



Press Release

Outside trading hours - Regulated information*

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KBC substantially reduces shareholder loans

KBC takes note of the announcements made this morning by Cera CVBA and KBC Ancora Comm.VA, two KBC-shareholders. As a result of the transactions announced, the amount of the loans granted to Cera and KBC Ancora has been reduced with 0,7 billion EUR.

Johan Thijs, CEO KBC Group welcomed today's transactions as follows : *"As a result of the transactions announced today by Cera and KBC Ancora, KBC further strengthens its solvency position and increases its common equity ratio (Basel III fully loaded) which stood at 12.5% at the end of the third quarter, by 0,7%. In doing so, KBC creates additional value for all its shareholders"*.

- Cera announces the sale of 14.1 million KBC Group-shares via a private placement with institutional investors. The proceeds shall be used to buy back a term loan provided by KBC Bank and to repay the currently outstanding short term debts with KBC Bank. As a result, Cera will have (almost) no outstanding debts with KBC Bank any more.
- KBC Ancora announces the sale of 4.7 million KBC Group-shares via a private placement with institutional investors. The proceeds shall be used to buy back a loan that KBC Bank provided in 2007.
- Both transactions create additional shareholder value and have a positive impact i.e. they strengthen the regulatory capital with 0.7 billion EUR and improve the common equity ratio (Basel III fully loaded) by 0,7%. The common equity ratio (Basel III, fully loaded) stood at 12,5% at the end of the third quarter 2013.
- KBC Bank remains Cera's and KBC Ancora's home bank after these transactions.

- **Cera and KBC Ancora , along with the other stable shareholders, will continue to play their role in ensuring the shareholder stability of the KBC group after the transaction.**

KBC Ancora shareholder loans

KBC Ancora owns 77.5 million KBC Group shares after the sale, representing approximately 18.6% in KBC Group's share capital. KBC Ancora will remain the largest shareholder of KBC Group after the transaction.

The proceeds of the sale will be used to buy back a loan that KBC Bank provided to KBC Ancora in 2007. It concerns a loan with a principal amount of 175 million euro, the full repayment of which was scheduled to occur on its maturity date in 2027.

The buy back by KBC Ancora of the loan provided by KBC Bank has a positive impact on the regulatory capital of KBC Bank. Under the anticipated comprehensive application of the Basel III capital rules (*fully loaded*) the amount of so-called shareholder-loans is deducted in full from the common equity of the bank. On 3 July 2013, it was announced that KBC Bank had transferred other loans provided to KBC Ancora with an aggregate principal value of 325 million euro to another international financial institution.

Cera shareholder loans

Cera owns 11.1 million KBC Group shares after the sale, representing approximately 2.7% in KBC Group's share capital.

The proceeds of the sale will be used to (i) buy back a loan with a principal amount of 250 million euro provided by KBC Bank, the full repayment of which was scheduled to occur on the maturity date in 2017 and (ii) to repay (almost) entirely the currently outstanding amounts of short term debt owed to KBC Bank (approx. 235 million euro).

The repayment of the loans has a positive impact on the regulatory capital of KBC Bank. Under the anticipated comprehensive application of the Basel III capital rules (*fully loaded*) the amount of so-called shareholder loans is deducted in full from the equity of the bank.

For more information, please contact:

KBC (www.kbc.com)

Wim Allegaert, General Manager, Investor Relations, KBC Group
Tel +32 2 429 50 51 - E-mail: wim.allegaert@kbc.be

Viviane Huybrecht, General Manager, Corporate Communication/Spokesperson, KBC Group
Tel +32 2 429 85 45 - E-mail: pressofficekbc@kbc.be

Cera (www.cera.be)

Hilde Talloen, hoofd communicatie,
Tel +32 16 27 96 79 Gsm 32 494 85 59 59 - E-mail: Hilde.Talloen@cera.be

KBC Ancora (www.kbcancora.be)

Jan Bergmans, Investor Relations & Pers contact
Tel +32 16 27 96 72 - E-mail: jan.bergmans@kbcancora.be

This press release is available in English, Dutch and French on the website www.kbc.com.

Note for the editors

KBC Ancora is a listed company which holds approx. 18.6% of the shares in KBC Group and which together with Cera, MRBB and the Other Permanent Shareholders is responsible for the shareholder stability and further development of the KBC group. As core shareholders of KBC Group, these parties have signed a shareholder agreement to this effect.

Cera counts 412.000 members which makes it one of the biggest cooperatives in the country. Cera is a reference shareholder of KBC Group.

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

KBC Group NV

Havenlaan 2 – 1080 Brussels
Viviane Huybrecht
General Manager
Corporate Communication /Spokesperson
Tel. +32 2 429 85 45

Press Office
Tel. +32 2 429 65 01 Stef Leunens
Tel. +32 2 429 29 15 Ilse De Muyer
Fax +32 2 429 81 60
E-mail: pressofficekbc@kbc.be

KBC press releases are available at www.kbc.com
or can be obtained by sending an e-mail to
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