KBC Group
Company presentation
3Q 2013

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Key takeaways for KBC Group

- **STRONG BUSINESS PERFORMANCE IN 3Q13**
  - **Net reported profit of 272m EUR,** which was negatively impacted by impairment of 231m EUR on the remaining divestments
  - Continued good **adjusted* net result of 457m EUR, leading to a ROE of 16%.** This is the result of:
    - Strong commercial bank-insurance franchises in our core markets and core activities
    - Slightly higher net interest income and net interest margin
    - Net fee and commission income was impacted by seasonal effect; AuM increased slightly
    - Higher other net income, offset by less positive M2M ALM derivatives
    - Good combined ratio
    - Excellent cost/income ratio
    - Lower impairment charges

- **SOLID CAPITAL AND ROBUST LIQUIDITY POSITIONS**
  - **Common equity ratio** (B3 fully loaded**) of 12.5% at end 9M13
  - **Continued strong liquidity position** (NSFR at 108% and LCR at 132%). Unencumbered assets are almost 4 times the amount of short-term wholesale funding

- **LOAN BOOK REASSESSED IN VIEW OF EBA/ESMA PAPER AND UPCOMING AQR**
  - **Specific focus on Ireland**, also in the light of CBI guidelines and MARS implementation status***. We expect:
    - Additional provisions due to reclassification of 2.0bn EUR restructured mortgage loans from non-impaired PD 1-9 to impaired PD 10****
    - Additional provisions for corporate loans due to a more prudent outlook on future cashflows and collateral values
    - In total, this will lead to an impairment in Ireland of up to 775m EUR in 4Q13
    - Going forward, loan loss provisions in the range of 150m-200m EUR for FY14 and 50m-100m EUR for each of FY15 and FY16
    - To be profitable in Ireland from 2016 onwards
  - **For all other countries**, the currently estimated impact is considered to be immaterial

* Adjusted net result is the net result excluding a limited number of non-operating items, i.e. legacy CDO and divestment activities and the M2M effect of own debt instruments due to own credit risk

** Including remaining State aid of 2.33bn EUR

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

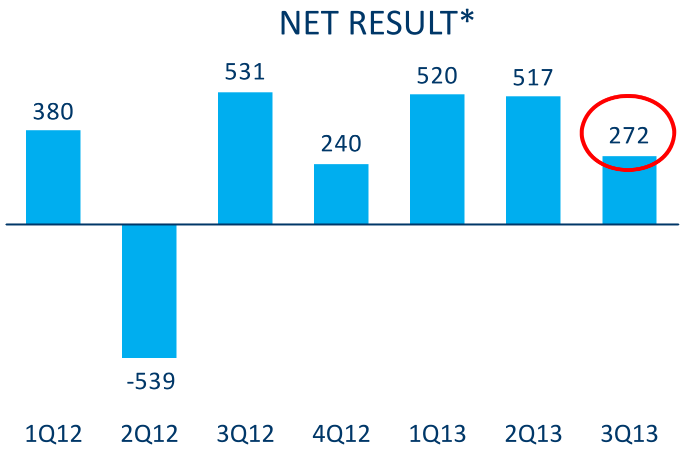
**** PD: Probability of Default. According to EBA, PD 10 (currently impaired but performing) will be classified as non-performing

Contents

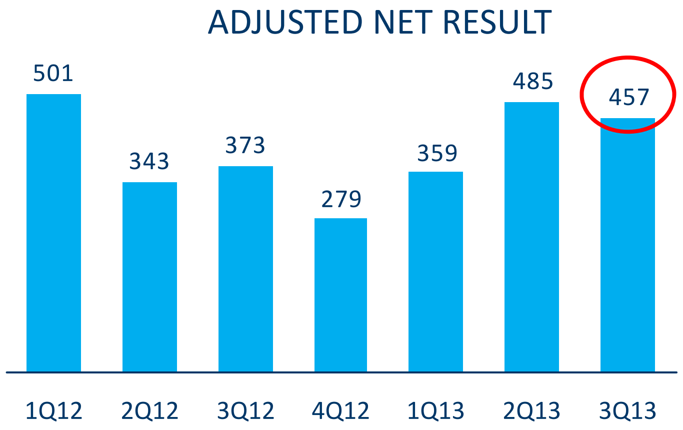
Section 1

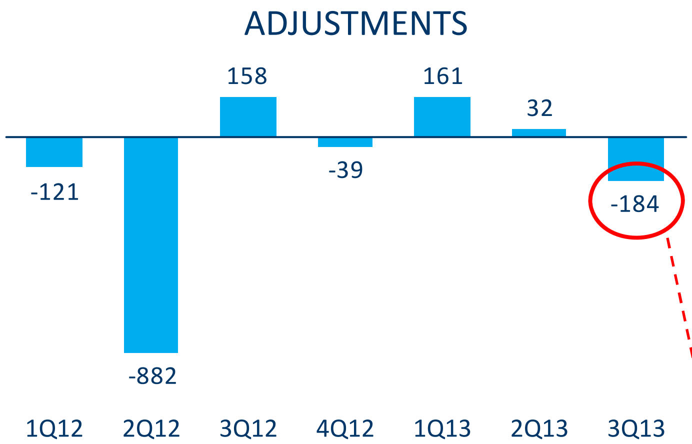
3Q 2013 performance of KBC Group

Earnings capacity



Excluding adjustments





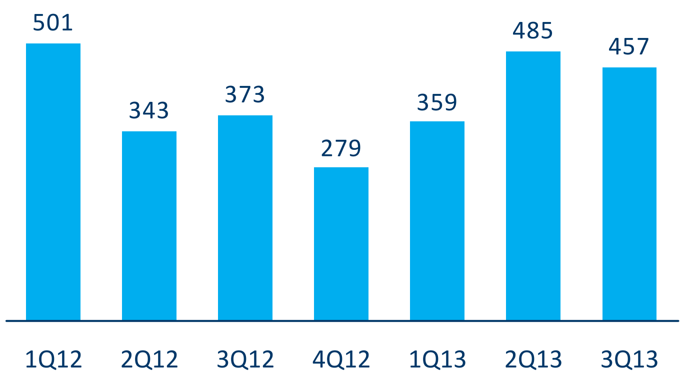
- Legacy + own credit risk items (post-tax)
  - Revaluation of structured credit portfolio + 34m EUR
  - Divestments - 231m EUR
  - M2M own credit risk + 12m EUR

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

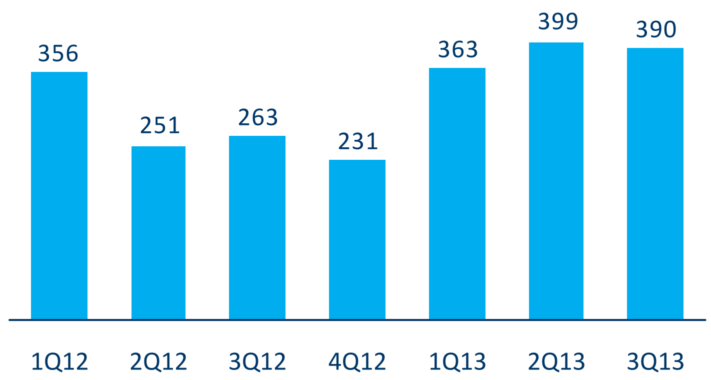
Amounts in m EUR

Adjusted net result at KBC Group

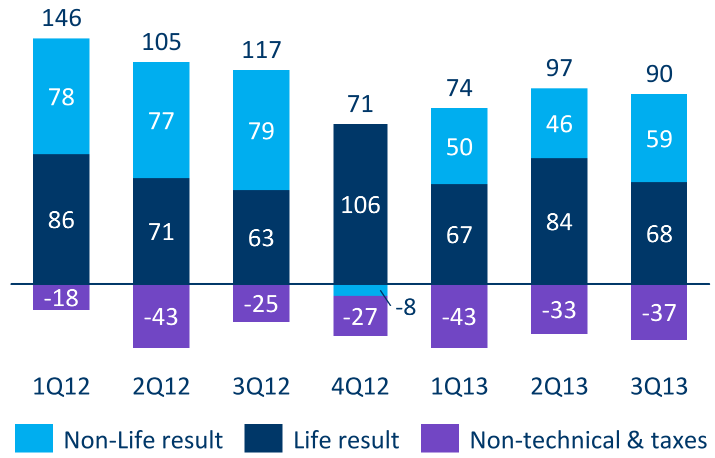
ADJUSTED NET RESULT AT KBC GROUP*



CONTRIBUTION OF BANKING ACTIVITIES TO KBC GROUP ADJUSTED NET RESULT*



CONTRIBUTION OF INSURANCE ACTIVITIES TO KBC GROUP ADJUSTED NET RESULT*

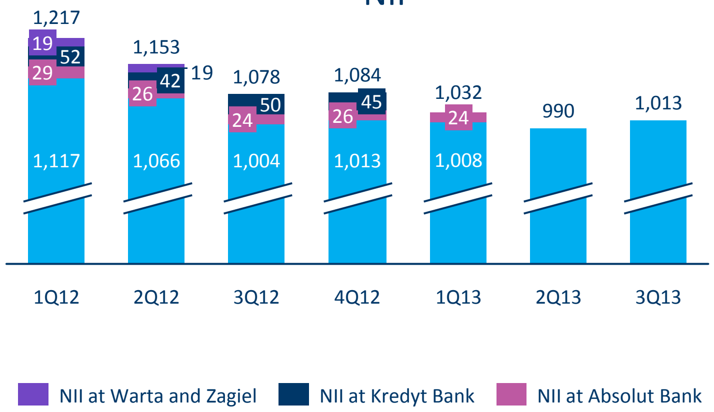


* Difference between adjusted net result at KBC Group and the sum of the banking and insurance contribution are the holding-company/group items

Amounts in m EUR

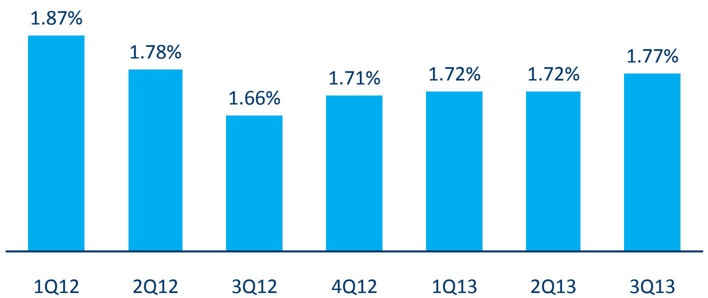
Net interest income and margin

NII



NIM*

(excl. IFRS 5 entities and divestments)



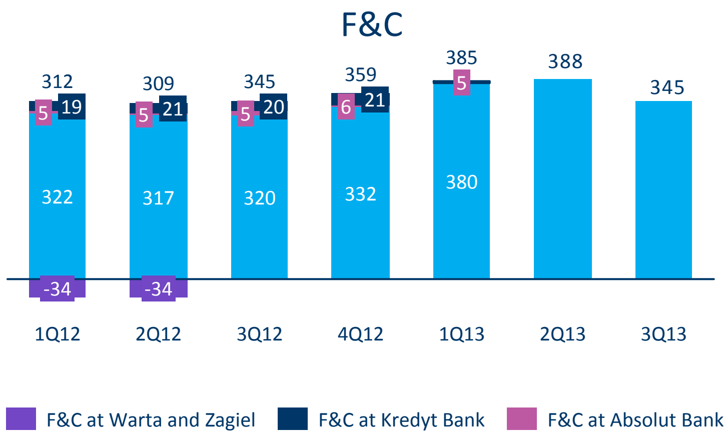
- **Net interest income**
  - Rose by 2% q-o-q and 1% y-o-y (across all business units), excluding deconsolidated entities
  - Both q-o-q and y-o-y increases were due mainly to sound commercial margins, a rise in deposit volumes (5% y-o-y on a comparable basis) and 1 extra calendar day (q-o-q), despite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

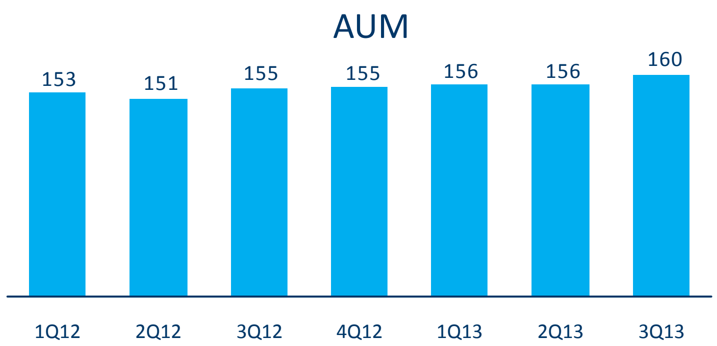
- **Net interest margin (1.77%)**
  - Up by 5bps q-o-q and 11bps y-o-y
  - Q-o-q, sound commercial margins, lower funding costs at KBC Group level (not allocated to specific BUs) and better ALM yield management more than offset the negative impact from lower reinvestment yields and higher subordination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

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

Amounts in m EUR

Net fee and commission income and AUM





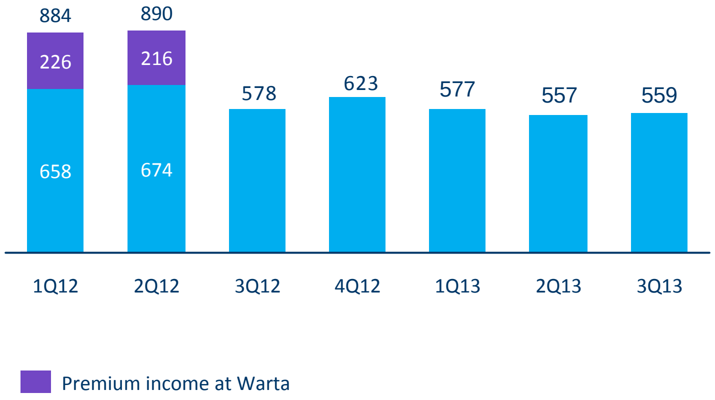
- **Strong net fee and commission income**
  - Decreased by 11% q-o-q, but increased by 8% y-o-y excluding deconsolidated entities
  - Y-o-y increase driven by higher entry and management fees on mutual funds
  - Q-o-q decrease was caused in part by seasonal effects (holiday season), which led to lower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

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

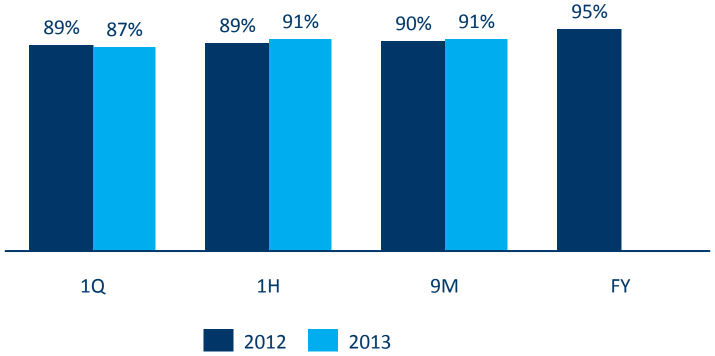
Amounts in m EUR

Premium income and combined ratio

PREMIUM INCOME (GROSS EARNED PREMIUM)



COMBINED RATIO (NON-LIFE)

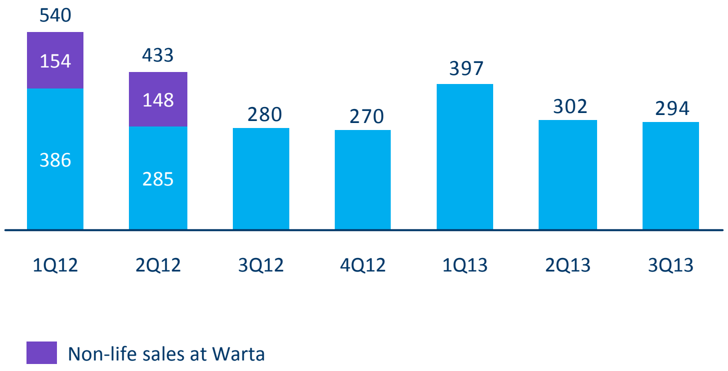


- **Insurance premium income** (gross earned premium) at 559m EUR
- Excluding deconsolidated entities
  - Non-life premium income (321m) up 2% q-o-q and 5% y-o-y (the latter mainly driven by the Belgium Business Unit)
  - Life premium income (238m) down 1% q-o-q and 12% y-o-y
- The non-life **combined ratio** in 9M13 stood at a good 91% (despite 2Q13 being negatively impacted by the floods in the Czech Republic)

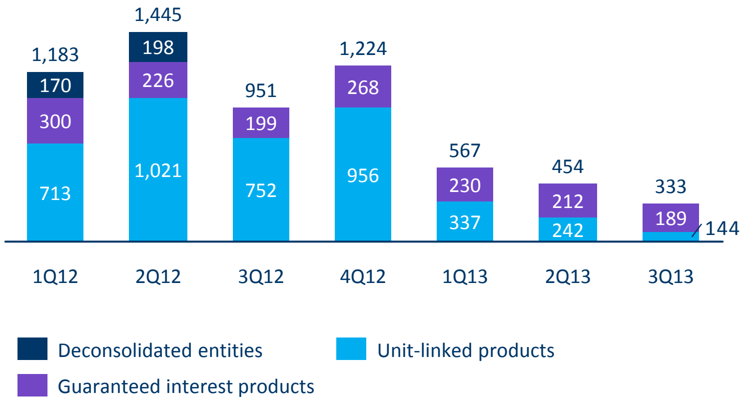
Amounts in m EUR

Sales of insurance products

NON-LIFE SALES (GROSS WRITTEN PREMIUM)



LIFE SALES

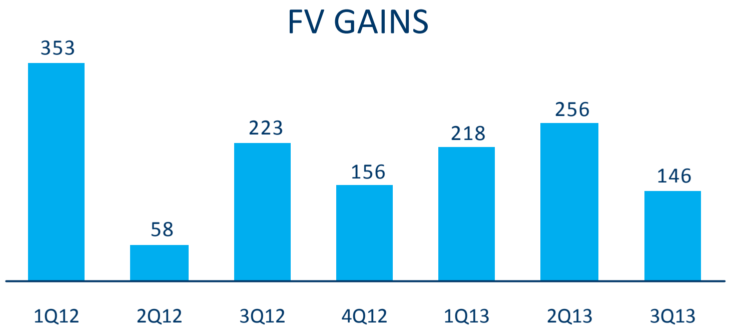


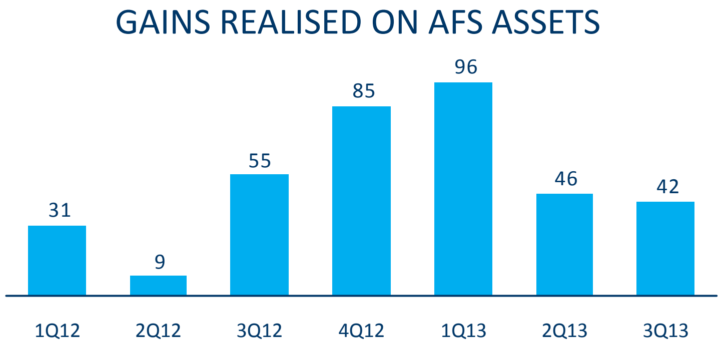
- **Sales of non-life insurance products**
  - Up 5% y-o-y
  - Down 3% q-o-q

