KBC Group

Company presentation
Summer 2008

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Ticker codes: KBC BB (Bloomberg)
KBC BR (Reuters)

KBC LISTED NYSE EURONEXT

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- KBC believes that this presentation is reliable, although some information is condensed and therefore incomplete.
- This presentation contains forward-looking statements with respect to the strategy, earnings and capital trends of KBC, involving numerous assumptions and uncertainties. The risk exists that these statements may not be fulfilled and that future developments differ materially. Moreover, KBC does not undertake any obligation to update the presentation in line with new developments.
- By reading this presentation, each investor is deemed to represent that it possesses sufficient expertise to understand the risks involved.

Table of contents

Company profile

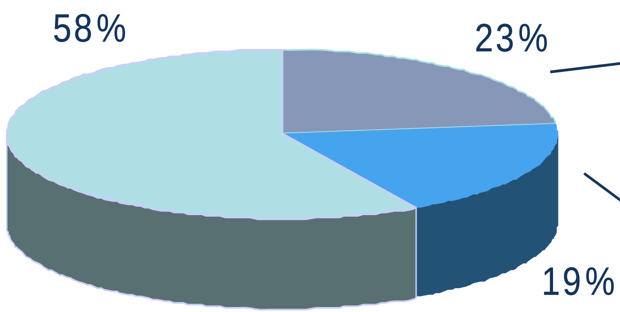
and strategy

KBC

Business profile

Revenue breakdown per geographical area
(FY 2007)

Belgium:
- retail bancassurance
- wealth management
- local merchant banking activities

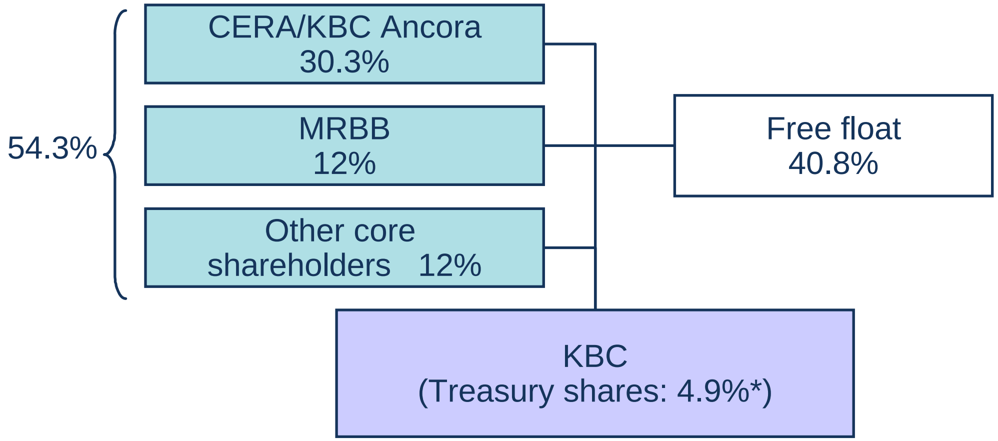


CEE:
- 4 main markets: Czech Republic, Poland, Hungary, Slovakia
- new markets added in 2007 (Russia, Bulgaria, Serbia)

Other
- commercial and private banking, mostly in Belgium's neighbours (NL, LU, FR,GE, UK)
- capital market activities

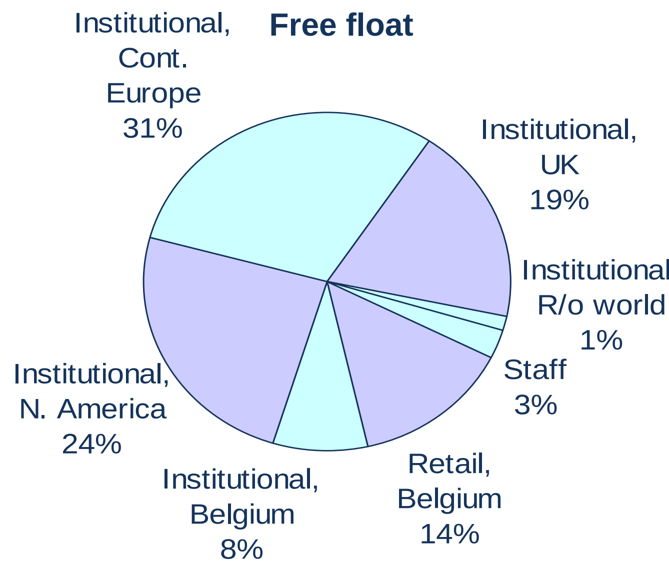
- KBC is a top-3 player in Belgium and in CEE-4; 75-80% of revenue is generated in markets with leading market share (which provides over-the-cycle strength)
- Moreover, KBC pursues some niche strategies in private banking and selected merchant banking activities (mainly European focus)

Shareholder structure



Situation as at 31 March, 2008

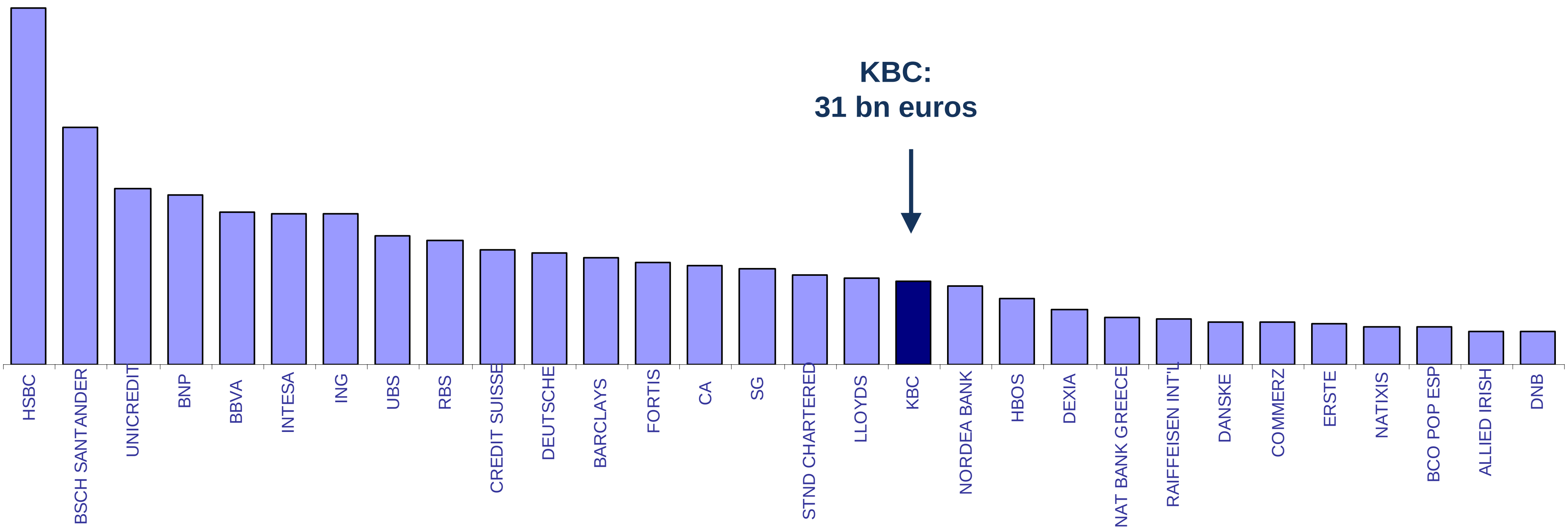
*Including ESOP hedge and shares bought back according to the share buyback plan



