



Press Release – Regulated information*

16 October 2012

KBC has successfully sold its treasury shares as part of the strategic plan agreed with the European Commission

KBC's strategic plan that was approved by the European Commission in November 2009 included the sale, within an agreed timeframe, of treasury shares held by KBC on its balance sheet (5,1% of a total share count of 358 million shares). In line with this commitment, KBC Group and KBC Bank announce the successful completion of the private placement of 18.2 million own shares, so-called treasury shares. The gross proceeds from the transaction amount to EUR 350 million.

Johan Thijs, CEO KBC Group commented today's announced transaction as follows : "KBC's strategic plan, approved by the European Commission in November 2009, included amongst others the sale, within an agreed timeframe, of treasury shares currently held by KBC on its balance sheet. Today, with the sale of the treasury shares, KBC has passed another important step in the realization of the strategic plan agreed with the European Commission. Based on the offer price (EUR 19.25 per share), this sale released EUR 385 million in capital for KBC and further enhances KBC's capital position. As announced previously, it remains our ambition to pay back a substantial part of state aid to the Federal government before the end of this year, once the common equity target under Basel III has been decided by the National Bank of Belgium."

At the end of the second quarter of 2012, KBC's tier-1 capital ratio stood at 13.6% and when all the agreements that have been signed, but not yet closed, are included, the tier-1 ratio amounts to 15.4% on a pro forma basis. The sale of the treasury shares has added approximately 0.3% to KBC's solvency levels. The estimated common equity ratio under Basel III at the end of 2013 is expected to stand at 9.5% (fully loaded). This sale does not have any impact on the Profit and Loss account of KBC Group.

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