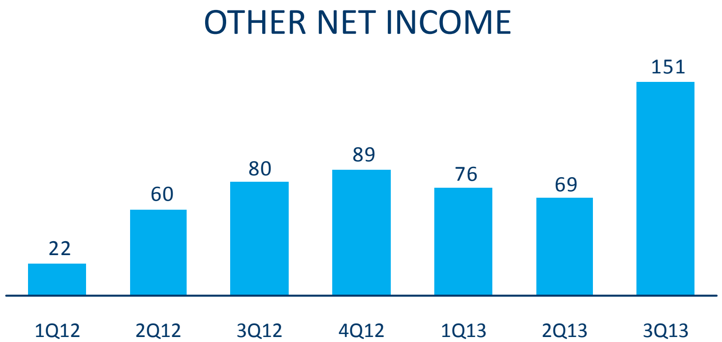
- **Sales of life insurance products**
  - Down 27% q-o-q and 65% y-o-y
  - The q-o-q decline in sales of unit-linked products can be explained by a limited number of newly launched tranches/campaigns and the increase in insurance tax as from January 2013 and with a shift towards AM products (both factors occurring in the Belgium BU). Furthermore, there was limited premium income from guaranteed interest products due to the low rate of guaranteed interest
  - Sales of unit-linked products only accounted for 43% of total life insurance sales

Amounts in m EUR

FV gains, gains realised on AFS assets and other net income







- The lower q-o-q figure for **net gains from financial instruments at fair value** was attributable mainly to the result of a negative q-o-q change in ALM derivatives (39m EUR in 3Q13 compared with 126m EUR in 2Q13)

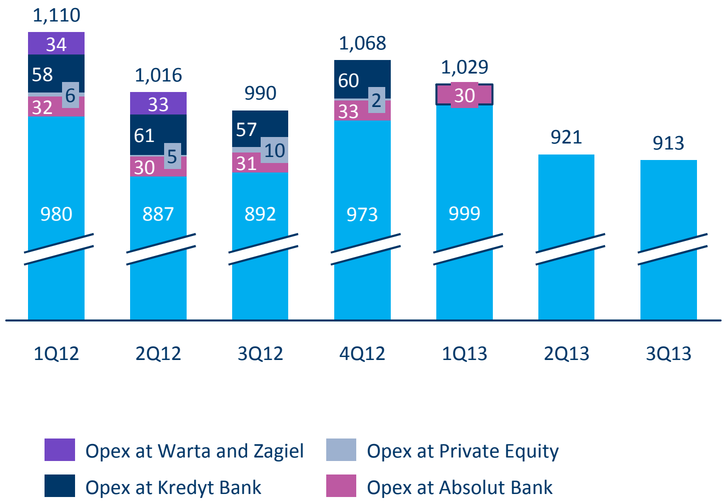
- **Gains realised on AFS assets** came to 42m EUR (mainly on Belgian AFS assets)

- **Other net income** amounted to a relatively high 151m EUR in 3Q13, as it included a number of positive one-off items (mainly in the Belgium Business Unit)

Amounts in m EUR

Operating expenses and cost/income ratio

OPERATING EXPENSES

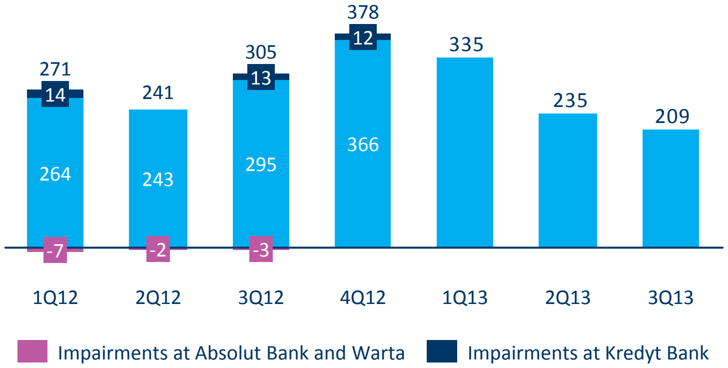


- **Cost/income ratio (banking) at excellent 51% YTD**
  - Driven by the high M2M impact of ALM derivatives, the realisation of AFS assets and high other net income
  - Adjusted for specific items, the C/I ratio amounted to roughly 56% in 9M13
  - Operating expenses went up by 2% y-o-y excluding deconsolidated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

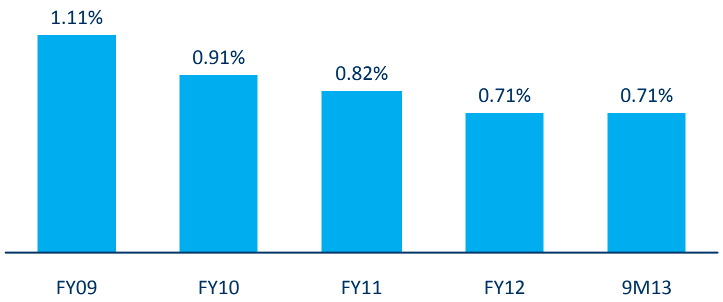
Amounts in m EUR

Asset impairment, credit cost and NPL ratio

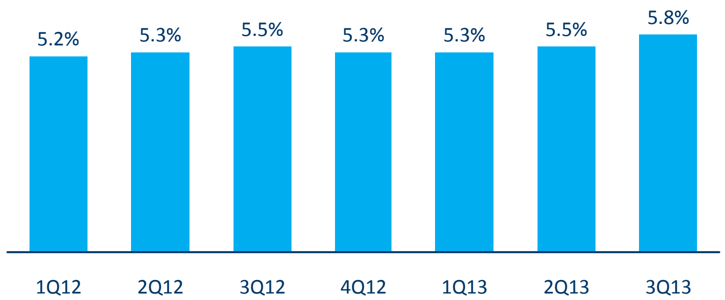
ASSET IMPAIRMENT



CCR RATIO



NPL RATIO



- **Lower impairment charges**
  - Q-o-q decrease of 31m EUR in loan loss provisions (186m EUR* in 3Q13), mainly the result of lower impairments in the Belgium BU (especially for corporates, but also for retail and foreign branches), despite an increase at KBC Bank Ireland (98m in 3Q13 compared with 88m EUR in 2Q13)
  - Compared with the pro forma level recorded in 3Q12 (274m EUR), loan loss provisions were down by 88m EUR given the higher level recorded in the Belgium BU in 3Q12 (for the Belgian corporate entities and foreign branches), KBC Finance Ireland (Project Finance) and KBC Bank Ireland (3Q12 included 129m EUR in loan loss provisions)
  - Impairment of 2m EUR on AFS shares and other impairments of 22m EUR, related mainly to real estate
- The **credit cost ratio** amounted to 0.71% in 9M13, in line with 2012 as a deterioration in the SME portfolio and a few large corporate files in the Belgium Business Unit was offset by lower impairments in the Czech Republic, at KBC Bank Ireland and KBC Finance Ireland. Excluding KBC Bank Ireland and the one large corporate file in 1Q13, the CCR stood at 0.43% in 9M13
- The **NPL ratio** rose to 5.8%, typically lagging impairments

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

Section 2

3Q 2013 performance of business units

BELGIUM BUSINESS UNIT

CFO SERVICES

CRO SERVICES

BELGIUM	CZECH REPUBLIC	INTERNATIONAL MARKETS

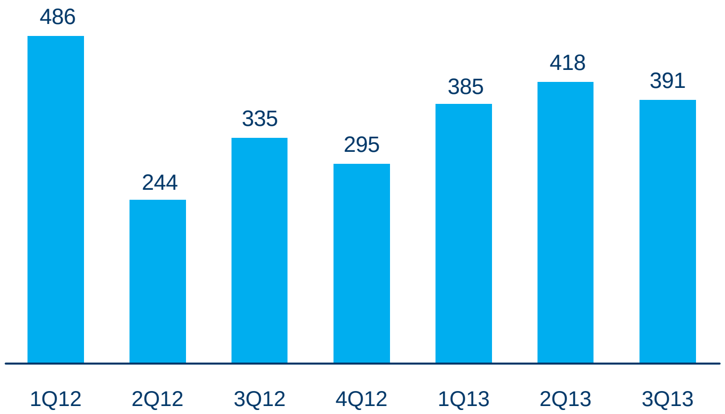
INTERNATIONAL PRODUCT FACTORIES

CORPORATE STAFF

CORPORATE CHANGE & SUPPORT

Belgium Business Unit (1)

NET RESULT



Amounts in m EUR

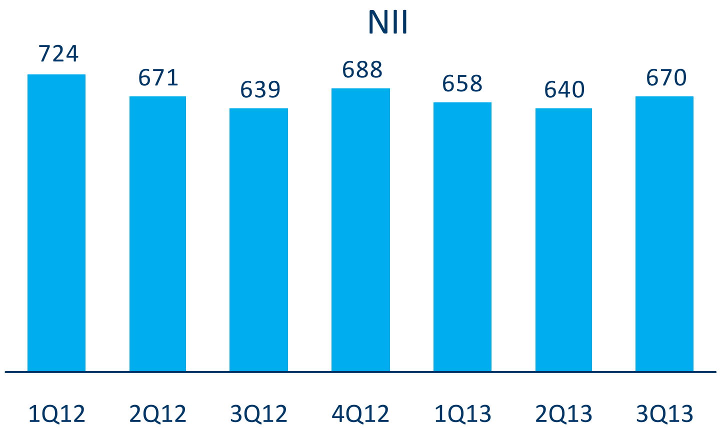
- **Net result** at the Belgium Business Unit amounted to 391m EUR
  - The quarter under review was characterised by higher net interest income, seasonally lower net fee and commission income, unit-linked life insurance sales and dividend income, significantly lower M2M impact of ALM derivatives, higher realised gains on AFS bonds and positive one-offs in other net income, an excellent non-life insurance combined ratio, good C/I ratio and lower impairment charges q-o-q

VOLUME TREND

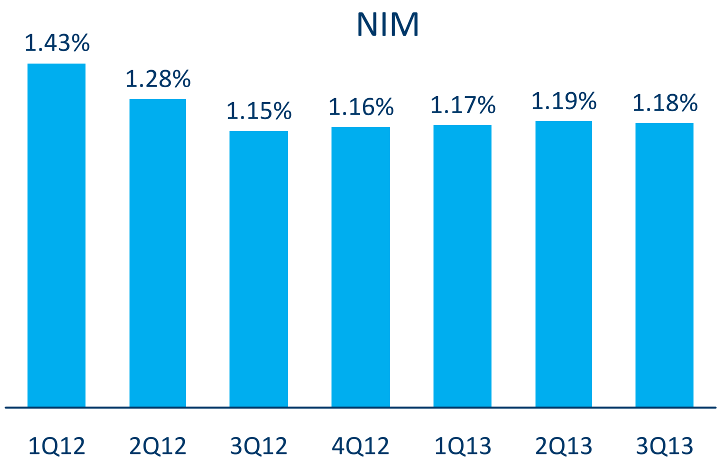
	Total loans **	Of which mortgages	Customer deposits***	AuM	Life reserves
Volume	82bn	31bn	100bn	149bn	25bn
Growth q/q*	-1%	+1%	0%	+3%	0%
Growth y/y	-1%	+1%	+8%	+3%	+4%

* Non-annualised
** Loans to customers, excluding reverse repos (and not including bonds)
*** Customer deposits, excluding repos but including debt certificates

Belgium Business Unit (2)



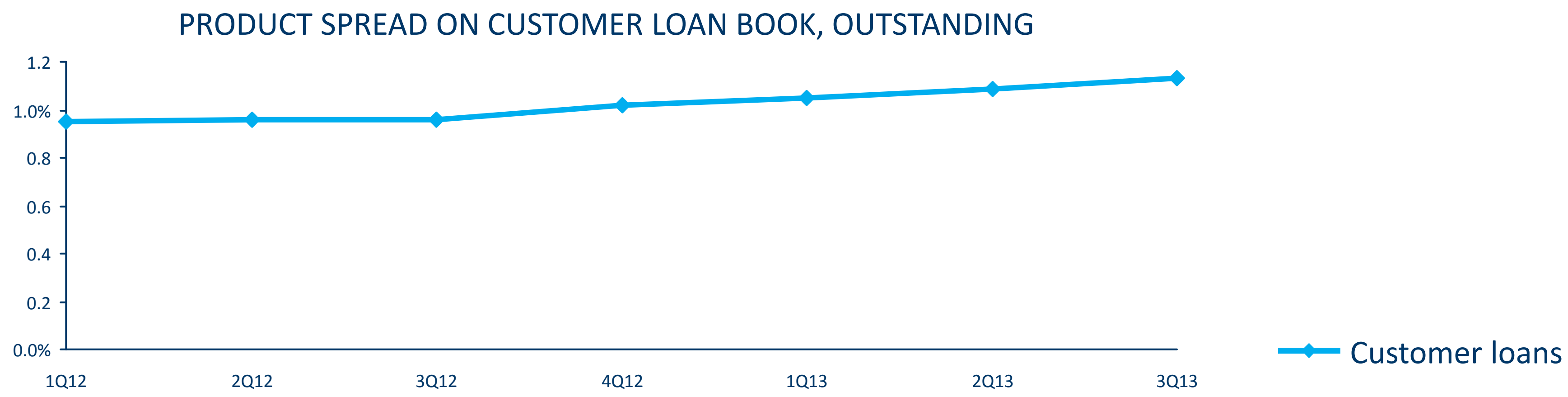
- **Net interest income (670m EUR)**
  - Up 5% q-o-q and y-o-y
  - This increase was attributable primarily to an increase in commercial NII on loans, higher NII related to asset liability management and some technical items, despite a decreasing loan portfolio at the foreign branches and a lower reinvestment yield
  - Note that customer deposits increased by 8% y-o-y, while mortgage loans rose by 1% y-o-y

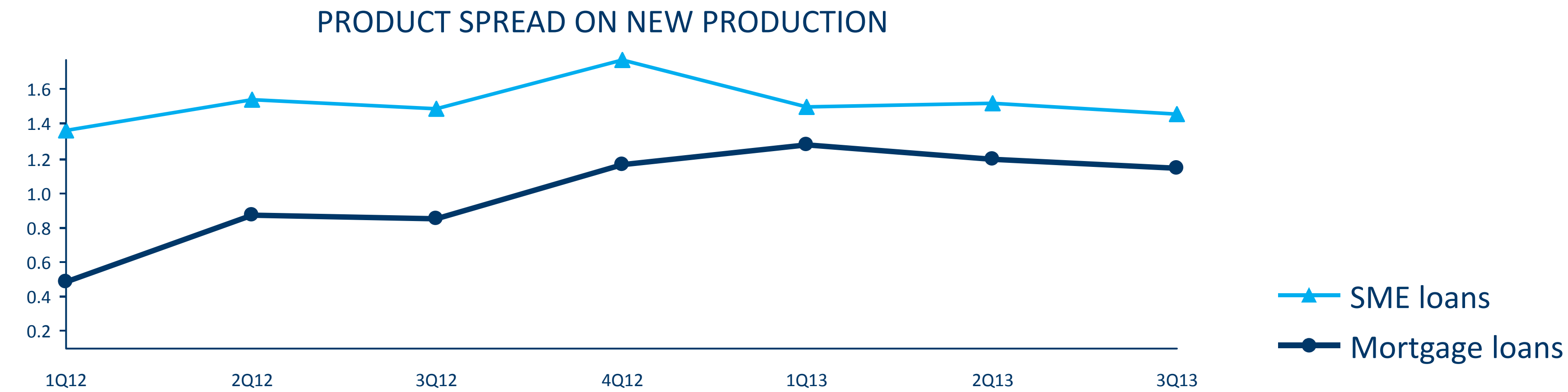


- **Net interest margin (1.18%)**
  - Narrowed by 1bp q-o-q, due to a slightly different product mix (e.g. less current accounts). Sound commercial margins more or less offset the negative impact of lower reinvestment yields (due in part to the reduced exposure to GIIPS during the last 2-3 years and declining interest rates)
  - Increased by 3bps y-o-y, thanks to better margins on the loan book

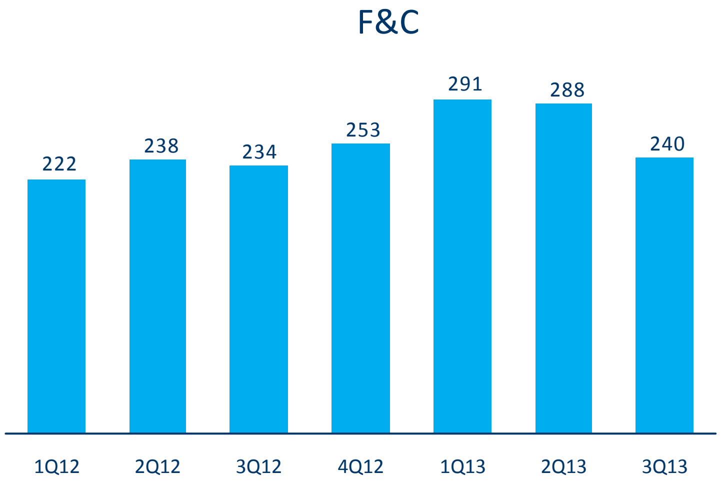
Amounts in m EUR

Credit margins in Belgium

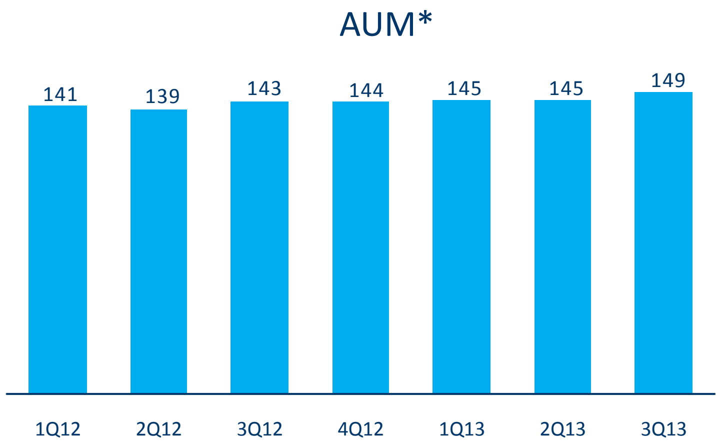




Belgium Business Unit (3)



Amounts in m EUR



* The split among the BUs is based on the Assets under Distribution in each BU

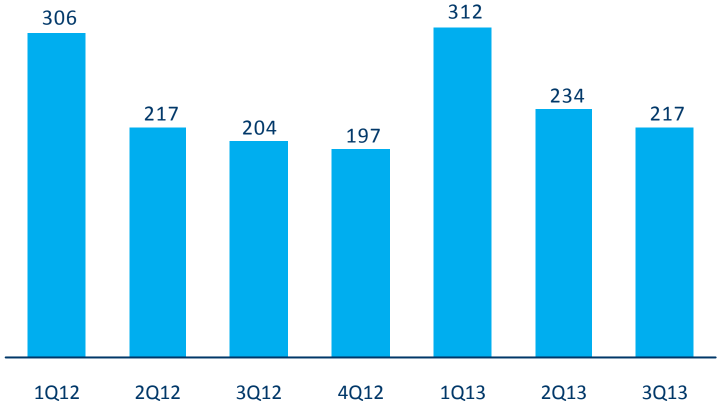
Amounts in bn EUR

- **Net fee and commission income (240m EUR)**
  - Increased by 3% y-o-y, driven mainly by higher income from mutual funds (management fees)
  - Fell q-o-q (by 16%), caused mainly by the seasonal effect (summer holiday). As such, fee income decreased on unit-linked life insurance products (due to limited new sales and less switches between different unit-linked products), on mutual funds (also due to uncertainty about new tax regulations) and on securities transactions (2Q13 benefitted from distribution fees given the issuance of KBC Group notes)

- **Assets under management (149bn EUR)**
  - Rose by roughly 3% y-o-y, entirely as a result of a positive price effect
  - Up 3% q-o-q as a result of both net new entries (+1%) and positive price effects (+2%)