Shareholder identification survey as of 31 Dec 2007

- KBC is ±50%-owned by a syndicate of shareholders, providing continuity to pursue long-term strategic goals. Committed holders include the Cera/KBC Ancora Group (co-operative investment company), a farmers’ association (MRBB) and a group of industrialist families
- The free float is chiefly held by a large variety of international institutional investors (close to 50% UK- or US-based)

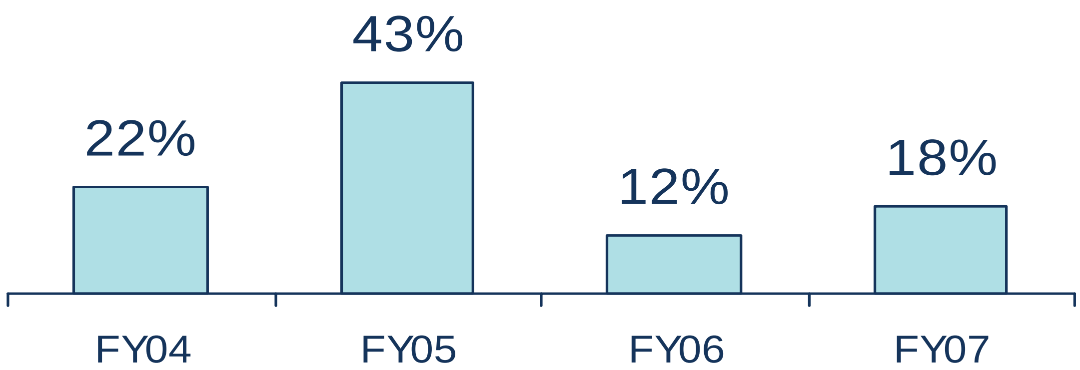
Ranking based on market capitalization, European Financials



Situation as at 7 May 2008. Current KBC share price: 86.9 euros

Financial track record

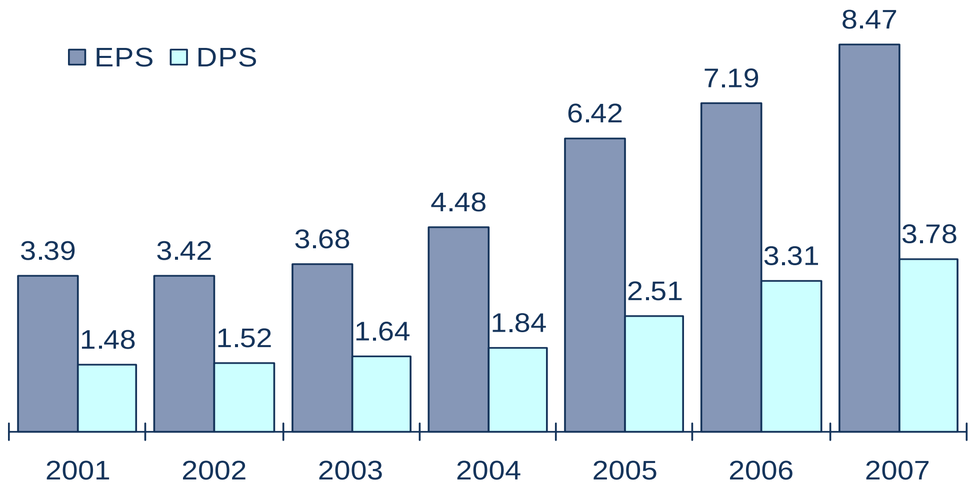
Underlying earnings-per-share growth per year



Underlying net profit
CAGR 10y: 16%

- The financial track record is very solid, based on strong cross-selling performance in Belgium (bancassurance) and increasing earnings momentum in CEE (the region represents 50% of the group's 2007 profit growth)

Dividend policy



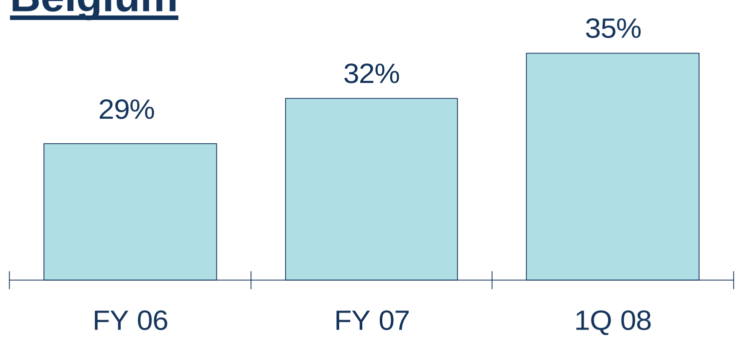
Note: EPS based on an underlying basis from 2005

- Steadily increasing dividend for more than 20 consecutive years
- Gross DPS growth was 20% CAGR over the last 5 years
- Historical average cash payout stands at 40-45%

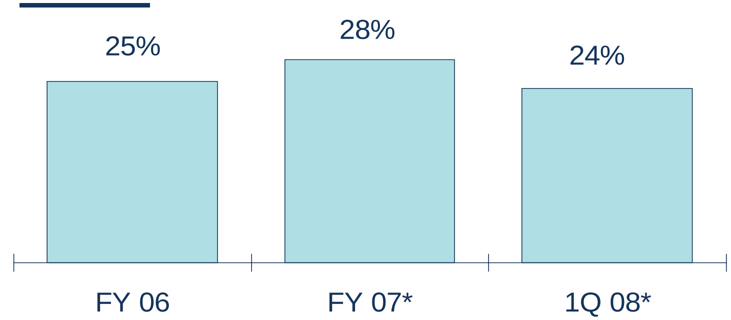
Return level per business units

Return on Allocated Capital

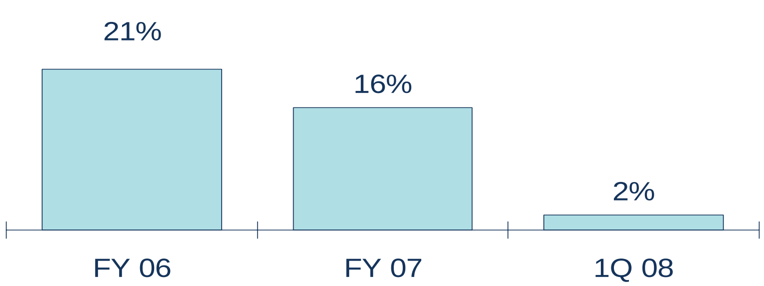
Belgium



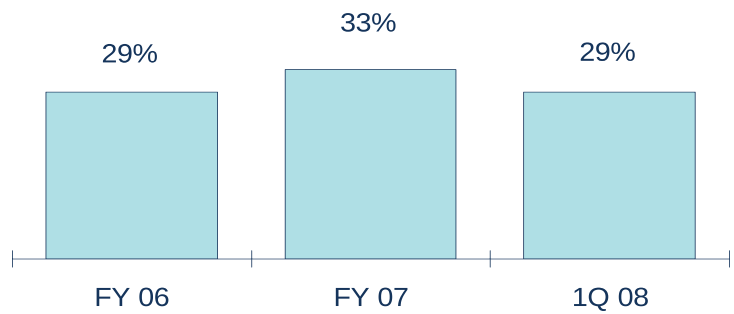
CEE R



Merchant Banking



European Private Banking



All figures are on an underlying basis

* Return in CEE, excluding new acquisitions. Return incl. new entities: FY07: 24%, 1Q08: 20%

Strategy development

Over the last 18 months, we have been carrying out what we promised in order to underpin future growth and profitability:

- Focusing on cross-selling and customer satisfaction in Belgium (average return on allocated capital targeted of > 26% for 2007-2009)
- Strengthening the sales networks in key CEE-4 markets (2 new branch openings/week)
- Entry into new CEE markets further East (2 bn euros invested in 2007-08)
- Achieving cross-border business synergies (another 180m euros pre-tax/ year synergies to come by 2009)
- Optimising the capital structure (reducing excess capital)

Growth expected to remain resilient

	Customer loans			Customer wealth		
	2006	2007	1Q 08	2006	2007	1Q 08
Belgium (retail)	+8%	+14%	+16%	+14%	+11%	+9%
CEE	+26%	+23%	+26%	+12%	+16%	+17%
Commercial banking	+13%	+16%	+4%	-	-	-
Private banking	-	-	-	+5%	+0%	-4%

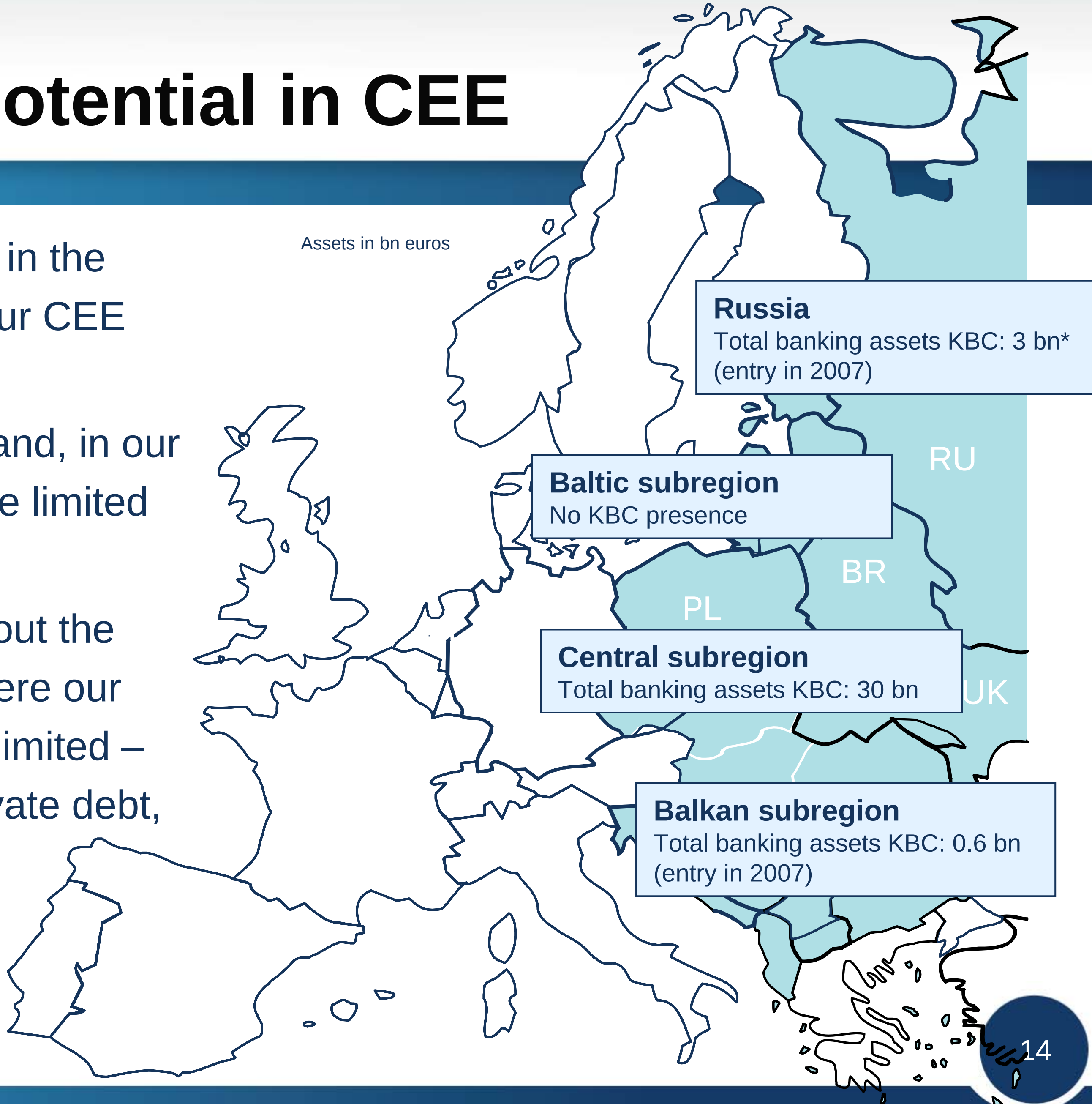
y/y organic growth trends; customer wealth = banking deposits + AUM + life insurance

- Our organic growth has been strong, mainly on the back of sustained wealth inflows and the low level of indebtedness in Belgium and converging purchasing power in CEE
- Although we expect to see an impact from an economic downturn, we believe growth momentum will remain resilient, especially in CEE

Growth potential in CEE

- Our 4 CEE key markets are in the central subregion (90% of our CEE banking assets)
- The economy is doing well and, in our view, the 'macro' risk is more limited here
- We are more concerned about the Baltic & Balkan areas – where our combined exposure is very limited – due to the high levels of private debt, real estate prices, C/A deficits…

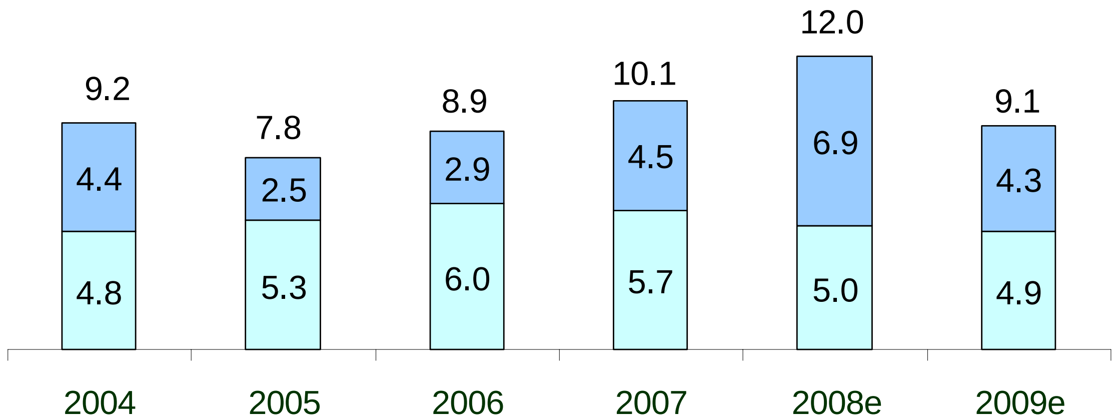
Assets in bn euros



* Top-10 mortgage lender in Russia

Growth potential in CEE (2)

Nominal GDP growth in KBC's CEE markets (in %)

