



Press Release – during trading hours

19 November 2012

KBC announces its Belgian residential mortgage covered bonds programme

KBC announces the establishment of its programme for the issue of Belgian covered bonds backed by Belgian residential mortgage loans, the Euro 10,000,000,000 KBC Residential Mortgage Covered Bonds Programme.

This programme follows the entry into force of the Act of 3 August 2012, establishing a legal framework for Belgian covered bonds.

KBC has obtained the required licences from the National Bank of Belgium (the NBB).

Luc Popelier, KBC Group CFO welcomes today's announcement : *"During the presentation of our third quarter results on 8 November, we mentioned that we were in the process of obtaining a license from the NBB to issue Belgian covered bonds. We have now obtained the required license. We plan to issue our first covered bonds this quarter or in the first quarter of 2013.*

KBC boasts a strong liquidity position with a solid retail/corporate deposit base in our core markets and our funding needs for 2012 are already fully covered. However, we still welcome this opportunity to further diversify our investor base and long-term funding mix and resources through covered bonds, just like our peers in other countries have been able to do so for some time now. Moreover, the Belgian residential mortgage loans, backing the covered bonds we plan to issue, are of excellent quality. We plan to issue 2 to 3 billion euros' worth of these bonds per year in the coming years. "*

The KBC group has mandated DEUTSCHE BANK, DZ BANK, GOLDMAN SACHS, KBC, and NATIXIS as joint lead managers for its first Belgian Covered Bonds issue.

KBC will host an investor conference as well as an investor roadshow in the coming days.

Subject to market conditions and regulatory approvals, the first transaction/issue should follow soon. That issue will be reserved to institutional investors.

**loan-to-deposit ratio of 82% at KBC Bank at the end of September 2012*

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