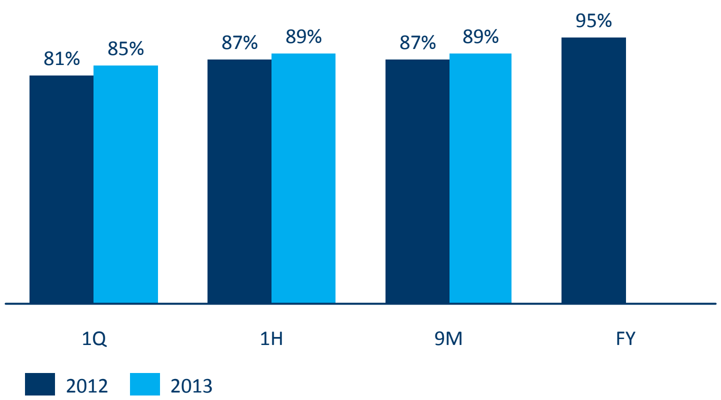
Belgium Business Unit (4)

NON-LIFE SALES (GROSS WRITTEN PREMIUM)



- **Sales of non-life insurance products**
  - Fell by 7% q-o-q
  - Rose by 6% y-o-y

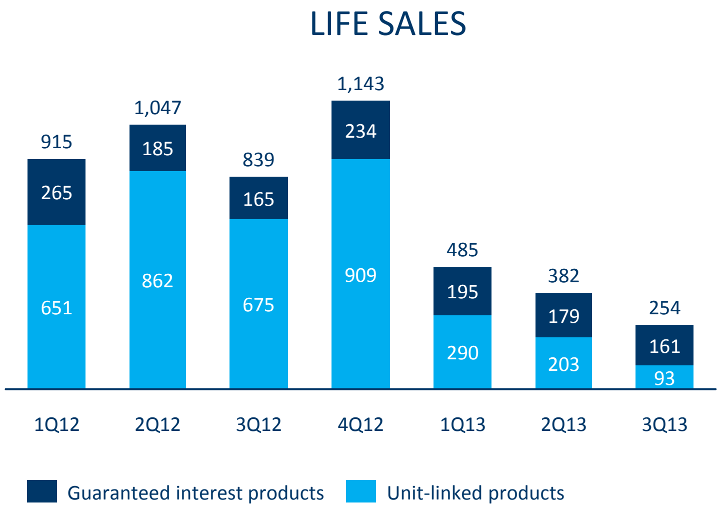
COMBINED RATIO (NON-LIFE)



- **Combined ratio** amounted to 89% in 9M13 (95% in FY 2012), an excellent level. Note that technical charges in 3Q13 decreased q-o-q driven by a lower level of large claims files, despite the negative impact of the July summer storm

Amounts in m EUR

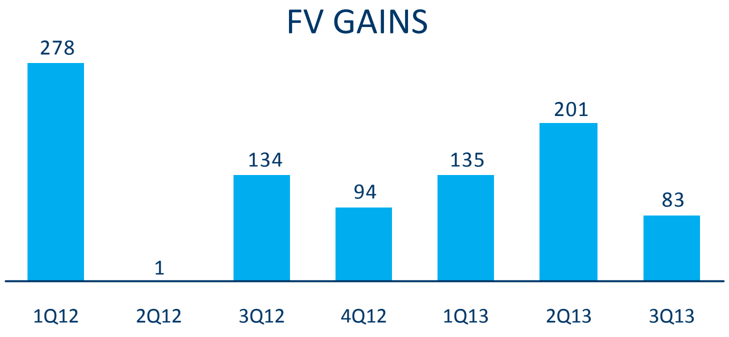
Belgium Business Unit (5)



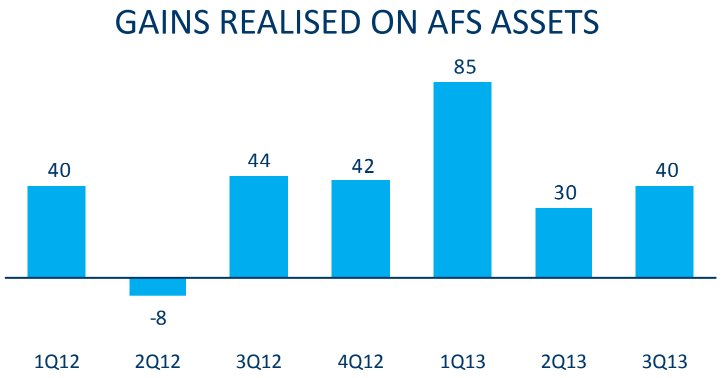
- **Sales of life insurance products**
  - Fell by 70% y-o-y, driven almost entirely by sharply lower sales of unit-linked products, as 3Q12 benefitted from extra commercial efforts and due to the increase in insurance tax from January 2013
  - Fell by 34% q-o-q due to the seasonal effect (summer holiday) and the absence of the more favorable KBC unit-linked structure investment funds. Furthermore, the sale of unit-linked life insurance products continued to suffer from the increase in insurance tax, converging total client charges on mutual funds and unit-linked products (whereas in the past, unit-linked products had a favorable overall cost structure for the client). Last but not least, there was a shift towards AM products
  - As a result, guaranteed interest products and unit-linked products accounted for 63% and 37%, respectively, of life insurance sales in 2Q13 (22% and 78%, respectively, for FY 2012)

Amounts in m EUR

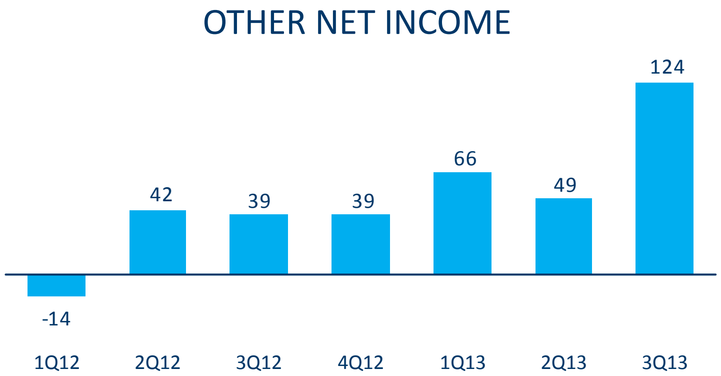
Belgium Business Unit (6)



- The lower q-o-q figure for **net gains from financial instruments at fair value** was mainly the result of a negative q-o-q change in ALM derivatives (27m EUR in 3Q13 compared with 126m EUR in 2Q13)



- **Gains realised on AFS assets** came to 40m EUR (more gains on bonds q-o-q)

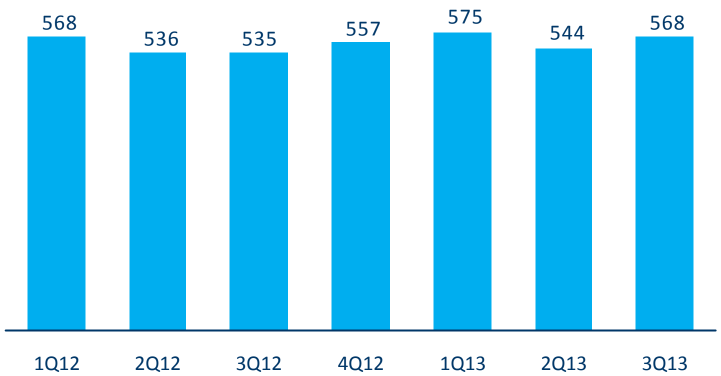


- **Other net income** amounted to a high 124m EUR in 3Q13, as it included a number of positive one-off items (e.g. 46m EUR recuperation of legal interests on an old tax-related file and 26m EUR gains on real estate)

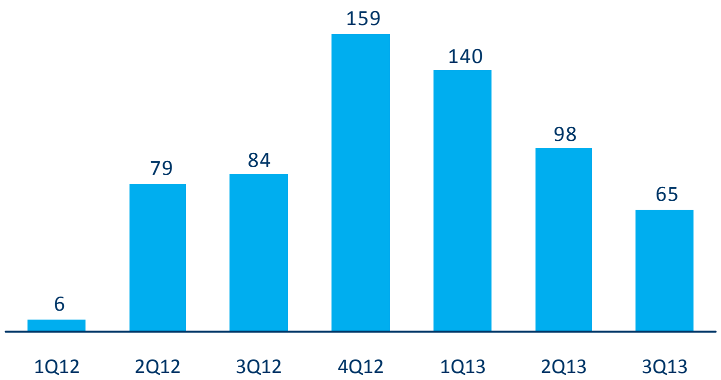
Amounts in m EUR

Belgium Business Unit (7)

OPERATING EXPENSES



ASSET IMPAIRMENT



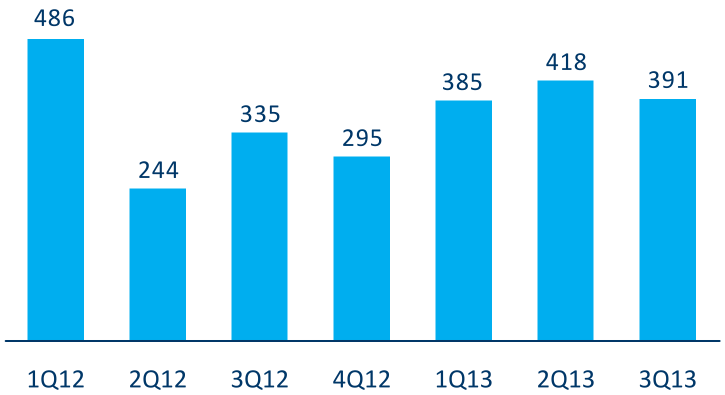
- **Operating expenses**: +5% q-o-q and +6% y-o-y
  - The q-o-q increase was attributable chiefly to the recovery of 13m EUR from the former Deposit Guarantee Scheme in 2Q13 and one-off costs related to staff transition arrangements in 3Q13, despite lower common staff and ICT expenses
  - Cost/income ratio: 49% in 3Q13 and 46% YTD (an improvement compared to 51% in FY 2012)

- **Loan loss provisions** amounted to 43m EUR in 3Q13
  - Note that 1H13 was impacted by high loan loss provisions for corporates (mainly due to one large file in 1Q13)
- **Credit cost ratio** increased from 28bps in FY12 to 39bps in 9M13 due to a deterioration in the SME & Corporate portfolio (compared with 49bps in 1H13). Excluding the one large corporate file in 1Q13, the CCR amounted to 30bps in 9M13
- **NPL ratio** rose to 2.6%
- Limited **impairment on AFS shares** (1m EUR) and **impairment** of 21m EUR**, related mainly to real estate**

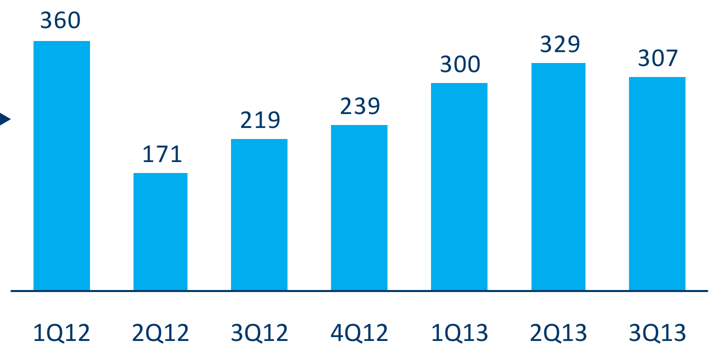
Amounts in m EUR

Net result at the Belgium BU

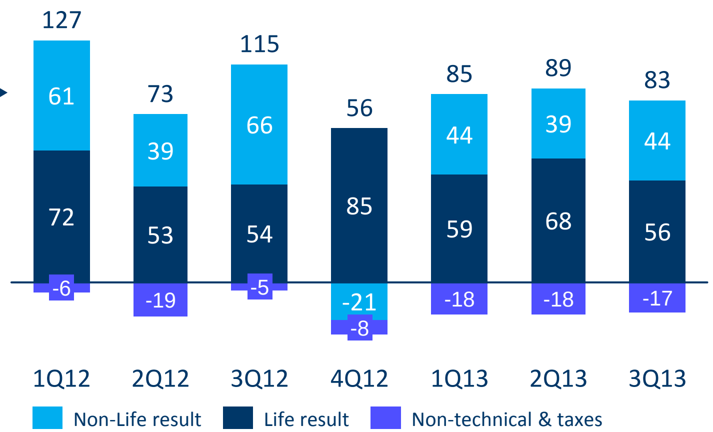
NET RESULT AT THE BELGIUM BU *



CONTRIBUTION OF BANKING ACTIVITIES TO NET RESULT OF THE BELGIUM BU *



CONTRIBUTION OF INSURANCE ACTIVITIES TO NET RESULT OF THE BELGIUM BU *



* Difference between net profit at the Belgium BU and the sum of the banking and insurance contribution is accounted for by the rounding up or down of figures

Amounts in m EUR

CZECH REPUBLIC BUSINESS UNIT

CFO SERVICES

CRO SERVICES

BELGIUM	CZECH REPUBLIC	INTERNATIONAL MARKETS

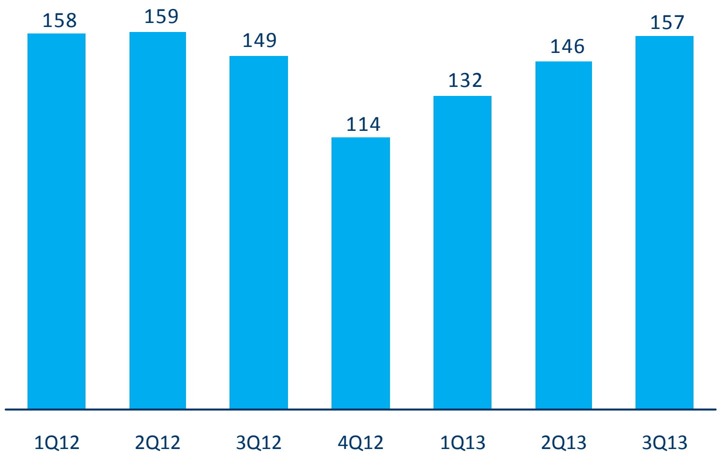
INTERNATIONAL PRODUCT FACTORIES

CORPORATE STAFF

CORPORATE CHANGE & SUPPORT

Czech Republic Business Unit (1)

NET RESULT



Amounts in m EUR

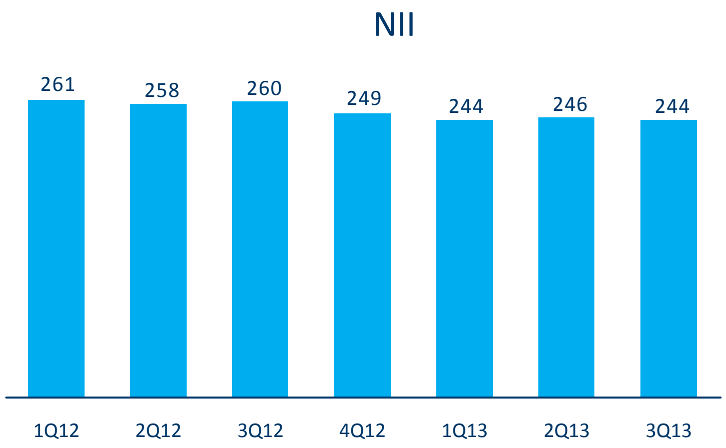
- **Net result** at the Czech Republic Business Unit of 157m EUR
  - Results were characterised by slightly lower net interest income, higher net fee and commission income and other net income (one-off item), lower (non-life) claims and higher life insurance sales, lower M2M impact of ALM derivatives, lower costs and loan loss provisions q-o-q
  - Profit contribution from the insurance business remained limited in comparison to the banking business

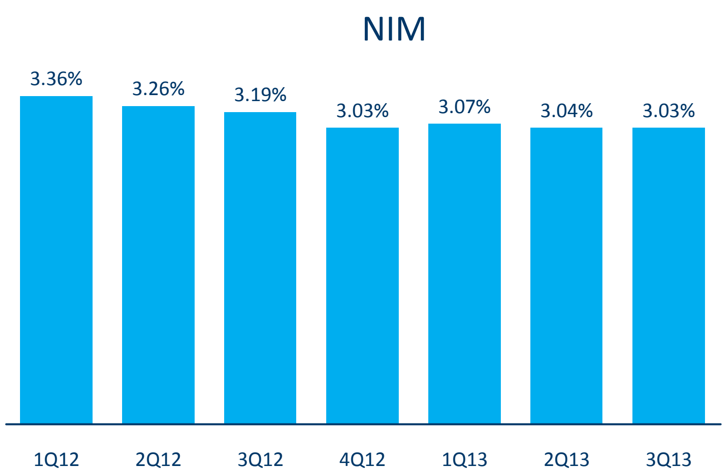
VOLUME TREND

	Total loans **	Of which mortgages	Customer deposits***	AuM	Life reserves
Volume	19bn	9bn	26bn	6.3bn	1.1bn
Growth q/q*	-1%	+2%	+1%	+2%	+1%
Growth y/y	+5%	+7%	+3%	+10%	-9%

* Non-annualised
** Loans to customers, excluding reverse repos (and not including bonds)
*** Customer deposits, excluding repos but including debt certificates

Czech Republic Business Unit (2)



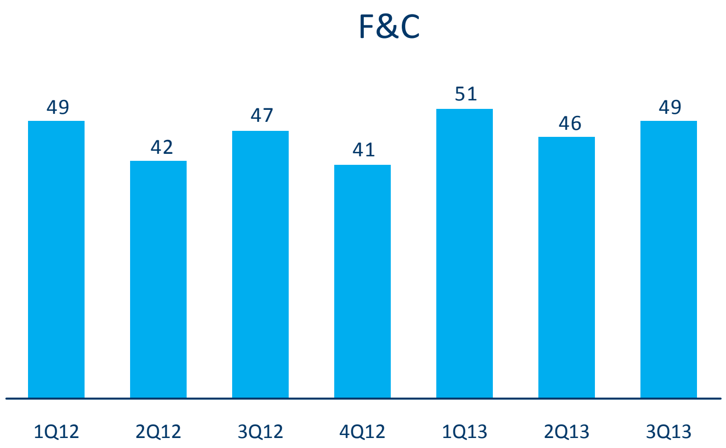


- **Net interest income (244m EUR)**
  - Fell by 1% q-o-q and 6% y-o-y to 244m EUR (-1% and -4%, respectively, excluding FX effect)
  - The q-o-q decrease resulted mainly from continued pressure on NII from deposits, which more than offset higher NII on retail, SME and corporate loans
  - The y-o-y decline was accounted for mainly by a lower reinvestment yield
  - Loan volumes up 5% y-o-y, driven by growth in corporate/SME and mortgage loans
  - Customer deposit volumes up 3% y-o-y
  - At the end of August, the subordinated debt was repaid (8bn CZK) and replaced by tier-1 capital. This will improve NII by 4m EUR annually. There has been no material impact yet in 3Q13

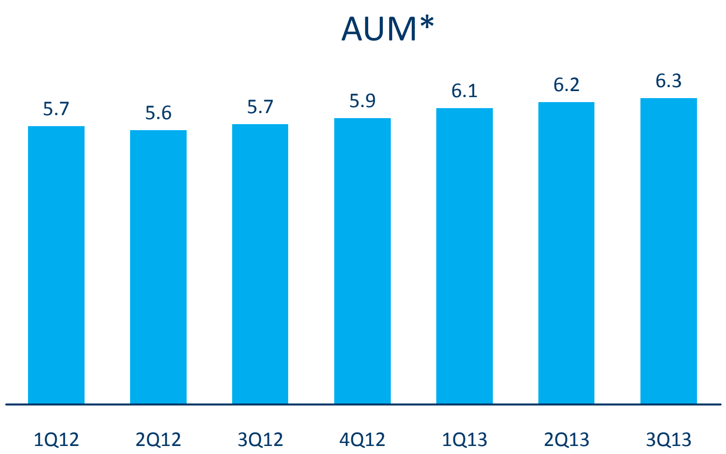
- **Net interest margin (3.03%)**
  - Fell by 1bp q-o-q and 16bps y-o-y to 3.03%
  - This y-o-y decline was caused primarily by a lower reinvestment yield
  - The q-o-q decrease was partly the result of further pressure on deposit margins, despite a further cut in interest rates on savings deposits in September