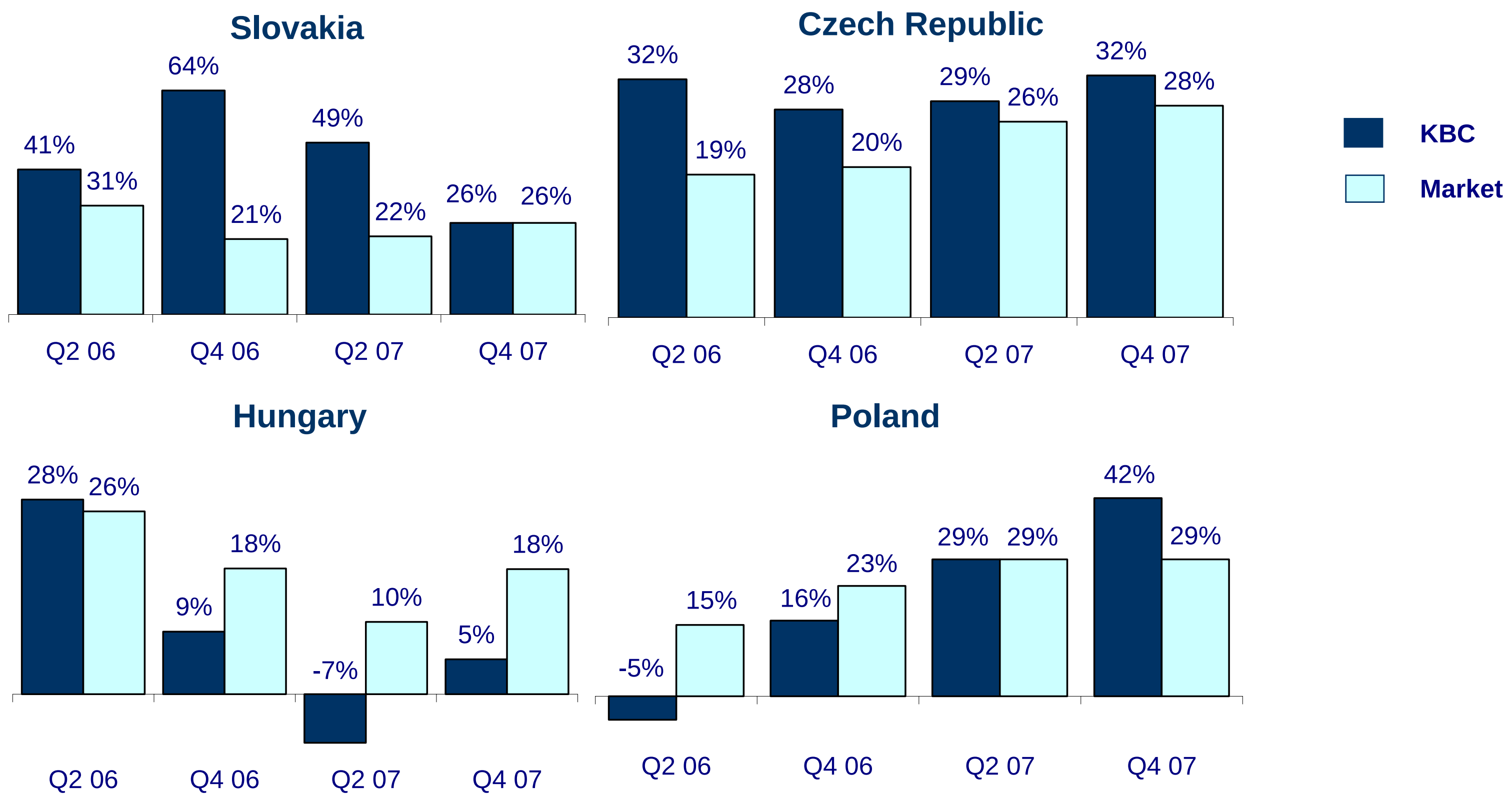


% Real GDP growth (bottom) and % inflation (top), weighted-average based on KBC presences

- As the cycle turns, (our) CEE economies will continue to outgrow mature markets. We expect economic growth for 2008 to be similar to that of 2007 (albeit with higher inflation)
- Although we prefer to remain cautious, we may have seen 'the worst' during the course of 2007 in Hungary, which has been the region's economic outlier since mid-2006

Growth potential in CEE (3)

KBC, loan growth, CEE (y/y, in %)

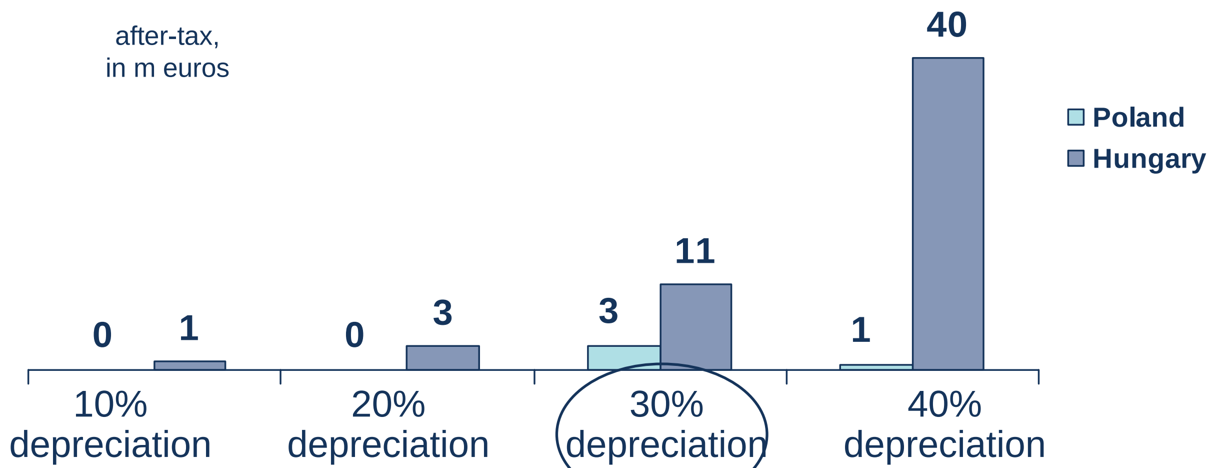


- CEE's growth momentum is supported by our enhanced competitive abilities (except in Hungary, where we decided mid-2006 to be more cautious)

No material FX lending issues in CEE

Stress test: expected losses from FX loans in Poland and Hungary in function of the depreciation of PLN and HUF

There is no material FX consumer credit business in the Czech Republic and Slovakia



Impact on KBC 2008 net profit* (*Sell-side consensus)	0.03%	0.1%	0.4%	1.3%

- For KBC, FX lending is an “issue” in Hungary only
- Given our conservative approach here, a 30% HUF depreciation would cost <0.5% of Group net profit (i.e. 11m euros after tax)

Financial calendar

5 & 6 June, 2008	Investor Day, Moscow
7 Aug, 2008	Publication of 1H 2008 results
6 Nov, 2008	Publication of 9M 2008 results
12 Feb, 2009	Publication of FY 2008 results

Analysts' opinions

Situation as at 13 May 2008 (current share price: 83.7)

