had been fine-tuned in 4Q 08