Amounts in m EUR

Czech Republic Business Unit (3)



Amounts in m EUR

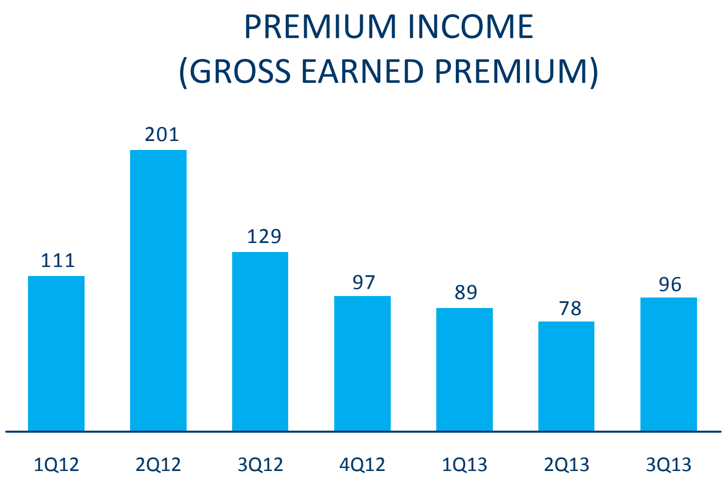


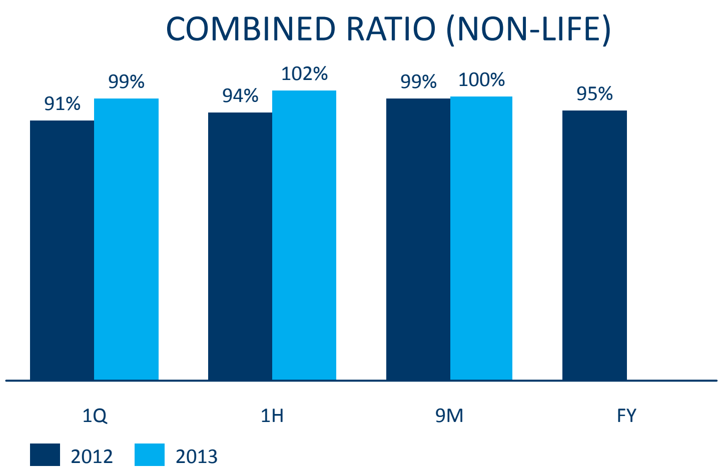
* The split among the BUs is based on the Assets under Distribution in each BU

Amounts in bn EUR

- **Net fee and commission income (49m EUR)**
  - Rose by 6% q-o-q and 4% y-o-y (or +6% q-o-q and y-o-y, respectively, excluding the FX effect)
  - The q-o-q increase was attributable mainly to lower commissions paid to distribution
  - The y-o-y increase was achieved by higher entry fees for mutual funds and higher fees on payment cards
- **Assets under management (6.3bn EUR)**
  - Went up by 2% q-o-q to roughly 6.3bn EUR, entirely as a result of a positive price effect
  - Y-o-y, assets under management rose by 10%, mainly driven by net inflows

Czech Republic Business Unit (4)





- **Insurance premium income** (gross earned premium) stood at 96m EUR
  - Non-life premium income (43m) rose by 2% q-o-q and fell by 2% y-o-y (+2% q-o-q and +1% y-o-y excluding FX effect)
  - Life premium income (53m) went up 49% q-o-q and went down 37% y-o-y (+49% q-o-q and -35% y-o-y excluding FX effect). Note that 3Q13 included high unit-linked single premium due to the more successful sale of Maximal Invest products (2 tranches issued in 3Q13 versus only one tranche issued in 2Q13)

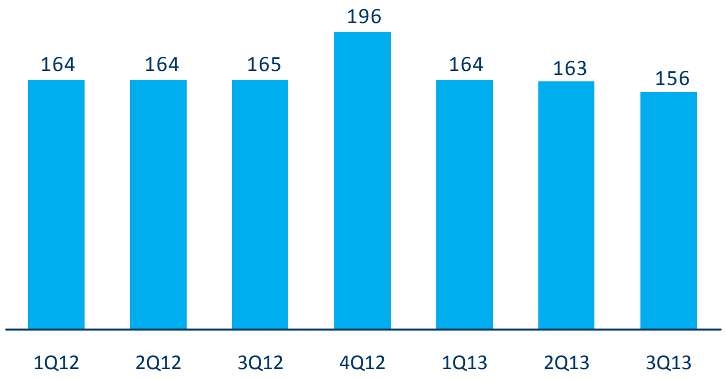
- Overall, the **life result** in 3Q13 was in line with 3Q12, but slightly above 2Q13

- **Combined ratio** at 100% in 9M13 (97% in 3Q13), an improvement q-o-q as 2Q13 was impacted by flood claims

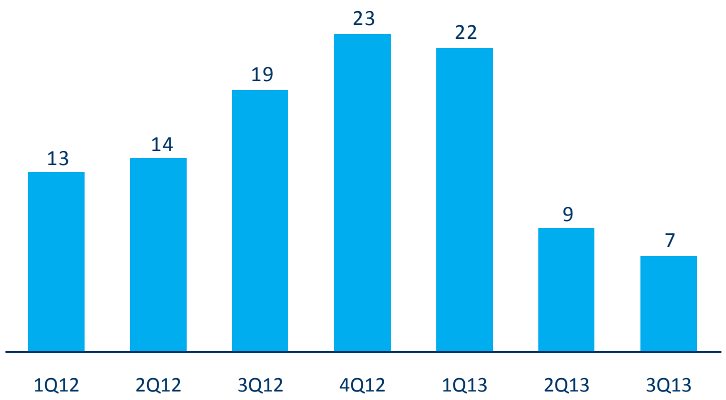
Amounts in m EUR

Czech Republic Business Unit (5)

OPERATING EXPENSES



ASSET IMPAIRMENT



- **Opex (156m EUR)**
  - Fell by 4% q-o-q and 5% y-o-y (-4% q-o-q and -3% y-o-y excluding FX effect)
  - Both the q-o-q and y-o-y decline was attributable mainly to lower ICT expenses
  - Cost/income ratio at 44% in 3Q13 (and 46% YTD)

- **Impairments on L&R** fell further q-o-q (despite the already low level in 2Q13) owing to the release of a corporate file (8m EUR positive one-off effect)
- **Credit cost ratio** amounted to 0.24% in 9M13

	2010	**2011**	**2012**	**9M13**
CCR	0.75%	0.37%	0.31%	0.24%

- **NPL ratio** amounted to 3.2%
- No other impairments

Amounts in bn EUR

INTERNATIONAL MARKETS BUSINESS UNIT

CFO SERVICES

CRO SERVICES

BELGIUM

CZECH REPUBLIC

INTERNATIONAL MARKETS

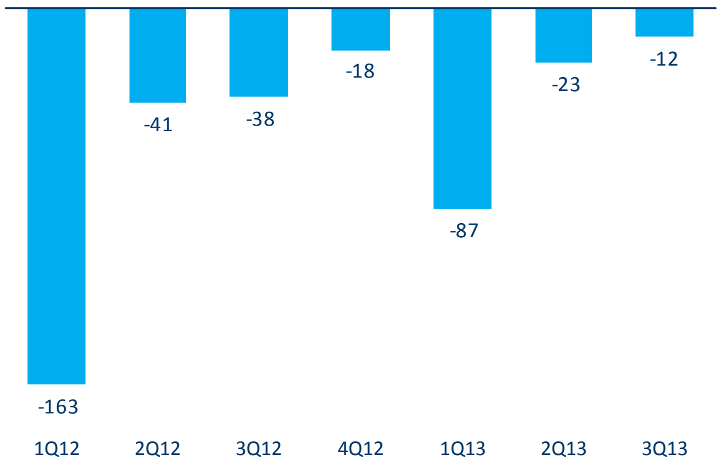
INTERNATIONAL PRODUCT FACTORIES

CORPORATE STAFF

CORPORATE CHANGE & SUPPORT

International Markets Business Unit (1)

NET RESULT



Amounts in m EUR

- **Net result: -12m EUR**
  - International Markets profit **breakdown**: 19m Slovakia, 43m Hungary, 6m Bulgaria and -80m Ireland
  - Q-o-q **results** were characterised by slightly higher net interest income, higher net fee and commission income, lower realised gains on available-for-sale securities and other net income, lower costs (accounted for primarily by the additional one-off FTL related charge of 27m EUR pre-tax in 2Q13) and slightly higher impairments
  - **Turnaround potential**: break-even returns at latest by 2015 for International Markets BU, mid-term returns above cost of capital

VOLUME TREND

	Total loans **	Of which mortgages	Customer deposits***	AuM	Life reserves
Volume	22bn	15bn	15bn	5.0bn	0.5bn
Growth q/q*	-1%	-1%	+4%	-3%	+1%
Growth y/y	-5%	-4%	+17%	-12%	+4%

* Non-annualised
** Loans to customers, excluding reverse repos (and not including bonds)
*** Customer deposits, excluding repos but including debt certificates

International Markets Business Unit (2)

ORGANIC GROWTH*

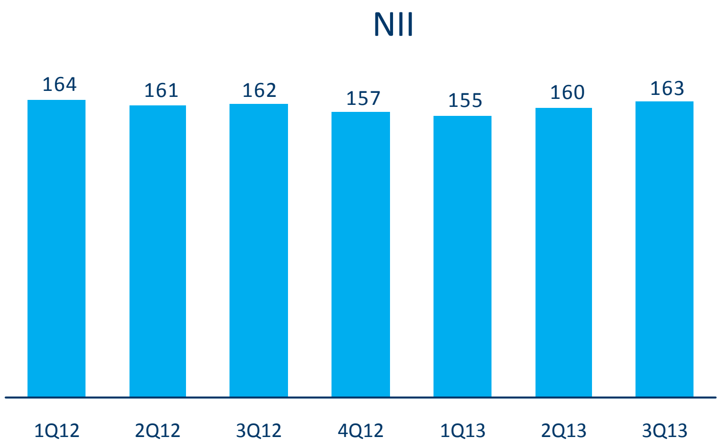
	TOTAL LOANS		MORTGAGES		DEPOSITS	
	q/q	y/y	q/q	y/y	q/q	y/y
IRE	-2%	-8%	-1%	-6%	+6%	+55%
SK	+1%	+5%	+2%	+14%	0%	+4%
HU	+2%	-3%	-2%	-7%	+6%	+15%
BU	+4%	+4%	-3%	-5%	-3%	-13%
TOTAL	**-1%**	**-5%**	**-1%**	**-4%**	**+4%**	**+17%**

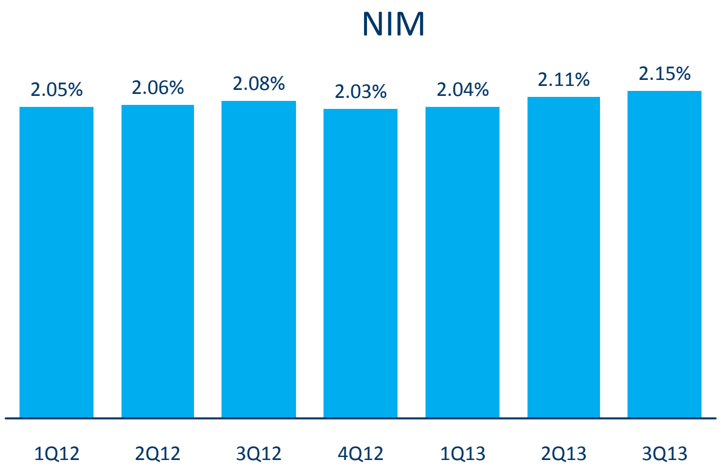
- The **total loan book** fell by 1% q-o-q and 5% y-o-y. On a y-o-y basis, the decrease was accounted for by Ireland (matured loans surpassed new production) and Hungary (where the trend was impacted by e.g. the FX mortgage relief programme)
- **Total deposits** were up 4% q-o-q and 17% y-o-y, thanks mainly to the successful retail deposit campaign in Ireland

* Organic growth excluding FX impact, q-o-q figures are non-annualised. Loan and mortgage figures after impairment charges

Amounts in m EUR

International Markets Business Unit (3)



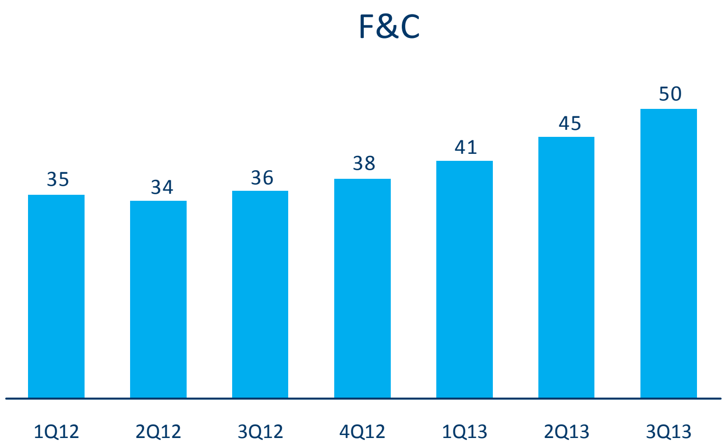


- **Net interest income (163m EUR)**
  - Rose by 1% q-o-q, but stabilised y-o-y
  - The y-o-y stabilisation was attributable mainly to a significant increase in Slovakia (driven by continued growth of the mortgage portfolio and consumer finance and the successful SME loans campaign, as well as the expiration of term deposits with high external rates), offset by higher funding costs in Ireland due to a new methodology used
  - The q-o-q increase was also driven by Slovakia, given the continuous growth in both the mortgage portfolio and SME loans portfolio and one extra calendar day

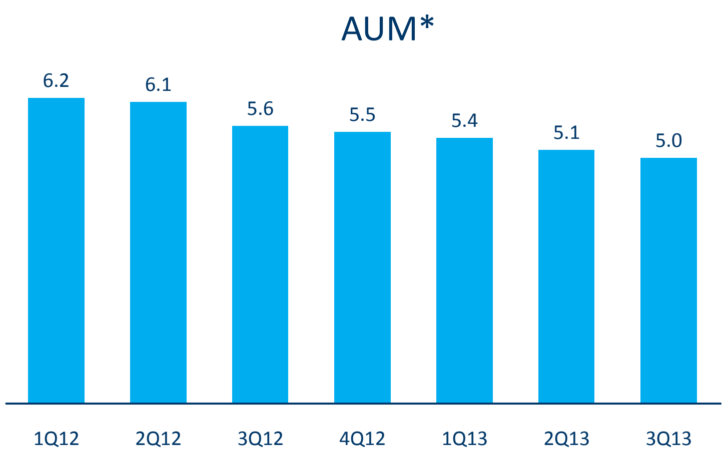
- **Net interest margin (2.15%)**
  - Increased by 7bps y-o-y and 4bps q-o-q
  - The q-o-q increase was attributable primarily to a considerable increase in NIM in Slovakia thanks to the product mix (in particular the growth in SME loans)

Amounts in m EUR

International Markets Business Unit (4)



Amounts in m EUR



* The split among the BUs is based on the Assets under Distribution in each BU

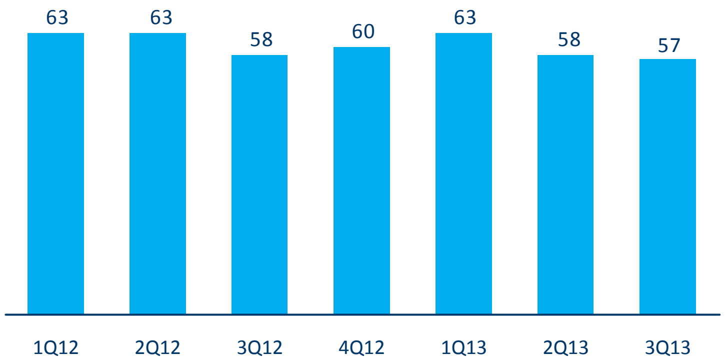
Amounts in bn EUR

- **Net fee and commission income (50m EUR)**
  - Rose by 11% q-o-q and 40% y-o-y
  - The q-o-q increase was attributable mainly to Hungary, where higher fees from payment transactions and other fees (mainly booking fees) more than offset less fees received for sales of unit-linked life insurance
  - In addition, part of the y-o-y increase was the result of better pricing of certain products & services in Hungary from 2013 onwards

- **Assets under management (5.0bn EUR)**
  - Decreased by 3% q-o-q, entirely as a result of a negative price effect
  - Y-o-y, assets under management fell by 12%

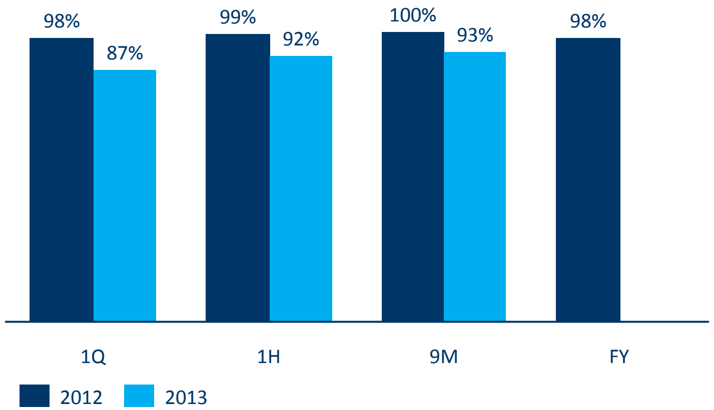
International Markets Business Unit (5)

PREMIUM INCOME
(GROSS EARNED PREMIUM)



- **Insurance premium income** (gross earned premium) stood at 57m EUR
  - Non-life premium income (39m) increased 2% q-o-q, but fell by 4% y-o-y
  - Life premium income (18m) down 12% q-o-q and up 7% y-o-y

COMBINED RATIO (NON-LIFE)

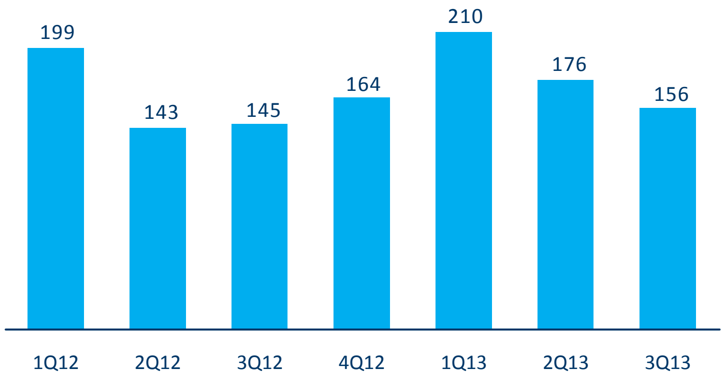


- **Combined ratio** at 93% in 9M13

Amounts in m EUR

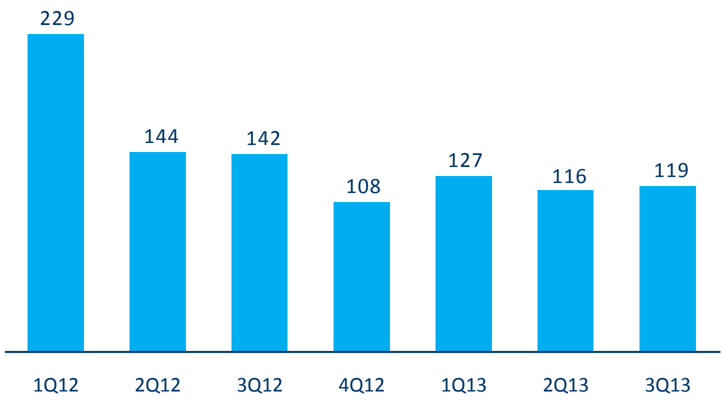
International Markets Business Unit (6)