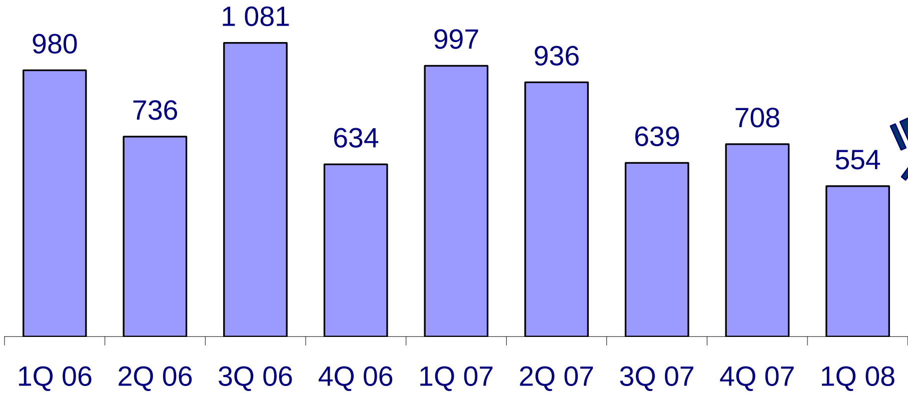
BANK/BROKER	ANALYST	PHONE	RATING	TARGET PRICE	UPSIDE
CHEUVREUX	Jan-Kees Mons	+31 20 573 06 66	+	100	20%
CAZENOVE	Natasha Oliver	+44 20 7155 6664	+	108	29%
citigroup	Kiri Vijayarajah	+44 20 7986 4258	+	101	21%
CREDIT SUISSE	Guillaume Tiberghien	+44 20 7883 7515	+	108	29%
BANK DEGROOF	Ivan Lathouders	+32 2 287 91 76	+	109	30%
Deutsche Bank	Gaelle Cibelly	+33 1 44 95 66 28	+	109	30%
Dresdner Kleinwort	Jaap Meijer	+44 20 747 55 664	+	107	28%
EXANE BNP PARIBAS	François Boissin	+33 1 42 99 25 12	+	107	28%
FORTIS	Kurt Debaenst	+32 2 565 60 42	+	103	23%
FPK	Jonathan Tyce	+44 20 7663 6058	=	100	20%
HSBC	Marcel Mballa-Ekobena	+44 20 7991 6809	+	108	29%
ING BANK	Albert Ploegh	+31 20 563 8748	+	110	32%
NATIXIS	Christophe Ricetti	+33 1 58 55 05 22	+	98	18%
JPMorgan	Paul Formanko	+44 20 7325 6028	+	110	31%
LEHMAN BROTHERS	Aurelia Faure	+44 20 7102 4681	+	115	37%
KBW	Jean-Pierre Lambert	+44 20 7663 5292	-	70	-16%
Merrill Lynch	Manus Costello	+44 20 7996 1953	+	100	20%
[illegible]	Scander Bentchikou	+33 1 44 51 83 08	+	94	12%
Sal. Oppenheim	Thomas Stögner	+49 69 7134 5602	+	101	21%
PETERCAM	Ton Gietman	+31 20 573 54 63	=	100	20%
Rabobank	Georg Krijgh	+31 20 460 48 60	=	101	21%
RBS	Omar Fall	+44 20 7678 0442	+	110	31%
SOCIETE GENERALE Cross Asset Research	Sabrina Blanc	+33 1 42 13 47 32	-	76	-9%
STANDARD & POOR'S	Marco Troiano	+44 20 7176 3964	=	95	14%
UBS Investment Bank	Gert Van Rooyen	+44 20 7568 2131	+	115	37%
WestLB	Ralf Breuer	+49 211 826 4987	+	110	31%
			CONSENSUS:	**103**	**23%**

1Q 2008
financial performance

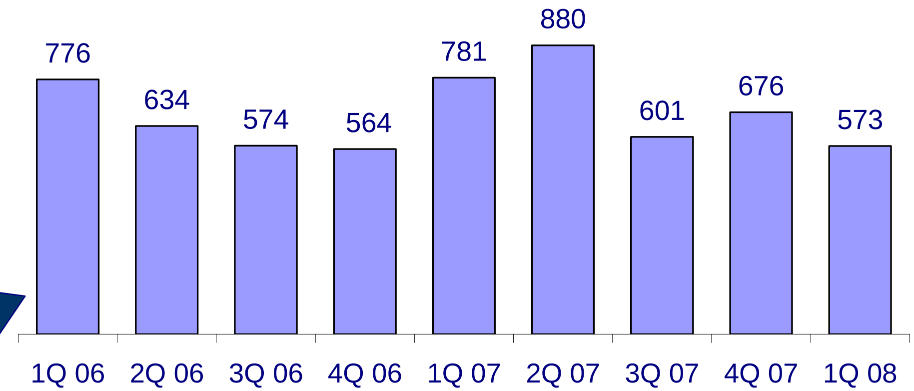
Highlights

Quarter under review - Financial highlights

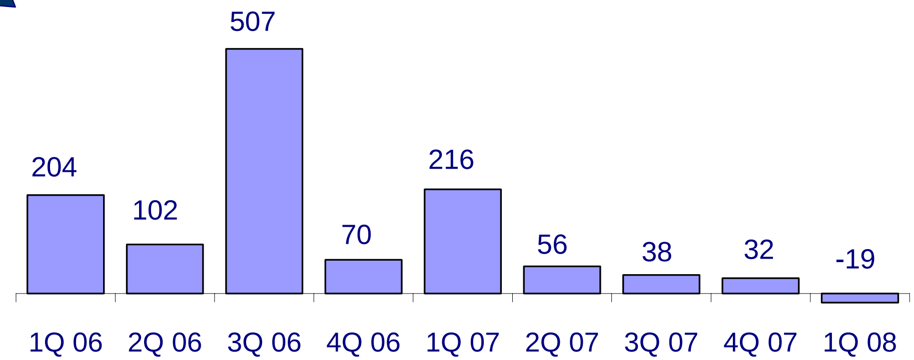
Reported net profit



Underlying net profit



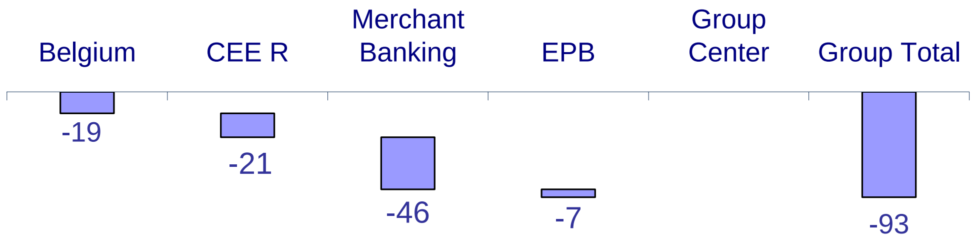
Exceptional items



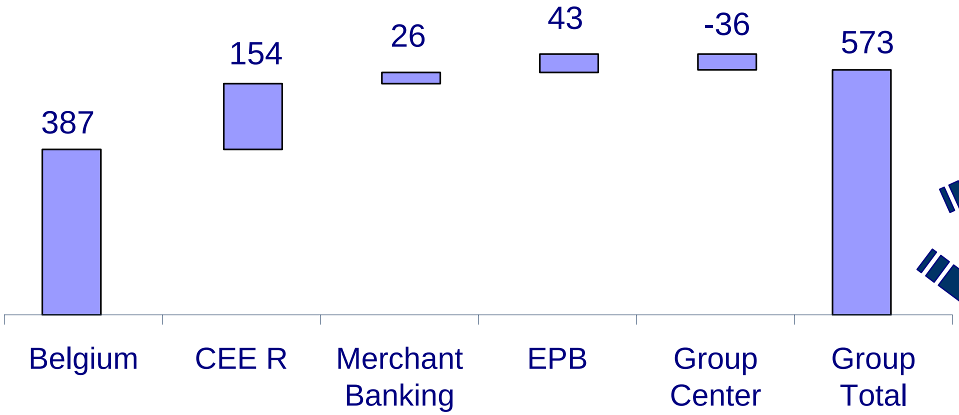
Note:
All of the following slides of this presentation refer to underlying P&L figures
All figures are in m euros

