# Press release

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Brussels, 14 September, 2009 – 8.30 a.m.

## KBC to repurchase certain outstanding hybrid Tier-1 securities via cash tender offer

KBC Bank has today launched tender offers in certain countries in Europe and, in respect of one security, in the United States of America to repurchase four series of outstanding hybrid Tier-1 securities with a total nominal value of approximately €1.6 billion. The securities will be purchased at 70% of their face value.

By doing so under current market conditions, KBC Bank offers bondholders an opportunity to exit by paying a premium above the market price. At the same time, KBC Bank will generate a value gain when buying back at a discounted price compared to the nominal value of the securities, which further enhances the quality of its core capital position. If all outstanding securities would be bought back, the after tax value gain would be approx. 0.2 billion euros while the impact on the core Tier-1 ratio, banking would be estimated at +0.25%.

In the past, KBC has issued several hybrid securities that were qualified as regulatory Tier-1 bank capital. Such securities are 'hybrid' securities that have both equity and debt features. In general terms, they pay an interest coupon, but have no final maturity and rank junior to other bonds upon bankruptcy.

KBC wishes to reiterate its stance of refraining from exercising its call options on hybrid Tier-1 securities for the remainder of the year.

The tender offers cover the following securities and are being made solely to the relevant holders of such securities:

- EUR 280 million hybrid securities issued by KBC Bank Funding Trust II;
- USD 600 million hybrid securities issued by KBC Bank Funding Trust III;
- EUR 300 million hybrid securities issued by KBC Bank Funding Trust IV;
- GBP 525 million hybrid securities issued by KBC Bank.

For further information regarding the tender offers, please contact:

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* This news item contains information that is subject to the transparency regulations for listed companies.

DISCLAIMER

The offers for the euro- and GBP-denominated securities are not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States, and no offer for such securities may be made by any such use, means, instrumentality or facility from or within the United States or to persons located in the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of the tender offer memoranda and any other documents or materials relating to these offers are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located in the United States. Any purported tender of euro- or GBP-denominated securities in an offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of such securities made by a person giving instructions from within the United States or any agent, fiduciary or other intermediary acting on a non discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder participating in an offer for the euro- and GBP-denominated securites will represent that it is not located in the United States and is not participating in such offer from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such offer from the United States. For the purposes of this and the above paragraph, “United States” means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.