OPERATING EXPENSES



Amounts in m EUR

ASSET IMPAIRMENT



- **Opex (156m EUR)**
  - Fell by 12% q-o-q, but rose by 7% y-o-y
  - The q-o-q decrease was consequent chiefly on the additional one-off FTL related charge of 27m EUR pre-tax (22m post-tax) in Hungary in 2Q13. Also lower ICT and facilities expenses in Hungary contributed to this decrease. Note that opex in Ireland rose q-o-q due to the higher number of FTEs (particularly in the MARS support unit, to reach the CBI targets) and higher marketing expenses related to the KBCI retail strategy (e.g. launch of KBCI current account in September 2013)
  - The y-o-y increase was caused by the introduction of a Financial Transaction Levy in Hungary as well as higher staff expenses in Ireland
  - Cost/income ratio at 59% in 3Q13 (70% YTD)

- **L&R impairments (118m EUR)**: the increase of 4% q-o-q and decline of 16% y-o-y was due mainly to Ireland (98m in 3Q13 compared with 88m EUR in 2Q13 and 129m in 3Q12). **Credit cost ratio** of 1.78% in 9M13

	Loan book	2010 CCR	2011 CCR	2012 CCR	9M13 CCR
IM BU	**26bn**			**2.26%**	**1.78% ***
- Ireland	16bn	2.98%	3.01%	3.34%	2.40%
- Hungary	5bn	1.98%	4.38%	0.78%	0.86%
- Slovakia	5bn	0.96%	0.25%	0.25%	0.73%
- Bulgaria	1bn	2.00%	14.73%	0.94%	1.23%

* Excluding Ireland, the CCR in IM BU amounted to 82bps in 9M13

- **NPL ratio** at 19.0%

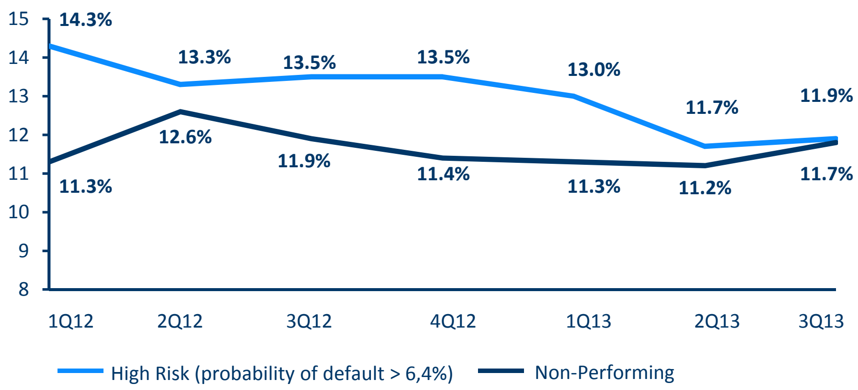
MARS: Mortgage Arrears Resolution Strategy ; CBI: Central Bank of Ireland

Hungary (1)

HUNGARIAN LOAN BOOK
KEY FIGURES AS AT 30 SEPTEMBER 2013

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

PROPORTION OF HIGH RISK AND NPLS



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

Hungary (2)

- **FINANCIAL TRANSACTION LEVY**

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

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

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

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

Hungary (3)

- **FX HOUSING LOANS**

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

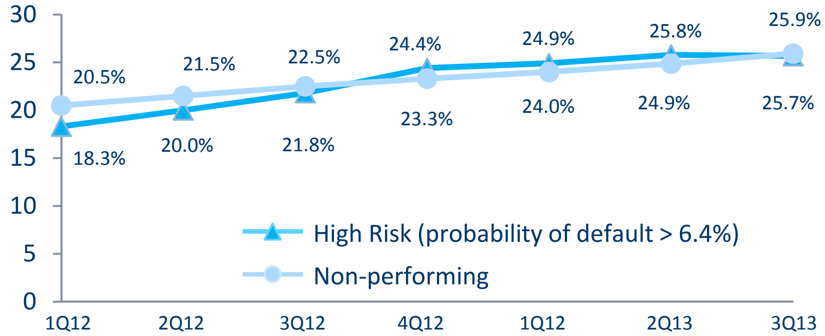
Ireland (1)

IRISH LOAN BOOK
KEY FIGURES AS AT 30 SEPTEMBER 2013

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

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

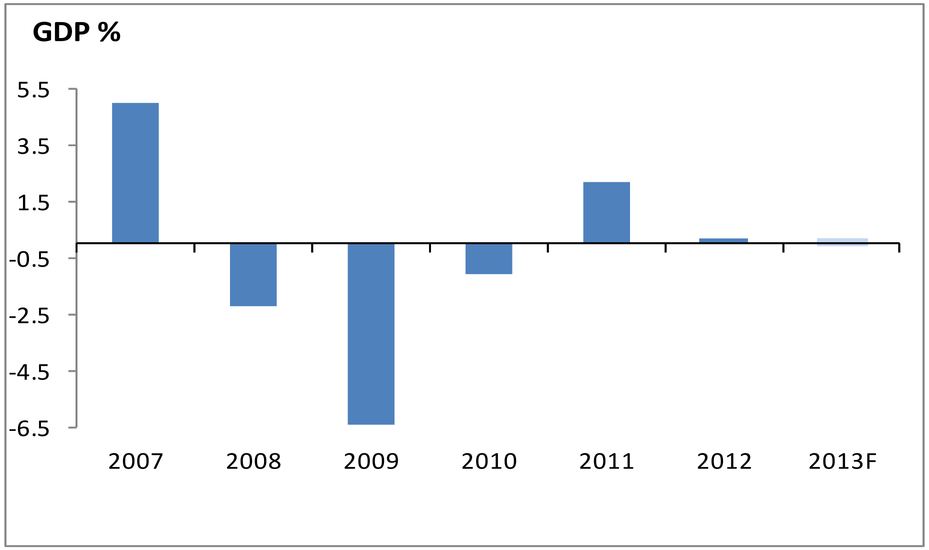
PROPORTION OF HIGH RISK AND NPLS



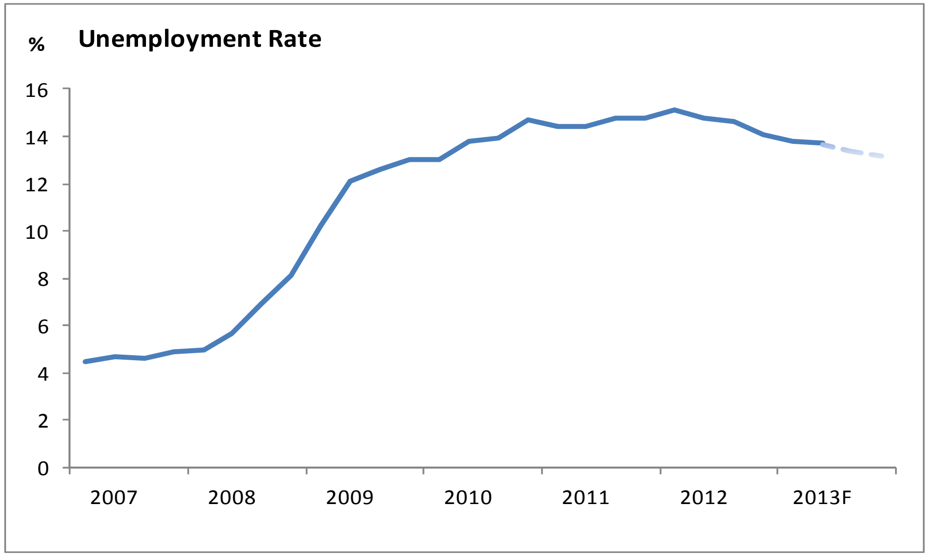
- **Loan loss provisions** in 3Q13 of 98m EUR (129m EUR in 3Q12). Net result in 3Q13 was -80m EUR (-93m EUR in 3Q12)
- Employment and incomes are increasing and survey evidence points towards some improvement in business conditions. Weak growth in export markets and ongoing budget adjustment in Ireland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

Ireland (2) Key indicators show tentative signs of stabilisation

CONTINUING TENTATIVE SIGNS OF **GDP GROWTH**

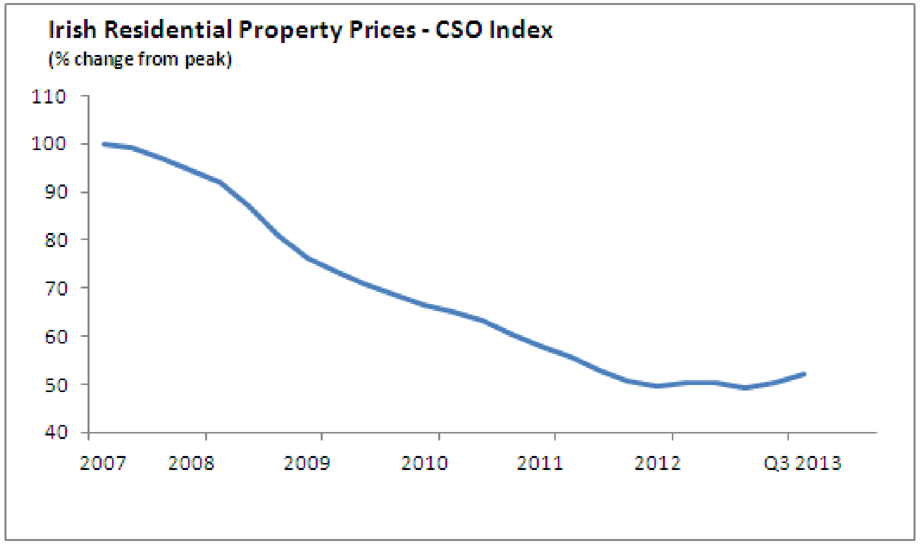


UNEMPLOYMENT RATE HAS REMAINED BROADLY STABLE YEAR TO DATE

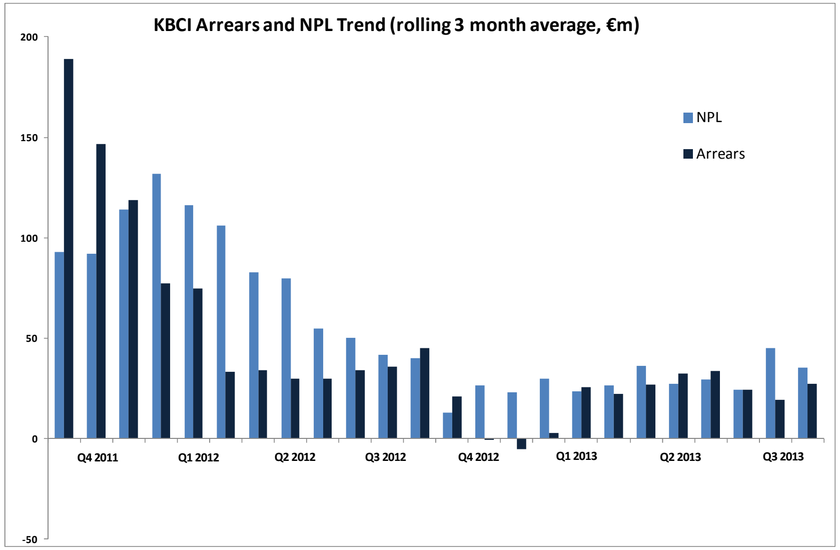


Ireland (3) Key indicators show tentative signs of stabilisation

RESIDENTIAL PROPERTY PRICES SHOWING CONTINUED SIGNS OF STABILISATION



INCREASE IN
RESIDENTIAL MORTGAGE ARREARS & NPL



GROUP CENTRE

CFO SERVICES

CRO SERVICES

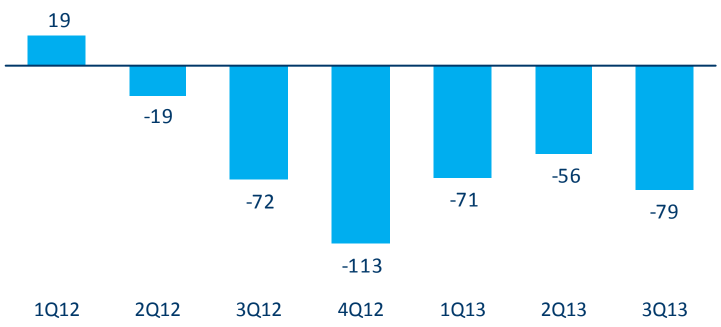
BELGIUM	CZECH REPUBLIC	INTERNATIONAL MARKETS

INTERNATIONAL PRODUCT FACTORIES

CORPORATE STAFF

CORPORATE CHANGE & SUPPORT

Group Centre



- **Adjusted net result: -79m EUR**
- KBL *epb* and Fidea were deconsolidated in the adjusted net result as of 1Q12, Warta and Zagiel as of 3Q12, NLB as of 4Q12, Kredyt Bank as of 1Q13 and Absolut Bank as of 2Q13
- The Group Centre result is comprised of the results of the holding company, certain items that are not allocated to the business units (e.g. net funding cost of participations and subordinated debt costs), results of companies to be divested, and the impact of legacy business and own credit risk

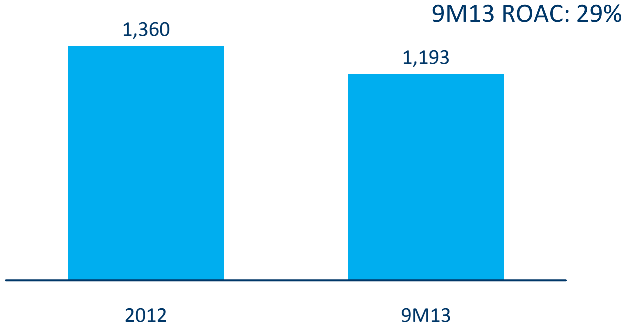
BREAKDOWN OF ADJUSTED NET RESULT AT GROUP CENTRE

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
Group item (ongoing business)	-53	-76	-71	-108	-73	-60	-70
Planned divestments	72	57	-1	-4	2	4	-9
TOTAL adjusted net result at GC	**19**	**-19**	**-72**	**-113**	**-71**	**-56**	**-79**

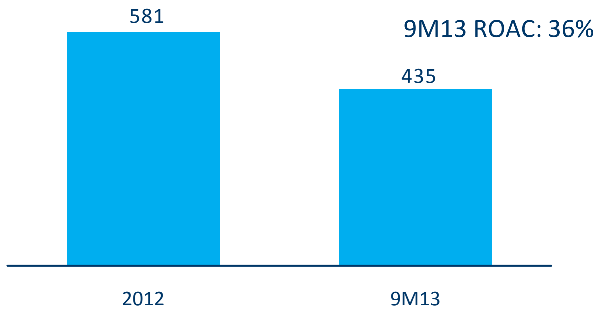
Amounts in m EUR

Overview of results based on new business units

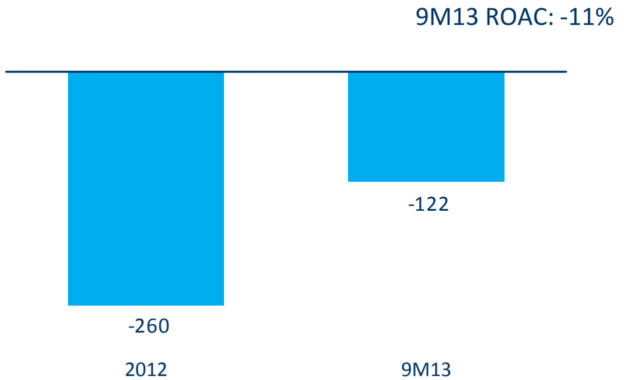
NET PROFIT - **BELGIUM**



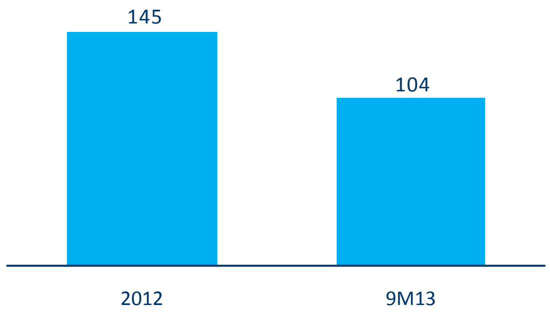
NET PROFIT – **CZECH REPUBLIC**



NET PROFIT -
INTERNATIONAL MARKETS



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



Amounts in m EUR

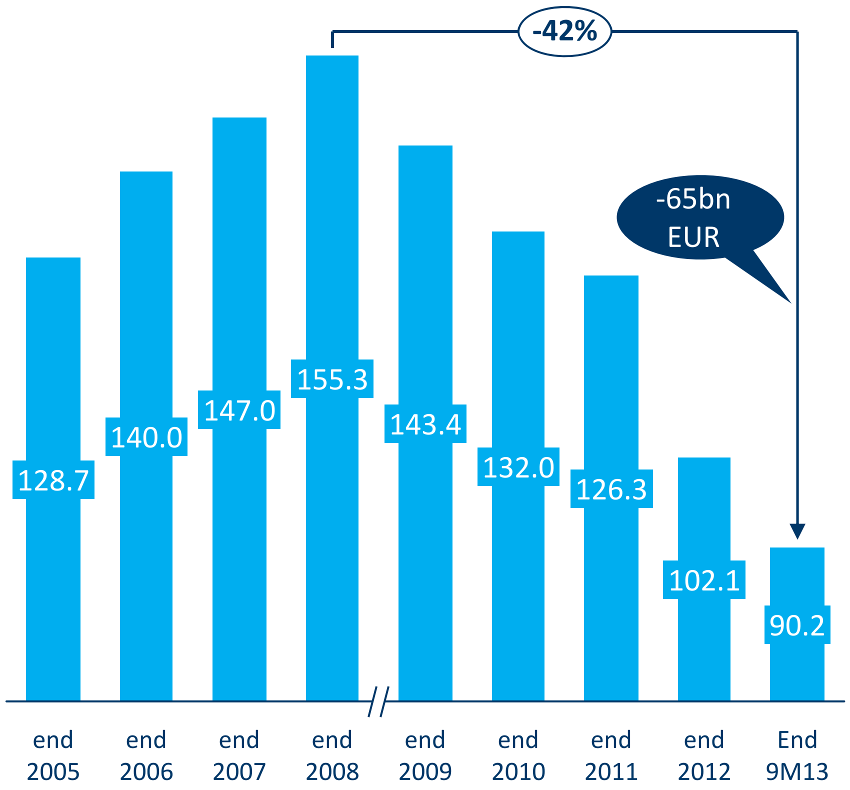
Section 3

Divestments and derisking

RWA reduced by more than initially planned

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

KBC GROUP RISK WEIGHTED ASSETS (bn EUR)