1Q 08 P&L impact of subprime exposure

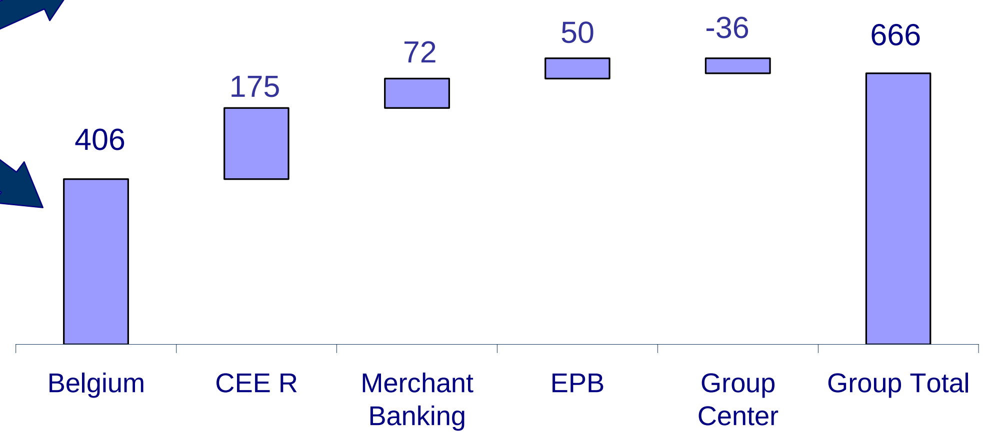
MtM adjustment related to subprime exposure (after tax)



Underlying net profit



Underlying net profit excl. MtM adjustment related to subprime exposure



y/y growth: **+24%** **+17%** **-73%** **-4%**

Note:
EPB stands for European Private Banking
All figures are in m euros

Quarter under review – Financial headlines

- Underlying net profit at 573m
- Encouraging volume growth: mortgages in Belgium up 10% y/y, up 50% in CEE
- Underlying NII up 10% y/y in Belgium and 21% in CEE
- Life insurance sales up 54% y/y
- Decline in broad equity indices (-17% q/q) weighed on trading and asset management operations
- Limited markdowns of structured credit investments portfolio (after-tax P&L impact: 93m, impact on equity: 61 m). No further accrual of provisions to cover exposure to monoline insurers
- Very low loan losses only, YTD LLR at 6 bps
- Solvency remained robust. Tier-1 ratio, stood at 8.6% according to Basel II (8.0% under Basel I). Solvency ratio, insurance stood at 191%
- Notwithstanding the robust solvency, but just to be cautious the share buyback has been temporarily suspended

Developments in 2Q 2008

- The second quarter up to now has shown a strong performance
- André Bergen, CEO:

  "As investment yields fell across asset classes and volatility remained high, merchant banking and asset management performances suffered. However, we were happy to see that the performances of the second half of the quarter showed clear signs of improvement. These improvements have accelerated further during the first half of the second quarter."

Analysis of results

Group

Volumes y/y

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	149	49	197	227	23
Growth, y/y	**+19%**	**+20%**	**+5%**	**+5%**	**+6%**
Belgium	**+16%**	**+10%**	**+14%**	**+7%**	**+5%**
CEE R	**+26%**	**+50%**	**+8%**	**+20%**	**+15%**
- Czech Republic	+27%	+51%	+8%	+15%	+7%
- Slovakia	+23%	+43%	+24%	+42%	+24%
- Hungary	+11%	+28%	+1%	+23%	+34%
- Poland	+48%	+87%	+9%	+29%	+24%
Merchant Banking	**+4%**	**-**	**-25%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**-7%**	**+9%**

Notes:

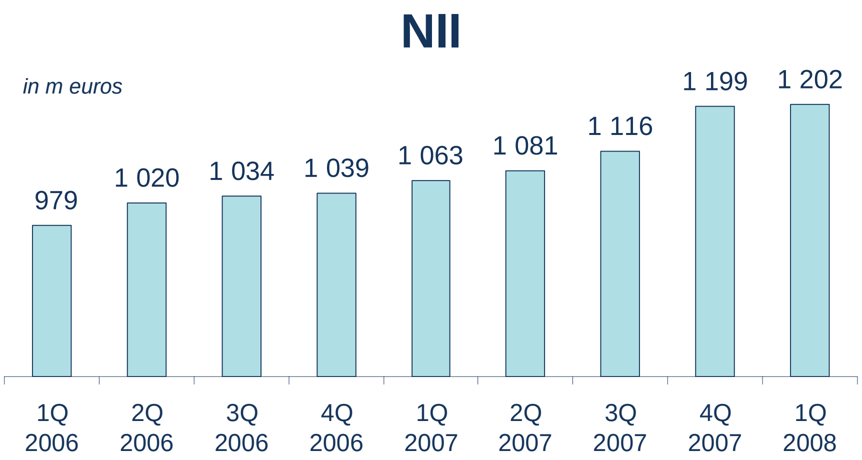
- Organic growth rates only
- Growth rates excluding repo and reverse repo actvities
- Trends for CEE in local currency

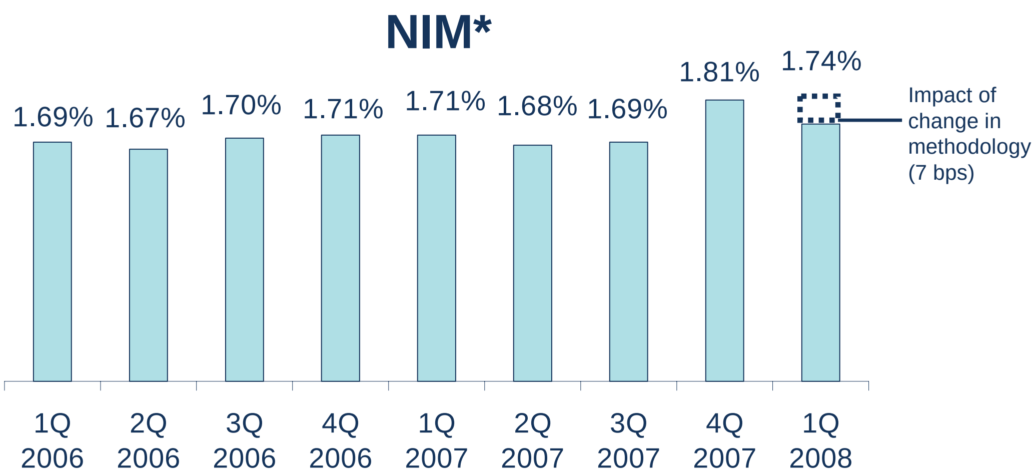
Volumes q/q – non-annualised

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	149	49	197	227	23
Growth, q/q	**+2%**	**+5%**	**+2%**	**-2%**	**+0%**
Belgium	**+1%**	**+3%**	**+3%**	**-1%**	**+2%**
CEE R	**+4%**	**+10%**	**+0%**	**+2%**	**+1%**
- Czech Republic	+2%	+7%	+2%	+4%	+1%
- Slovakia	+11%	+8%	-9%	+15%	+2%
- Hungary	+0%	+9%	-4%	+2%	-2%
- Poland	+10%	+13%	+8%	-7%	-1%
- Serbia	+19%	+10%	-14%	-	-
- Russia	+11%	+16%	-14%	-	-
- Bulgaria	+16%	+12%	-11%	-	+ 4%
Merchant Banking	**-1%**	**-**	**-3%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**-6%**	**+1%**

Notes:
- Organic growth rates only
- Growth rates excluding repo and reverse repo actvities
- Trends for CEE in local currency

