



Press Release – Outside trading hours - Regulated information*

3 October 2012

KBC Bank meets 9% Core Tier-1 threshold in the EBA capital exercise

KBC Bank notes the announcements made today by the European Banking Authority and National Bank of Belgium regarding the final assessment of the capital exercise and fulfilment of the EBA December 2011 Recommendation, which shows that KBC Bank meets the 9% Core Tier 1 ratio including the sovereign buffer as stated in the EBA December 2011 recommendation.

Johan Thijs, KBC Group CEO welcomed today's announcements as follows: 'KBC is satisfied with the outcome of the EBA capital exercise as it proves that KBC Bank meets these solvency requirements, which is a reassuring signal to all stakeholders placing their trust in our institution. KBC Bank will continue to ensure that appropriate capital levels are maintained.

The result is also illustrative for KBC's strong fundamentals: a healthy customer-driven bank-insurance business model, a robust liquidity position supported by a very solid and loyal customer deposit base in our core markets of Belgium and Central Europe and a comfortable solvency that enables us to continue to increase lending to our customers and actively support the communities and economies we are active in.'

Background on the EBA capital exercise

The *EBA Recommendation on the creation of temporary capital buffers to restore market confidence* was adopted by the Board of Supervisors on 8 December 2011 to address the difficult situation in the EU banking system, especially with regard to the sovereign exposures, by restoring stability and confidence in the markets. The Recommendation was part of a suite of measures agreed at EU level.

The Recommendation called on National Authorities to require banks included in the sample to strengthen their capital positions by building up an exceptional and temporary buffer such that their Core Tier 1 capital ratio reaches a level of 9% by the end of June 2012. In addition, banks were required to an exceptional and temporary capital buffer against sovereign debt exposures to reflect market prices as at the end of September 2011. The amount of the sovereign capital buffer has not been revised.

The initial sample of the Capital Exercise included 71 banks. However, the 6 Greek banks were treated separately as the country is currently under an EU/IMF assistance programme. Moreover, four banks (Österreichische Volksbank AG, Dexia, WestLB AG and Bankia) from the original sample have been identified as undergoing a significant restructuring process, and are being monitored separately. Therefore, the final assessment published today refers to 61 banks.

Notes to editors:

The detailed results of the capital exercise as well as information on KBC Bank's credit exposures and exposures to central and local governments are provided in the accompanying disclosure tables based on the common format provided by the EBA:

https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/COM_EBA_tabel_2012.pdf

The methodology underlying the capital exercise was outlined by the EBA prior to its announcement to ensure consistency across all banks in the EU banking system involved in the exercise. For more details see the EBA website: <http://www.eba.europa.eu>.

Therefore, the information is provided only for comparison purposes and should not in any way be directly compared to bank's other published information.

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About KBC

KBC (www.kbc.com) is a bank-insurer that focuses on its home markets of Belgium and Central and Eastern Europe. Its head office is located in Brussels (Belgium), the heart of Europe. The group employs some 47 000 full-time staff and caters for around 11 million customers. KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

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