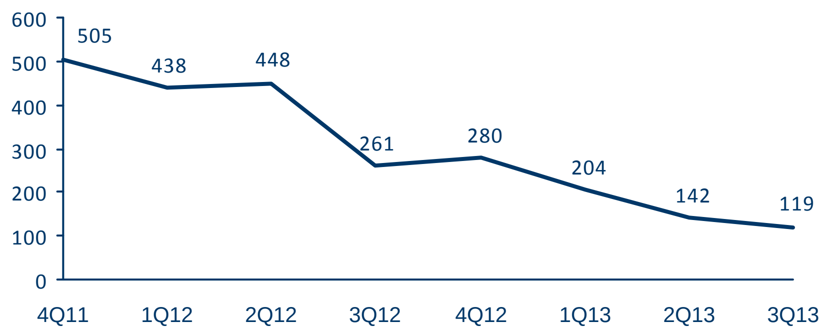


SELECTED DIVESTMENTS	
KBC FP Convertible Bonds	✓
KBC FP Asian Equity Derivatives	✓
KBC FP Insurance Derivatives	✓
KBC FP Reverse Mortgages	✓
KBC Peel Hunt	✓
KBC AM in the UK	✓
KBC AM in Ireland	✓
KBC Securities BIC	✓
KBC Business Capital	✓
Secura	✓
KBC Concord Taiwan	✓
KBC Securities Romania	✓
KBC Securities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

Net CDO exposure significantly reduced YTD

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

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



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

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

REMINDER: CDO exposure largely covered by a State guarantee

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

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

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

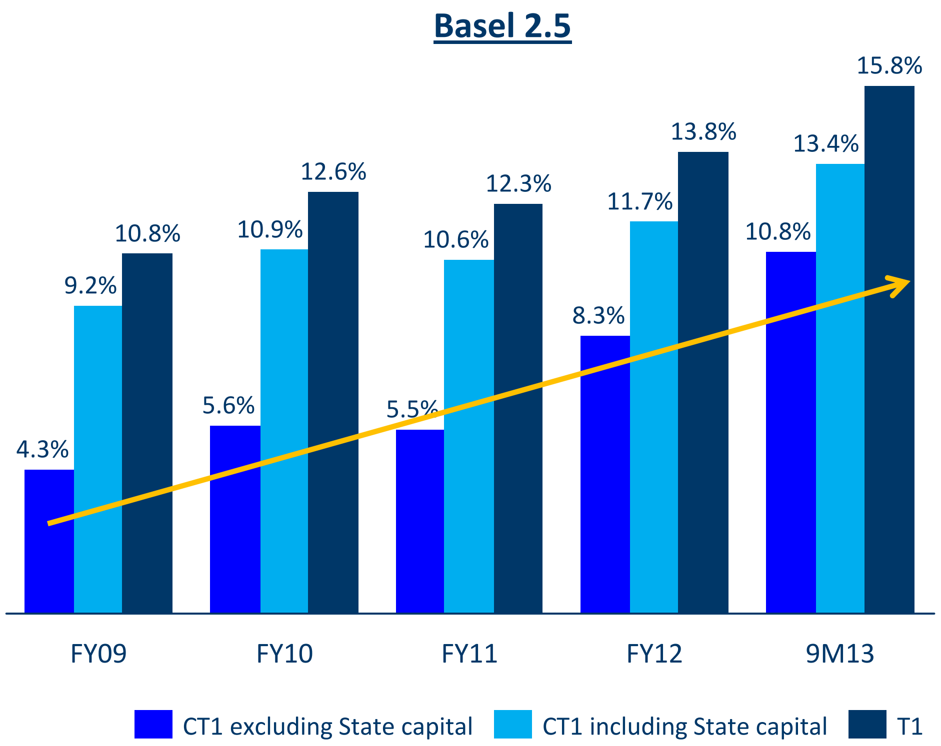
For more info, see slides 71-73 in annex

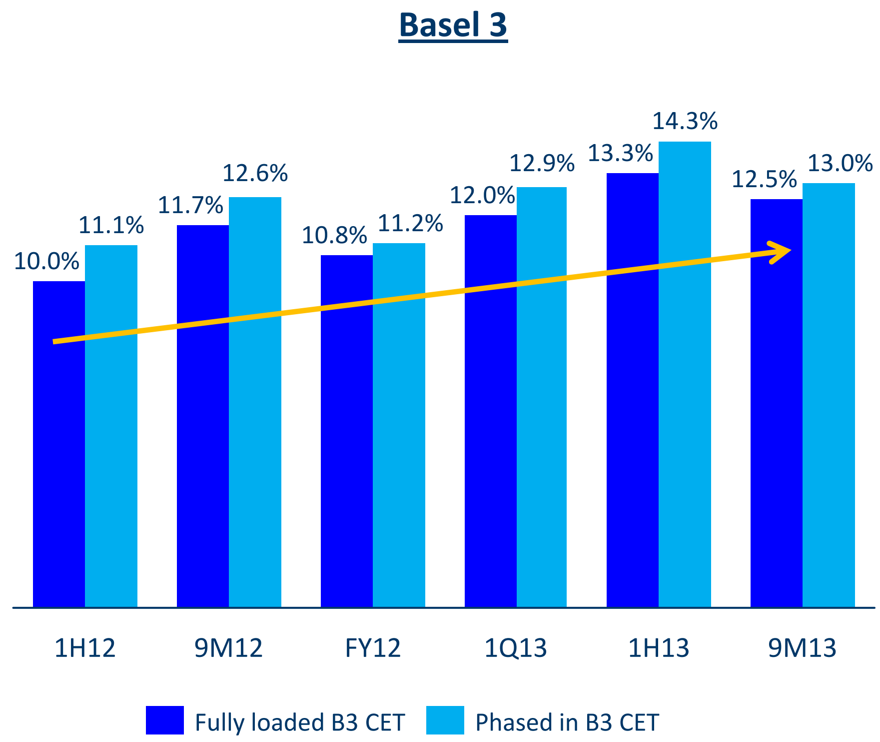
Section 4

Strong solvency and solid liquidity

Strong capital position

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

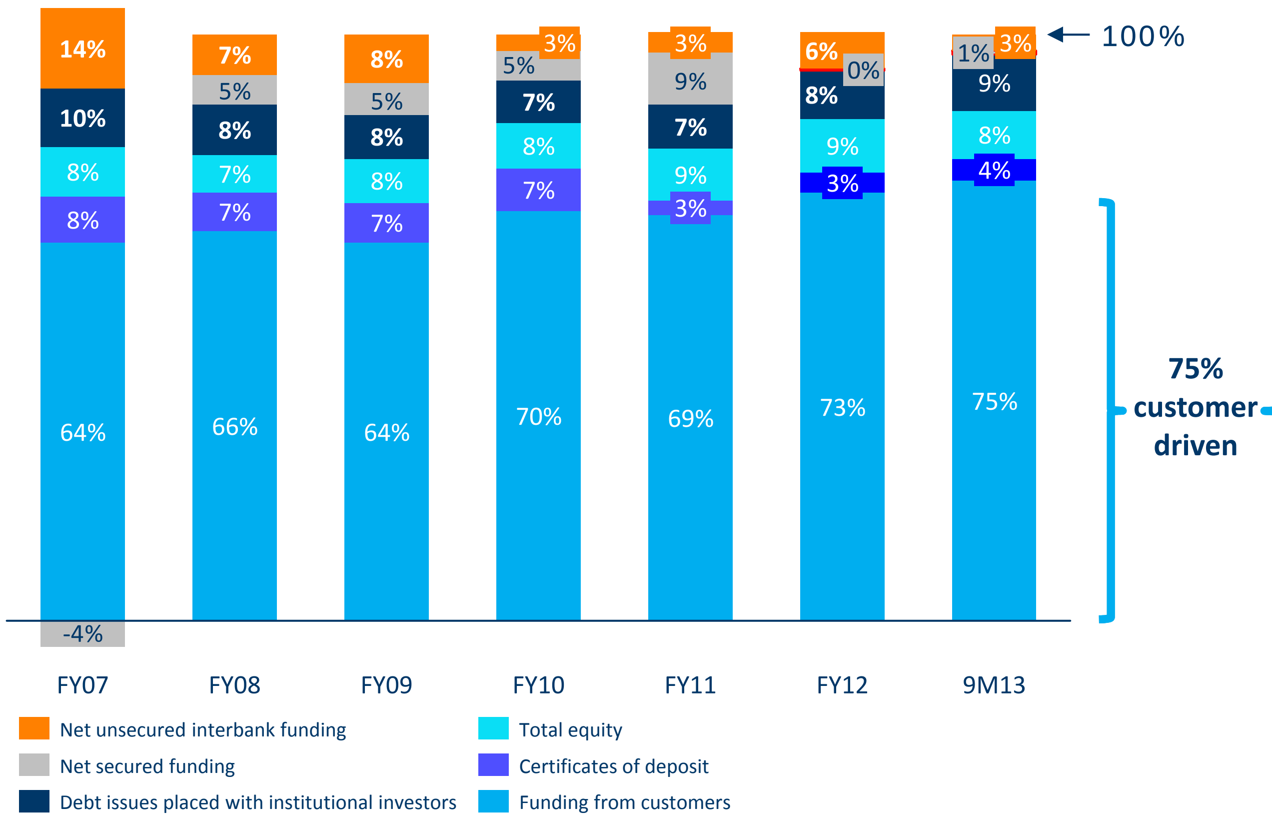


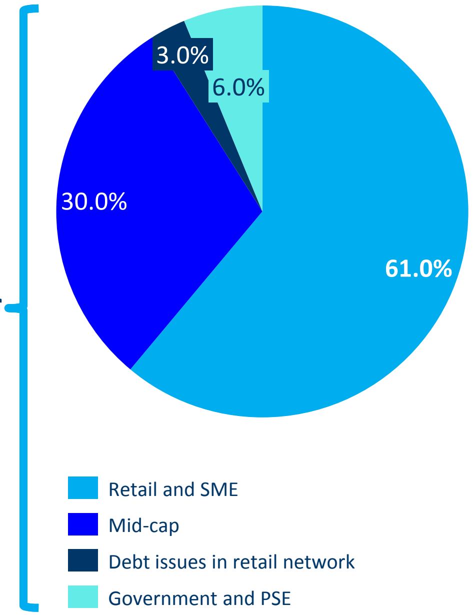


* With remaining State aid included in CET1 as agreed with local regulator

Solid liquidity position (1)

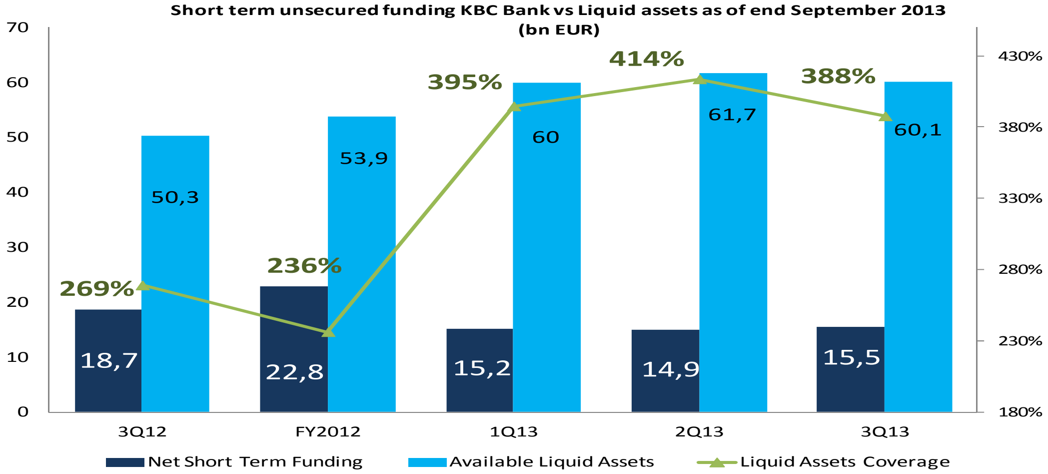
- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments & markets





Solid liquidity position (2)

(*, **)



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

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

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

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

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

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

Section 5

Loan book reassessment, in view of EBA/ESMA paper and upcoming AQR

Loan book reassessment

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

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

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

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

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

Irish Homeloans portfolio before and after reassessment

Homeloans portfolio BEFORE reassessment, based on 3Q13 situation

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

Amounts in m EUR

+2.0bn to PD 10

Homeloans portfolio AFTER reassessment, based on 3Q13 situation

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

+510m EUR additional impairment

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

Irish corporate loan portfolio before and after reassessment

Corporate loan portfolio BEFORE reassessment, based on 3Q13 situation

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

Amounts in m EUR

+0.2bn in PD 10

Corporate loan portfolio AFTER reassessment, based on 3Q13 situation

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

+161m EUR additional impairment

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

Section 6

Wrap up

Wrap up

- Strong commercial bank-insurance franchises in Belgium and the Czech Republic with stable and solid returns

- Successful underlying earnings track record

- Solid capital and robust liquidity position, also after taking into account the additional impairments expected in Ireland in 4Q13

Looking forward

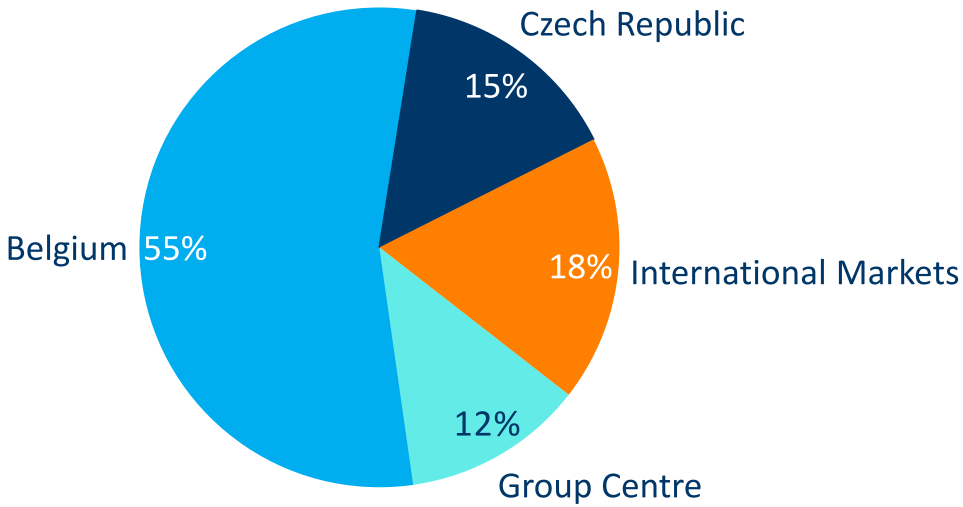
- Looking forward, management envisages:
  - Continued stable and solid returns for the Belgium & Czech Republic BUs
  - Break-even returns at latest by 2015 for the International Markets BU, mid-term returns above cost of capital
  - A fully loaded B3 common equity ratio of minimum 10%
  - LCR and NSFR of at least 100% and 105%, respectively by 2015

Annex 1

Company profile

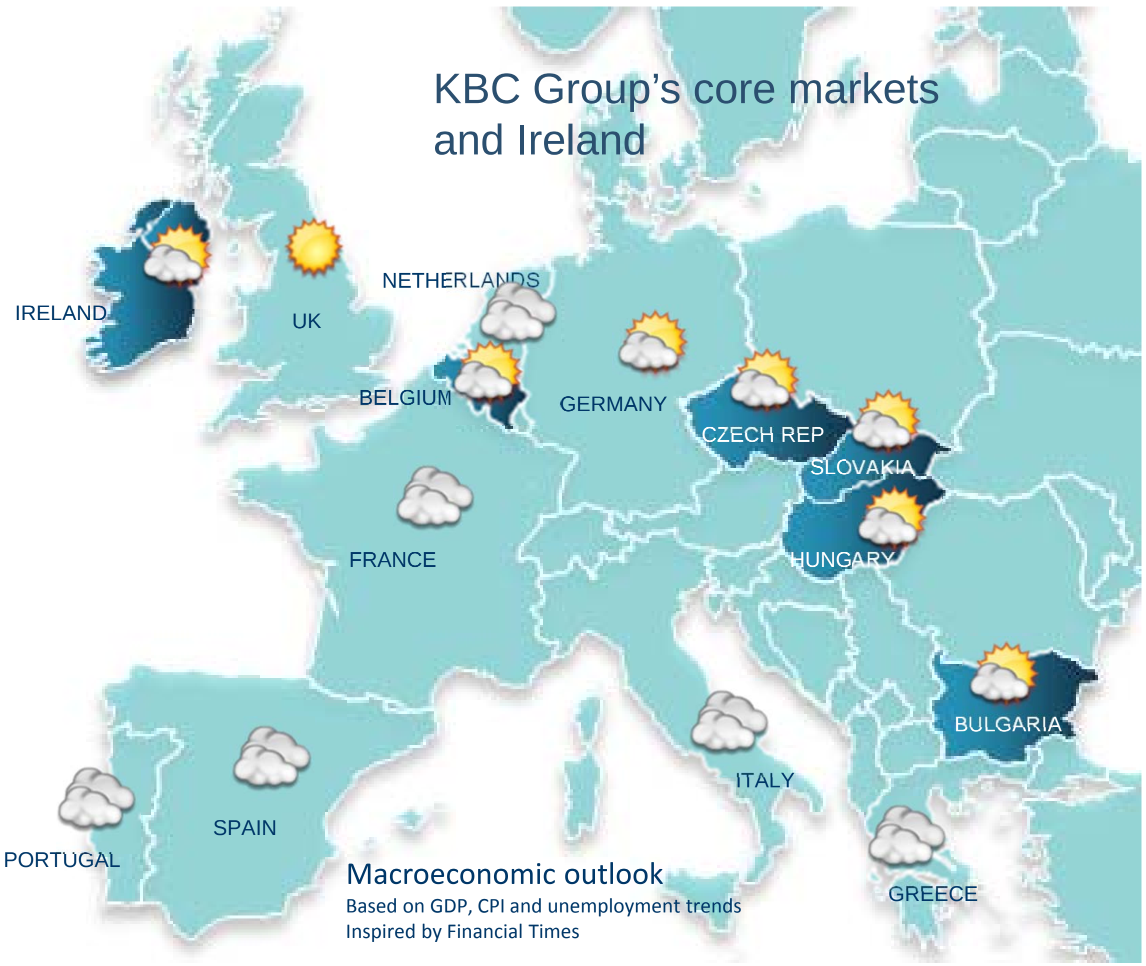
Business profile

BREAKDOWN OF ALLOCATED CAPITAL BY BUSINESS UNIT AT 30 SEPTEMBER 2013



- KBC is a leading player (retail and SME bank-insurance, private banking, commercial and local investment banking) in Belgium and our 4 core countries in CEE

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



MARKET SHARE, AS OF END 2012

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

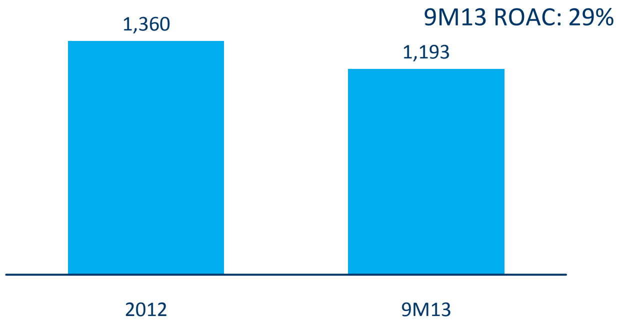
REAL GDP GROWTH OUTLOOK FOR CORE MARKETS[3]

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

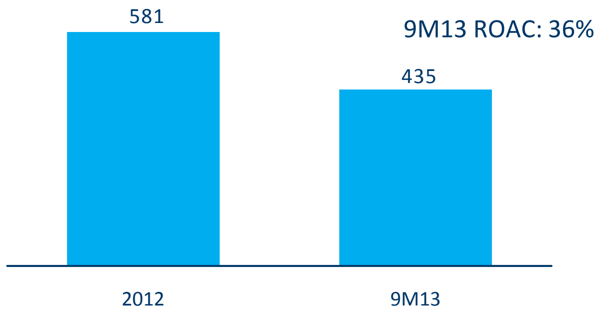
1. Excluding Centea and Fidea
2. Including 55% of the joint venture with CMSS
3. Source: KBC data, November 2013