Revenue trend - Group



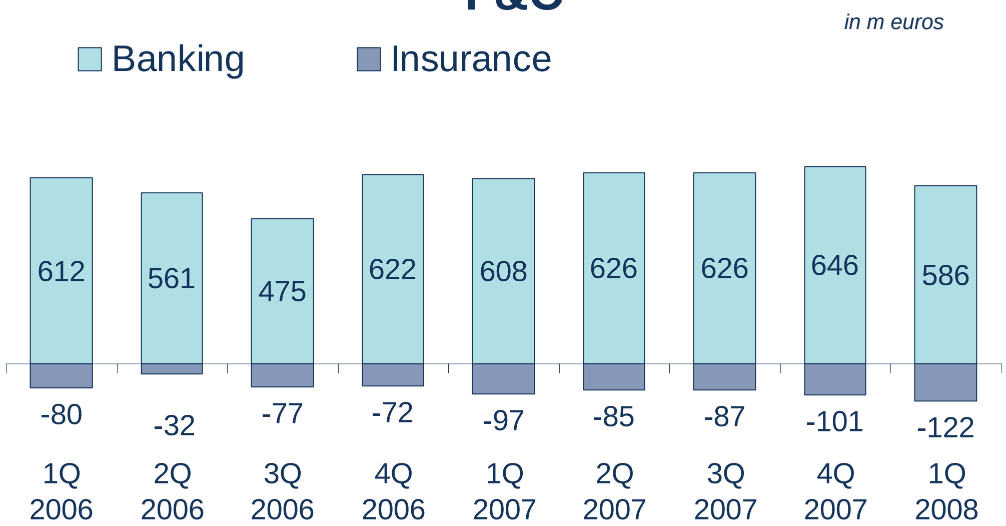


* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

- NII (1 202 m) up 13% y/y (excl. new acquisitions +10%) and roughly flat q/q as a balance of:
  - Rising volumes throughout the group, e.g.: loans up 19% y/y and 2% q/q
  - NIM (1.74%) slightly up y/y, but down 7 bps q/q on account of a change in accounting of lease finance and ALM derivatives (- 40m impact, recurring)

Revenue trend - Group

F&C

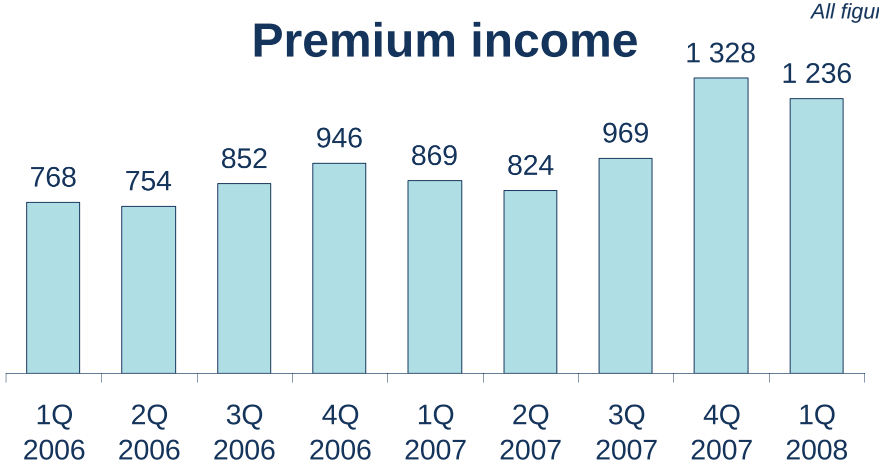


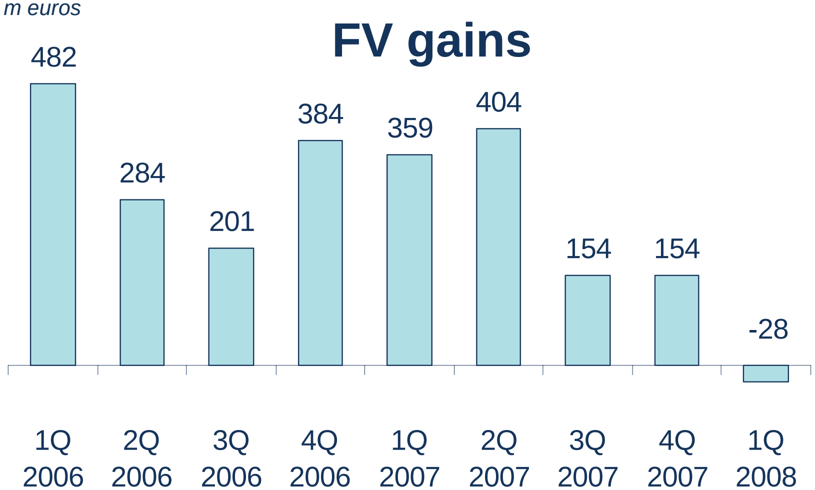
AUM

- Net F&C (464m) -15% q/q and -9% y/y on a comparable basis, as the result of:
  - Lower fees received for banking and asset management (-9% q/q, -4% y/y) due to the stock market volatility
  - Higher commissions paid for higher insurance sales
- AUM (227 bn) down 2% q/q and up 5% y/y. Net inflows at 3% q/q and 9% y/y, offest by negative price effect

Revenue trend - Group

All figures are in m euros

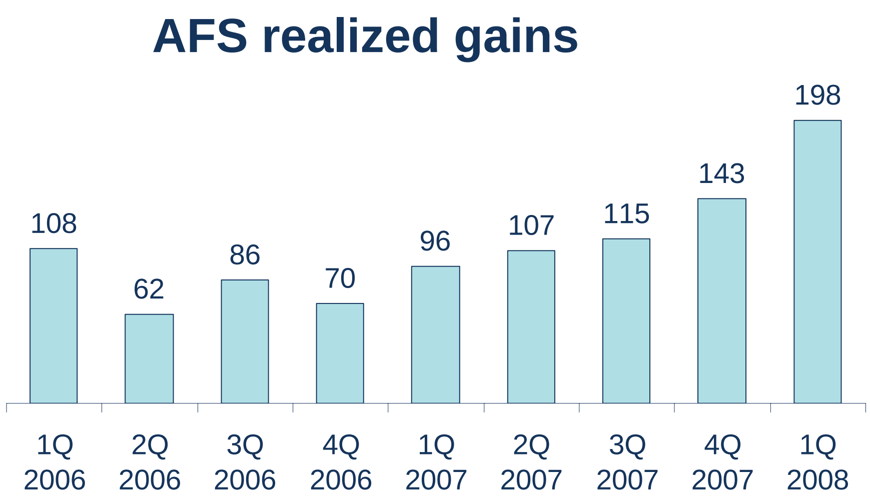


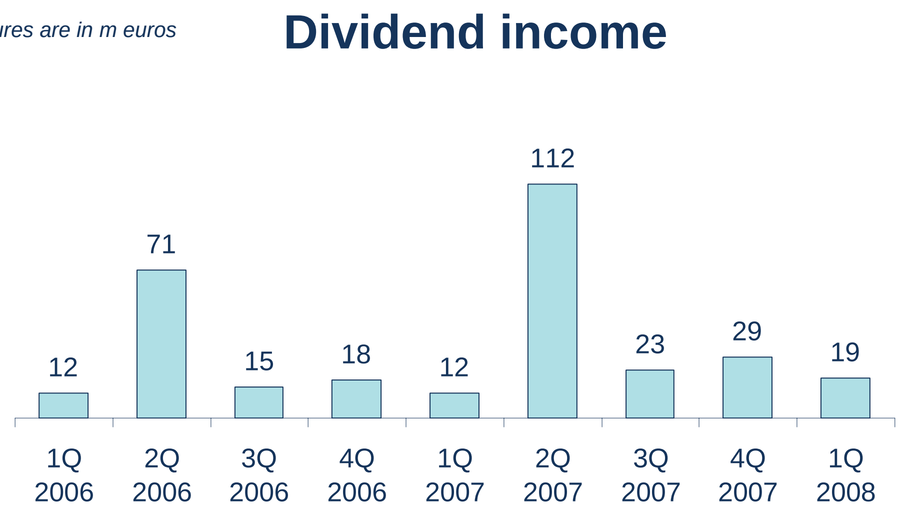


- Earned premium, insurance (1 236m) down 7% q/q due to 13% drop in life insurance sales (4Q 07 boosted by traditional marketing campaign for investment and life insurance products)
- Earned premiums up 42% y/y (life insurance sales up 72% y/y, on a like-for-like basis)
- FV gains (-28m) significantly down q/q and y/y:
  - difficult capital market situation
  - MTM adjustments on CDO portfolio: 141m pre-tax (vs. 114m in 4Q 07), 93m after-tax (vs. 70m in 4Q 07)

