# Press release - During trading hours

Brussels, 18 January 2013

# KBC successfully placed 1 billion USD of contingent capital notes

**Today, following a very successful investor roadshow throughout Europe and Asia from Monday 14 through Thursday 17 January 2013, KBC Bank NV placed 1 billion USD of tier-2 contingent capital notes which was targeted at institutional and high-net-worth investors. The issue met with strong demand and was more than 8 times oversubscribed.**

**Johan Thijs, KBC Group CEO** commented on the successful issuance as follows: *'On 10 December 2012, we announced our intention to issue contingent capital notes for approximately 0.75 billion EUR in the first quarter of 2013. The successful transaction underscores the Group's capability to access capital on a global basis and reflects its strong capital, liquidity and funding position. This notes issue further strengthens our existing robust capital buffers.'*

The notes were offered in minimum denominations of USD 200 000 and were widely placed with institutional and high-net-worth investors in Asia and Europe. They will carry a coupon of 8% per annum and have a maturity of 10 years, with an optional call at year 5. Furthermore, the notes are subordinated and will qualify as tier 2 capital under Basel III standards (based on the CRD IV draft of 20 July 2011). They carry an expected 'BB+' rating from Standard & Poor's and will be listed on the Luxembourg stock exchange.
The transaction will close and the notes will be issued on 25 January 2013.

Geographical distribution was well spread across Europe and Asia.

J.P. Morgan ( structuring adviser), BofA Merrill Lynch, Credit Suisse, Goldman Sachs International and Morgan Stanley were mandated as Joint Bookrunners and Joint Lead Managers, and KBC Bank acted as Joint Lead Manager.

KBC remains one of the best capitalised banks in Europe. Its reported core tier-1 ratio stood at 13.4% at the end of September 2012. Including the impact of the signed divestments of Absolut Bank, Nova Ljubljanska banka and a full exit from Kredyt Bank, the capital increase of 1.25 billion EUR and the sale of 350 million EUR worth of treasury shares, as well as the reimbursement of the remaining 3 billion EUR in state aid to the Belgian Federal Government (including the 15% penalty), the pro forma core tier-1 ratio came to 12.7% at the end of September 2012. Furthermore, as announced on 10 December 2012, it is KBC Group NV's intention to maintain a fully loaded Basel III common equity target ratio of minimum 10% as from 1 January 2013.

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**Important information**

This announcement is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any contingent capital notes in the United States. The contingent capital notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the"Securities Act"), or the laws of any State within the U.S., and may not be offered or sold in the United States, except in a transaction which is not subject to, or pursuant to an applicable exemption from, the registration requirements of the Securities Act or any State securities laws. This announcement may not be distributed or sent into the United States. No offering of the contingent capital notes is being made in the United States.

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