Overview of results based on new business units

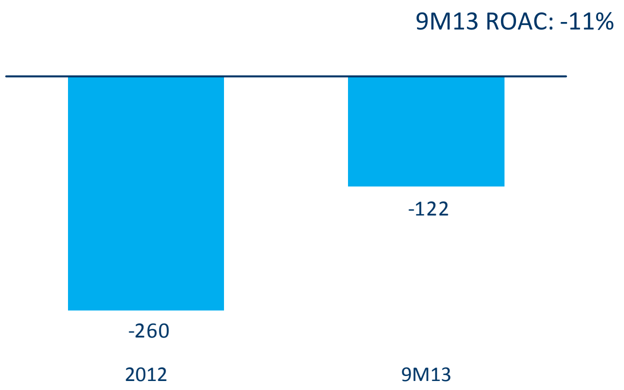
NET PROFIT - **BELGIUM**



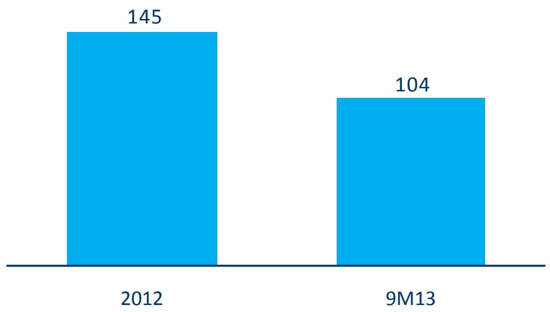
NET PROFIT – **CZECH REPUBLIC**



NET PROFIT -
INTERNATIONAL MARKETS



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



Amounts in m EUR

Loan loss experience at KBC

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

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

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

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

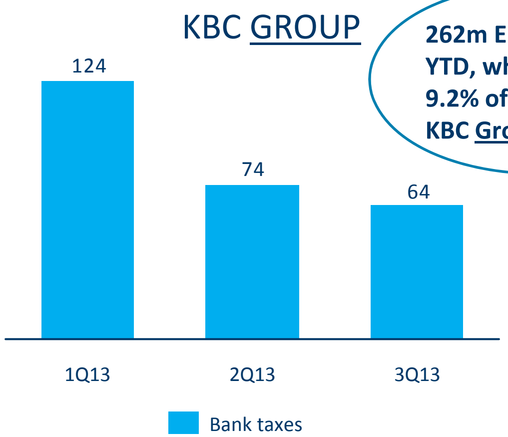
Key strengths

- Well-developed bank-insurance strategy and strong cross-selling capabilities
- Strong commercial bank-insurance franchises in Belgium and the Czech Republic with stable and solid returns
- Turnaround potential in the International Markets Business Unit
- Successful underlying earnings track record
- Solid capital and robust liquidity position

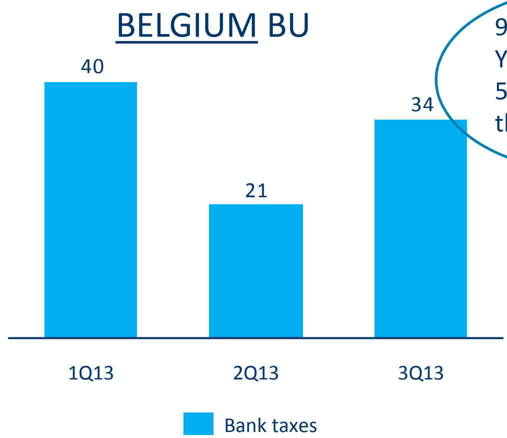
Annex 2

Other items

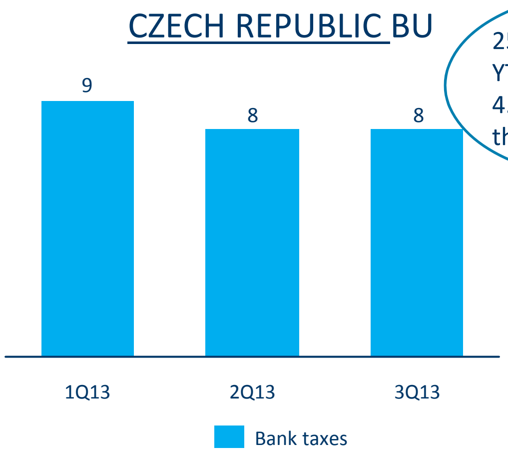
Overview of bank taxes* per business unit



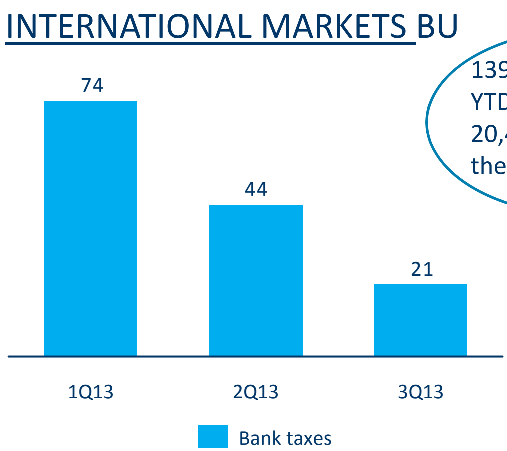
262m EUR bank taxes YTD, which represents 9.2% of 9M13 opex at KBC Group



95m EUR bank taxes YTD, which represents 5.3% of 9M13 opex at the Belgium BU



25m EUR bank taxes YTD, which represents 4.9% of 9M13 opex at the CR BU

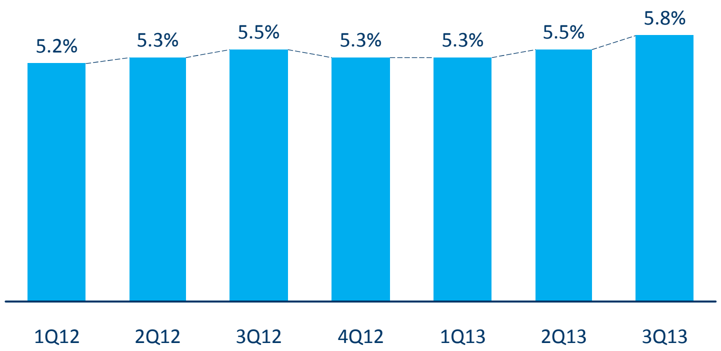


139m EUR bank taxes YTD, which represents 20,4% of 9M13 opex at the IM BU

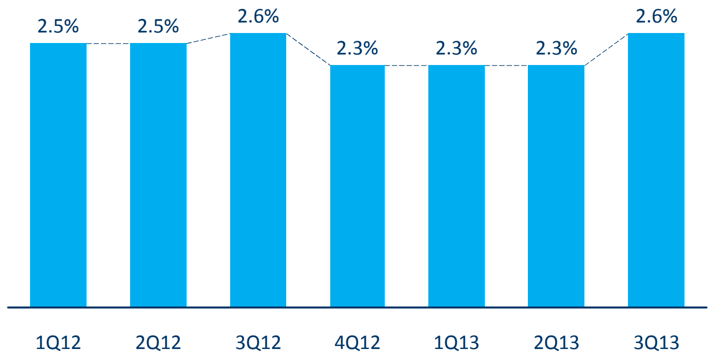
* This only refers to the bank taxes booked within opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

NPL ratios at KBC Group and per business unit

KBC GROUP

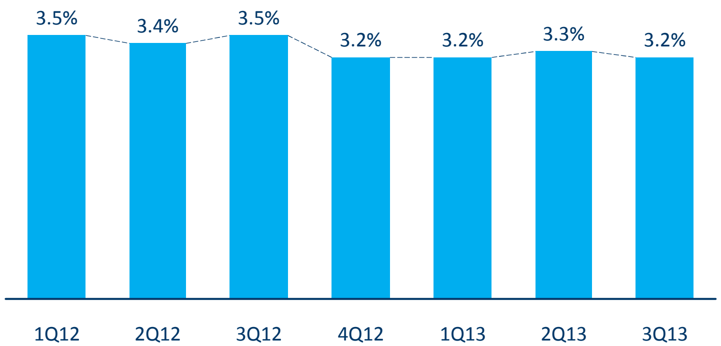


BELGIUM BU

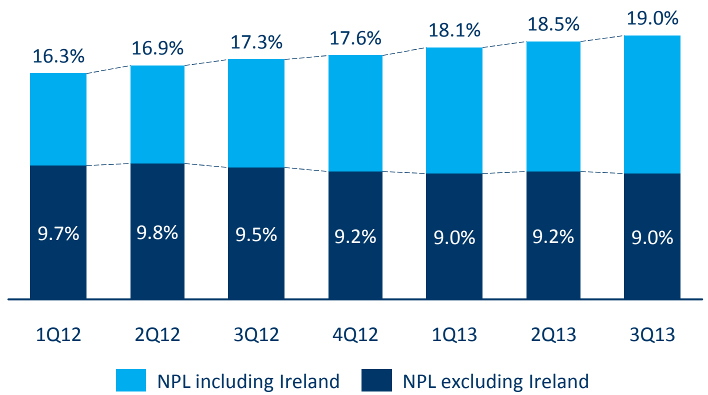


non-performing loan ratio

CZECH REPUBLIC BU

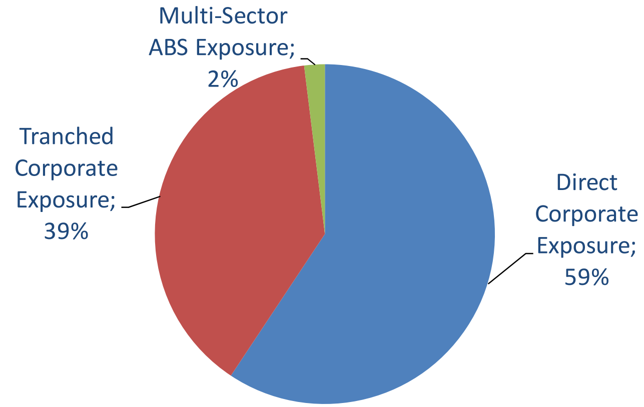


INTERNATIONAL MARKETS BU



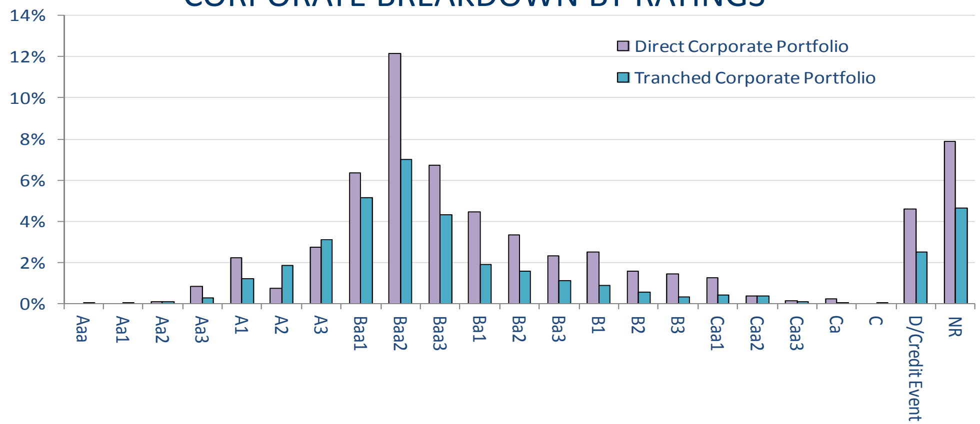
Breakdown of KBC’s CDOs originated by KBC FP
(figures as of 7 October 2013)

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



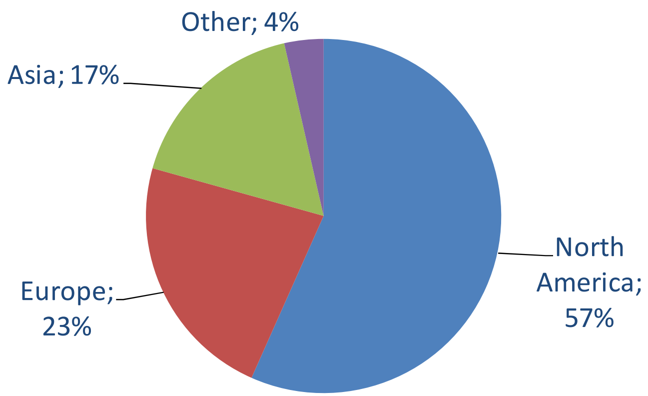
1. as % of total current deal notional, after settled credit events

CORPORATE BREAKDOWN BY RATINGS [3]



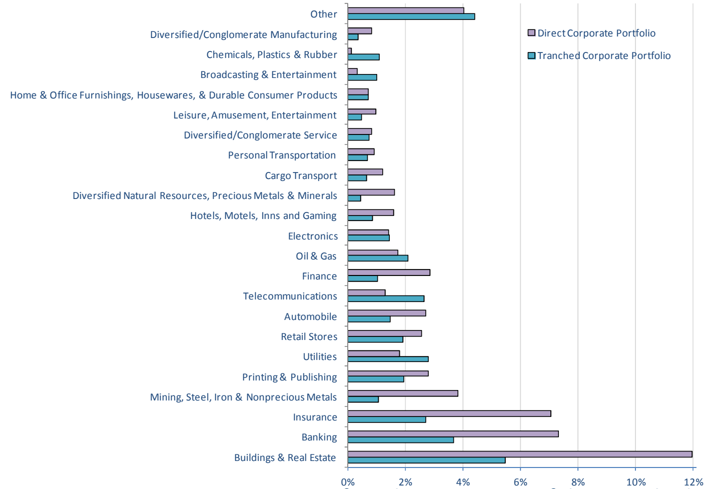
3. Direct corporate exposure as a % of total corporate portfolio; tranched corporate exposure as a % of total corporate portfolio. Figures based on Moody’s ratings.

CORPORATE BREAKDOWN BY REGION[2]



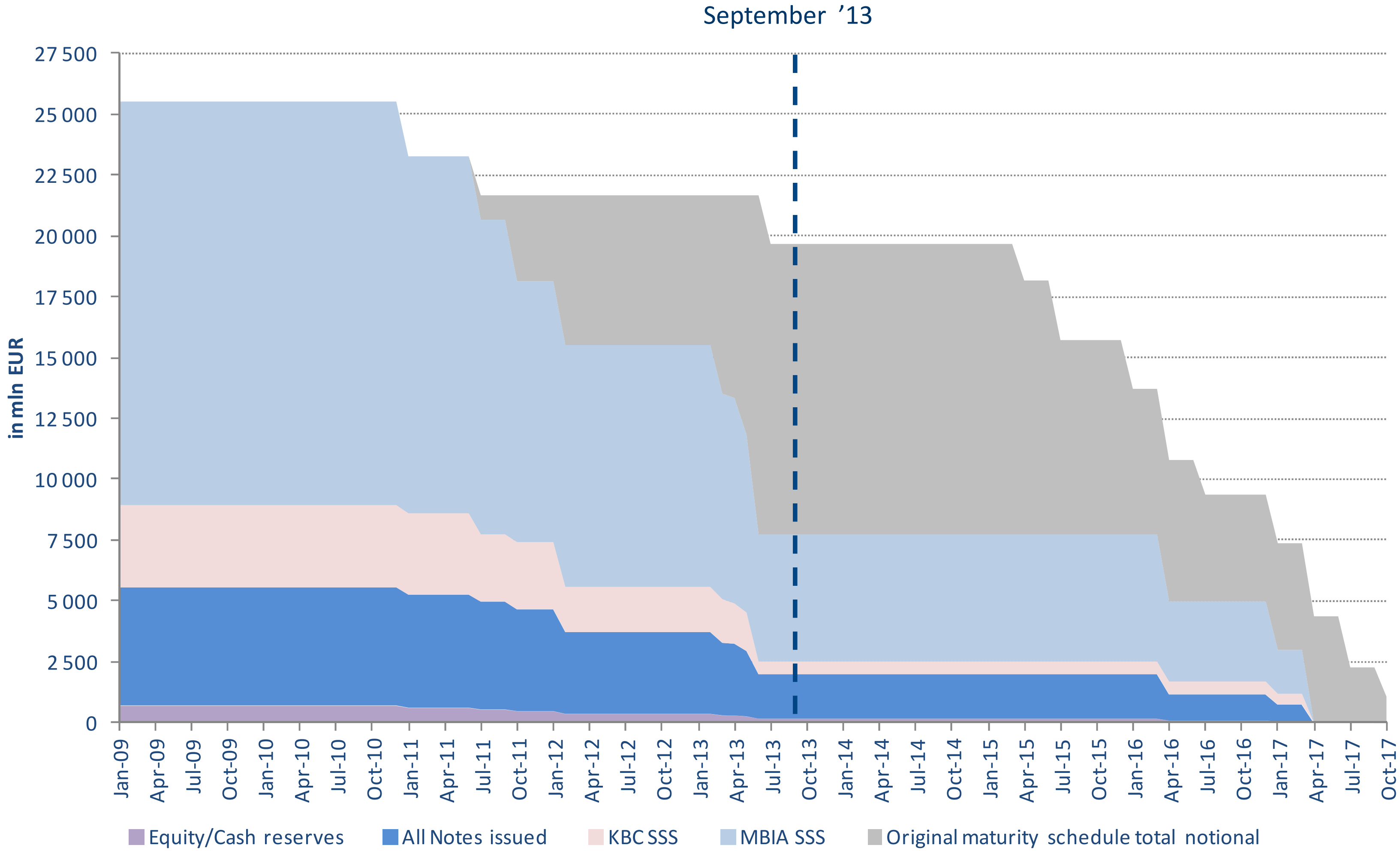
2. Direct and tranched corporate exposure as a % of the total corporate portfolio

CORPORATE BREAKDOWN BY INDUSTRY [4]



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

Maturity schedule of the CDOs issued by KBC FP



Summary of government transactions

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

			Potential P&L impact for KBC	Potential capital impact for KBC
5.9bn - 100%	1st tranche	0.8bn	100%	100%
5.1bn - 86%	2nd tranche	0.7bn	100%	10% (90% compensated by equity guarantee)
4.4bn - 74%	3rd tranche	4.4bn	10% (90% compensated by cash guarantee)	10% (90% compensated by cash guarantee)

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

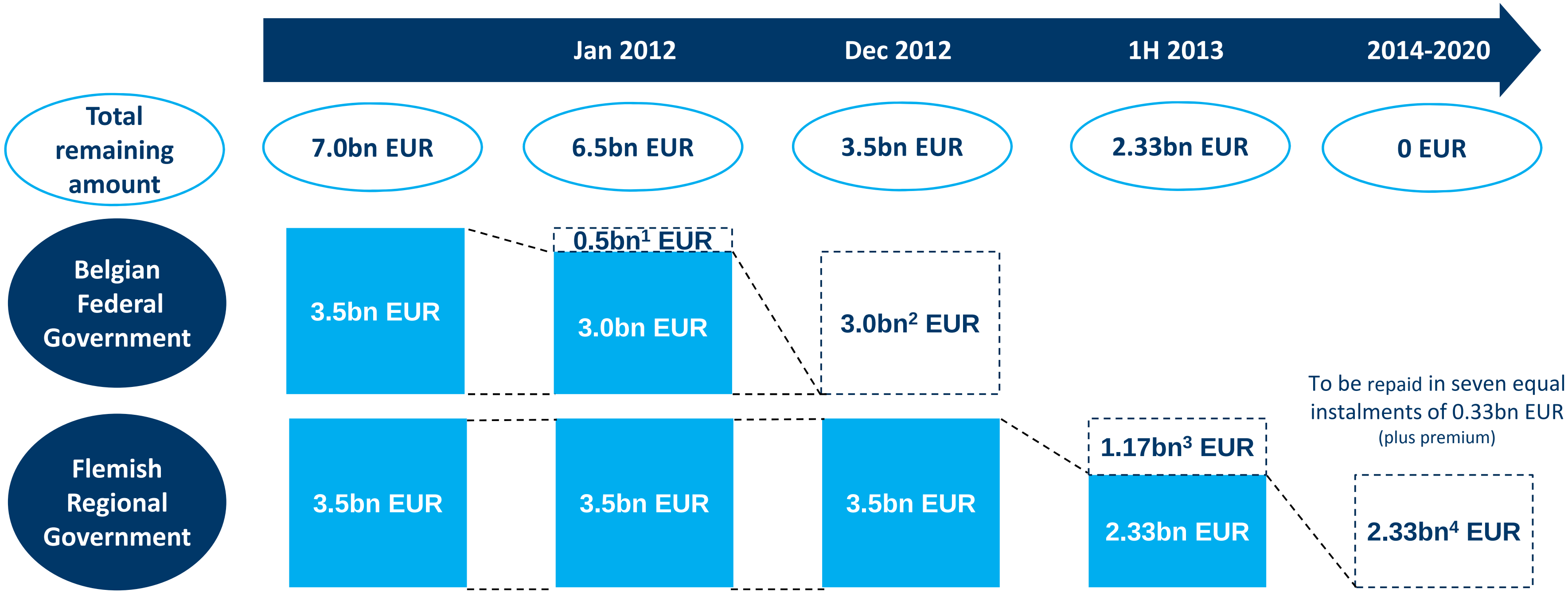
Summary of government transactions (2)

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

	BELGIAN STATE	FLEMISH REGION
Amount	3.5bn	3.5bn
Instrument	Perpetual fully paid up new class of non-transferable securities qualifying as core capital	
Ranking	Pari passu with ordinary stock upon liquidation	
Issuer	KBC Group Proceeds used to subscribe ordinary share capital at KBC Bank (5.5bn) and KBC Insurance (1.5bn)	
Issue price	29.5 EUR	
Interest coupon	Conditional on payment of dividend to shareholders The higher of (i) 8.5% or (ii) 120% of the dividend for 2009 and 125% for 2010 onwards Not tax deductible	
Buyback option for KBC	Option for KBC to buy back the securities at 150% of the issue price (44.25)	
Conversion option for KBC	From December 2011 onwards, option for KBC to convert securities into shares (1 for 1). In that case, the State can ask for cash at 115% (33.93) increasing every year by 5% to the maximum of 150%	No conversion option

Assessment of the State aid position & repayment schedule

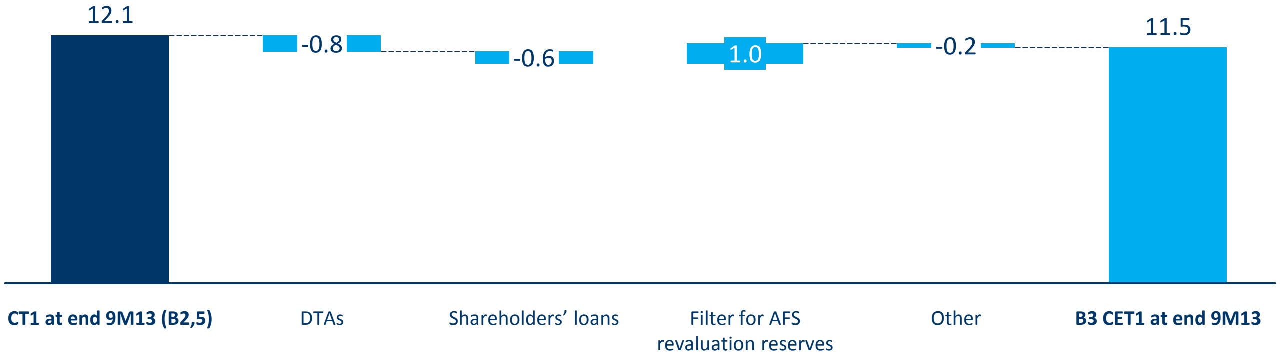
- KBC made accelerated full repayment of 3.0bn EUR of State aid to the Belgian Federal Government in December 2012 and the accelerated repayment of 1.17bn EUR of State aid to the Flemish Regional Government mid-2013, approved by the NBB
- KBC is committed to repaying the remaining outstanding balance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



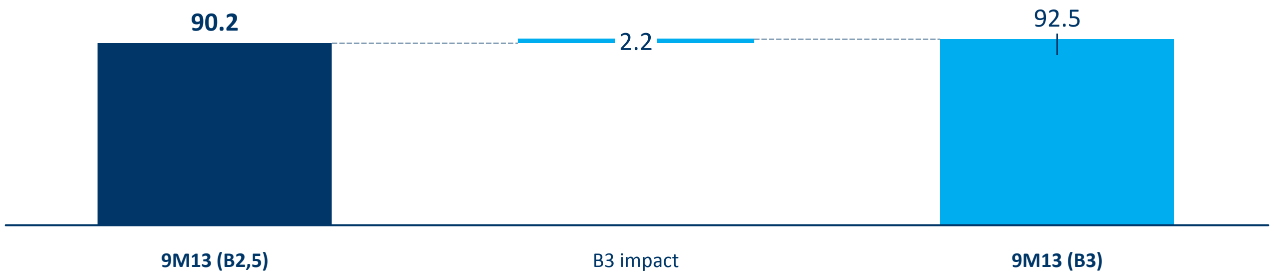
1. Plus 15% premium amounting to 75m EUR
2. Plus 15% premium amounting to 450m EUR
3. Plus 50% premium amounting to 583m EUR
4. Plus 50% premium amounting to 1,165m EUR

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

B3 IMPACT AT NUMERATOR LEVEL (BN EUR)



IMPACT ON RWA (BN EUR)



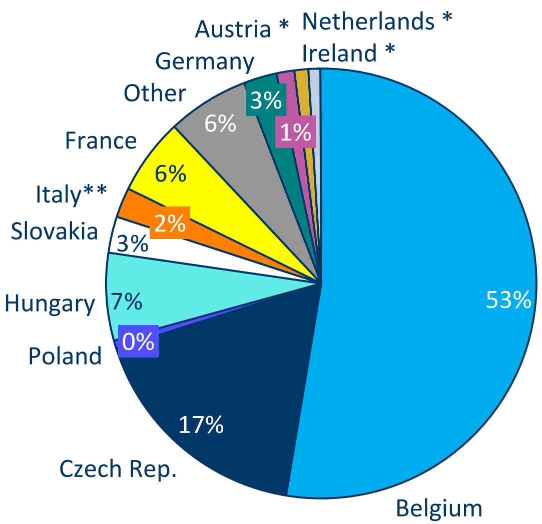
- Fully loaded B3 common equity ratio of approx. 12.5% at end 9M13
- Announced intention to maintain a fully loaded common equity ratio of minimum 10% as of 1 January 2013

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

Government bond portfolio – Notional value

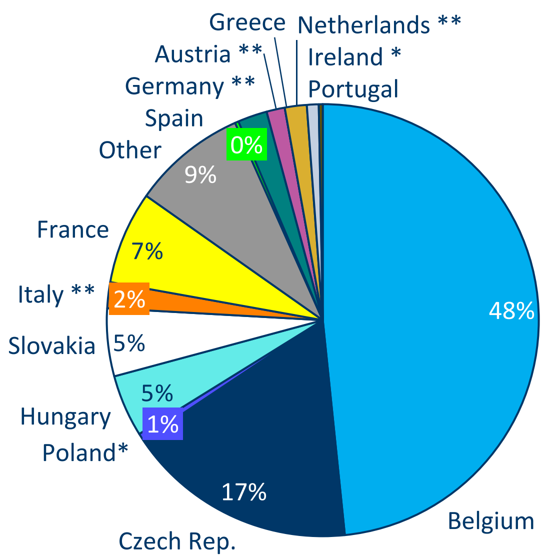
- Notional investment of 45.2bn EUR in government bonds (excl. trading book) at end of 9M13, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves into fixed-income instruments
- Notional value of GIIPS exposure amounted to 1.6bn EUR at end of 9M13

END 2012
(47bn EUR notional value)



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

END 9M13
(45.2bn EUR notional value)

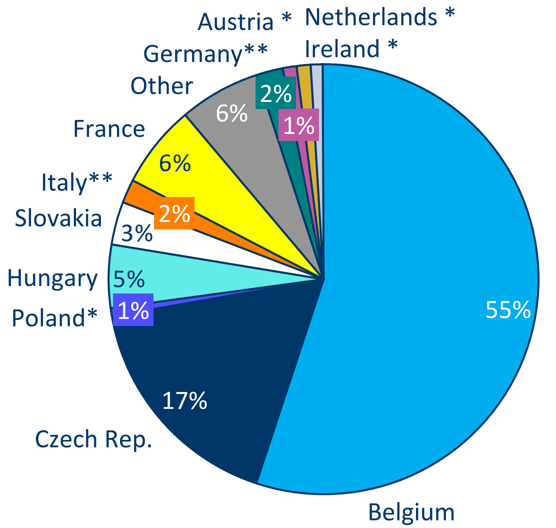


(*) 1%, (**) 2%

Government bond portfolio – Carrying value

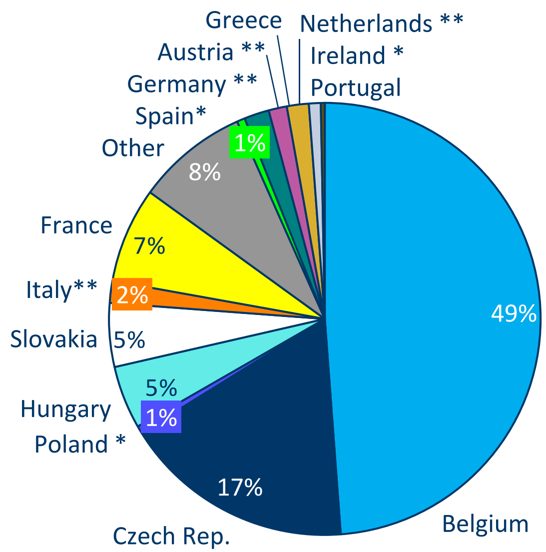
- Carrying value of 47.9bn EUR in government bonds (excl. trading book) at end of 9M13, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves into fixed-income instruments
- Carrying value of GIIPS exposure amounted to 1.6bn EUR at end of 9M13

END 2012
(48.8bn EUR carrying value)



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

END 9M13
(47.9bn EUR carrying value)

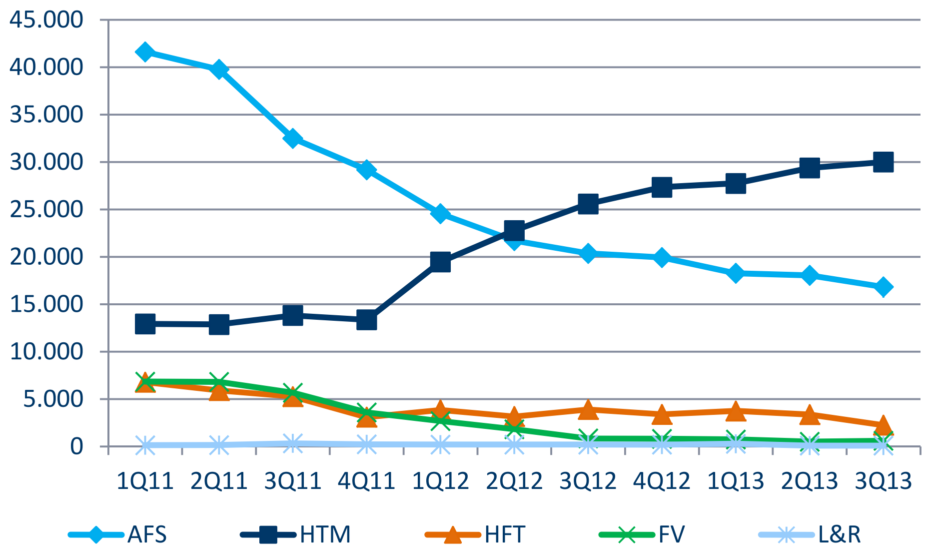


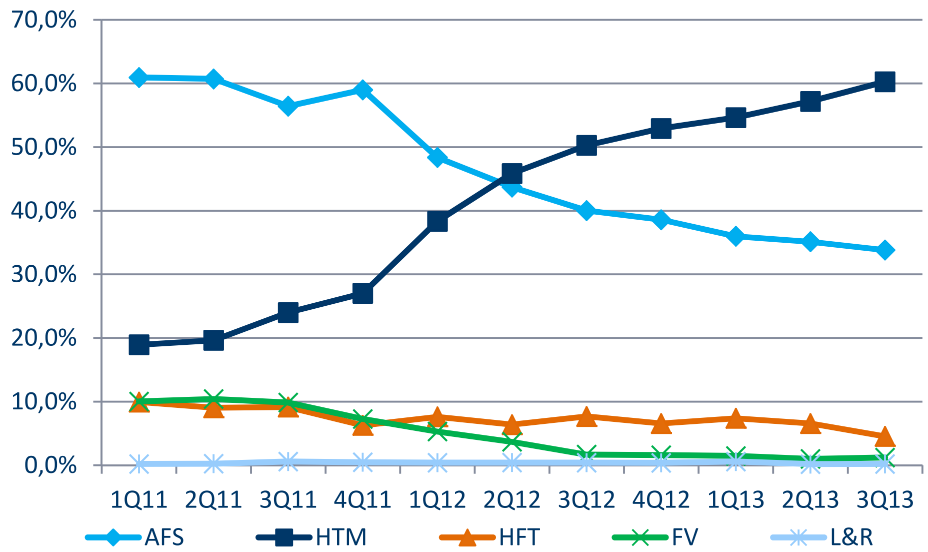
(*) 1%, (**) 2%

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

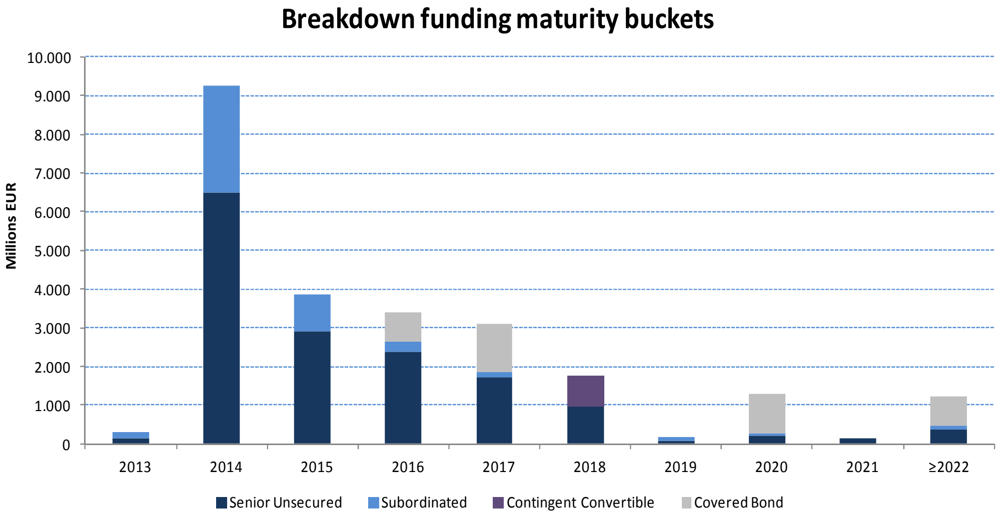
Government bond portfolio – Carrying value

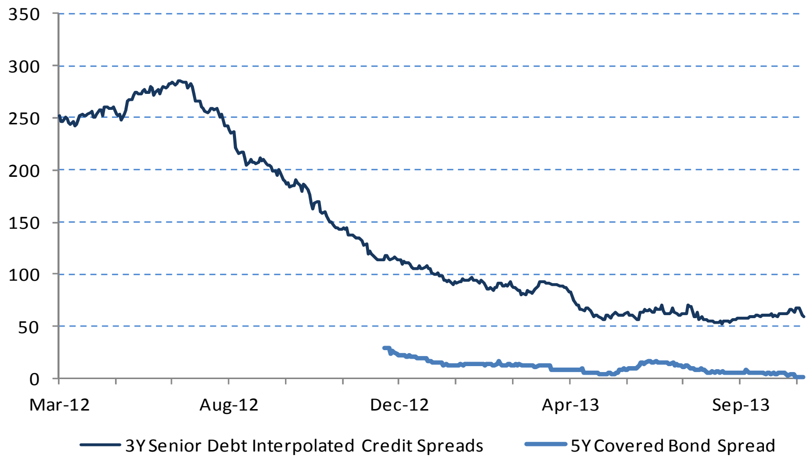
- Reclassification of the government bond portfolio from available-for-sale to held-to-maturity





Upcoming mid-term funding maturities





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

Analysts' coverage

Bank/broker	Analyst	Contact details	Rating	Target Price	Upside
ABN Amro	Jan Willem Knoll	janwillem.knoll@nl.abnamro.com	+	34.00	-14%
Alpha Value	Christophe Nijdam	c.nijdam@alphavalue.com	-	35.70	-10%
Autonomous	Giovanni Carriere	gcarriere@autonomous.com	=	31.50	-21%
Bank Degroof	Dirk Peeters	dirk.peeters@degroof.be	-	34.00	-14%
Barclays Capital	Kiri Vijayarajah	kiri.vijayarajah@barcap.com	+	38.00	-4%
Berenberg	Eleni Papoula	Eleni.Papoula@berenberg.com	+	39.00	-2%
Citi Investment Research	Stefan Nedialkov	stefan.nedialkov@citi.com	+	42.00	6%
Deutsche Bank	Flora Benhakoun	flora-a.benhakoun@db.com	+	47.00	18%
Exane BNP Paribas	François Boissin	francois.boissin@exanebnpparibas.com	+	42.00	6%
HSBC	Johannes Thormann	Johannes.Thormann@hsbc.de	+	48.00	21%
ING	Albert Ploegh	albert.ploegh@ing.com	+	38.50	-3%
JP Morgan Securities	Paul Formanko	paul.formanko@jpmorgan.com	+	45.00	13%
Keefe, Bruyette & Woods	Jean-Pierre Lambert	jplambert@kbw.com	+	49.00	24%
KeplerCheuvreux	Benoit Petrarque	benoit.petrarque@keplercm.com	+	45.00	13%
Macquarie	Thomas Stögner	thomas.stoegner@macquarie.com	-	32.00	-19%
Mediobanca	Riccardo Rovere	riccardo.rovere@mediobanca.it	+	37.00	-7%
Morgan Stanley	Sara Minelli	Sara.Minelli@morganstanley.com	+	33.80	-15%
Natixis Securities	Alex Koagne	alex.koagne@sec.natixis.com	+	36.50	-8%
Nomura	Marco Kisic	Marco.Kisic@nomura.com	=	34.00	-14%
Oddo	Julie Legrand	jlegrand@oddo.fr	=	32.00	-19%
Petercam	Tom van Kempen	tom.vankempen@petercam.be	=	40.10	1%
Rabo Securities	Cor Kluis	cor.kluis@rabobank.com	+	43.00	8%
Societe Generale	Philip Richards	philip.richards@sgcib.com	+	45.00	13%
UBS	Anton Kryachok	anton-a.kryachok@ubs.com	=	41.70	5%

Situation as of 7 November 2013, based on an actual share price of 39.67 EUR

Glossary

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

Contact information
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