Revenue trend - Group

All figures are in m euros

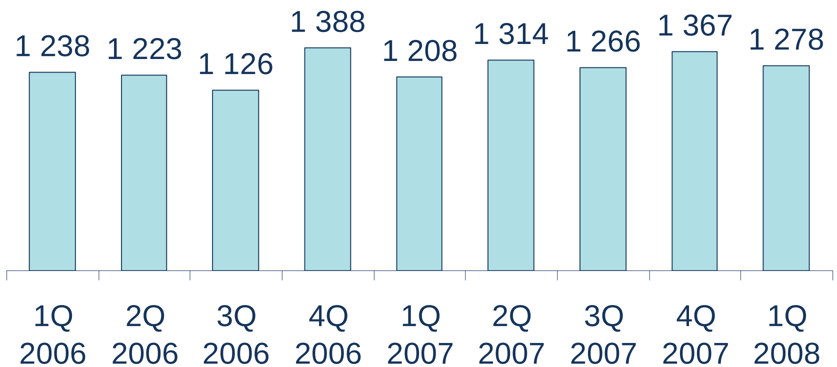




- AFS gains (198m) higher than 2007 quarterly average (net of impairment by 65m), related predominantly to shares sold in the investment portfolio of the insurance business (Business Unit Belgium)
- Reasons for higher realized gains:
  - during 1Q it was decided to go somewhat underweight in shares
  - capital gains realization to compensate for higher-than-average impairments on shares
- Dividend income (19m) in line with the previous quarters (seasonal peak in the second quarter)

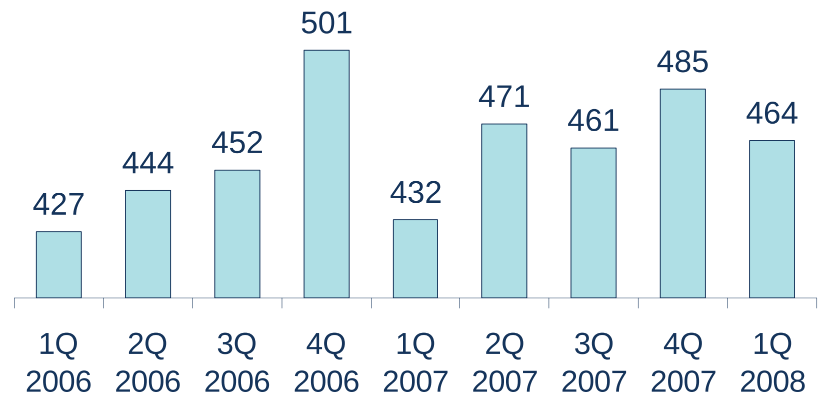
Operating expenses - Group

Operating expenses, consolidated

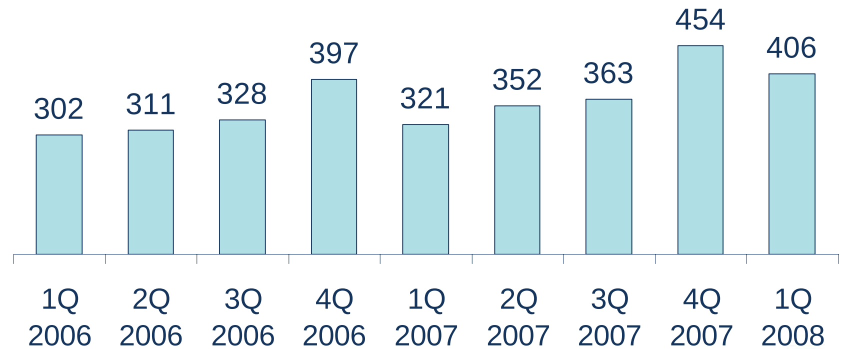


C/I, banking	FY 06	FY 07	1Q 08
Belgium	58%	59%	59%
Czech Republic	57%	53%	51%
Slovakia	-	-	60%
Hungary	63%	59%	52%
Poland	72%	70%	66%
Russia	-	72%	68%
Merchant Banking	50%	53%	85%
Private Banking	73%	65%	65%
Total	**58%**	**58%**	**66%**

Operating expenses, Belgium



Operating expenses, CEE R



All figures are in m euros

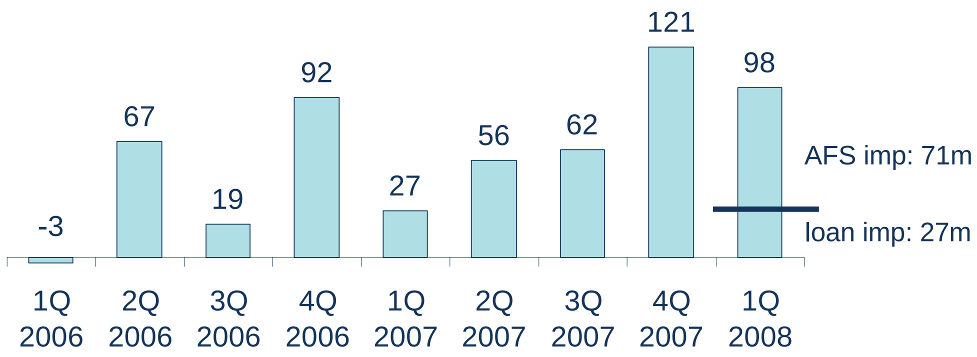
Operating expenses - Group

- q/q evolution: expenses down 7% on comparable basis, thanks to:
  - strict cost control,
  - lower profit-related remuneration
- 1Q 08 expenses contain 22m take-back of redundant provisions of risks and charges (41m in 4Q 07)
- y/y developments: increase less than 1% on a comparable basis (6% including new acquisitions and FX changes)
- YTD C/I ratio at 66% (underlying), up from FY 07 level (58%), essentially due to lower total banking income

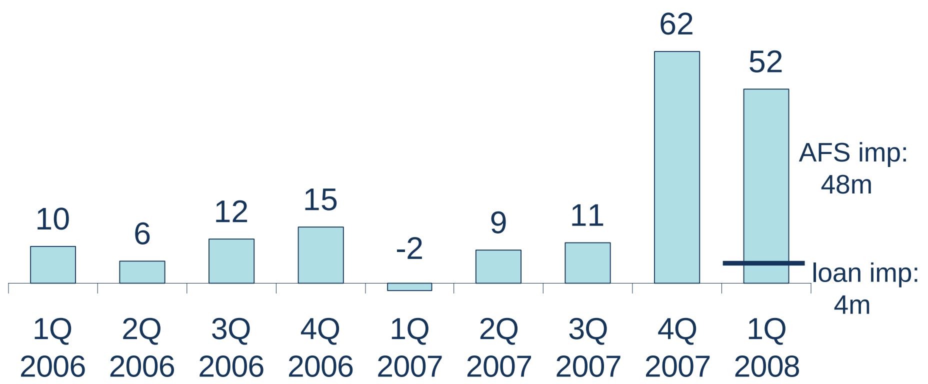
Impairment - Group

Impairment, consolidated

All figures are in m euros

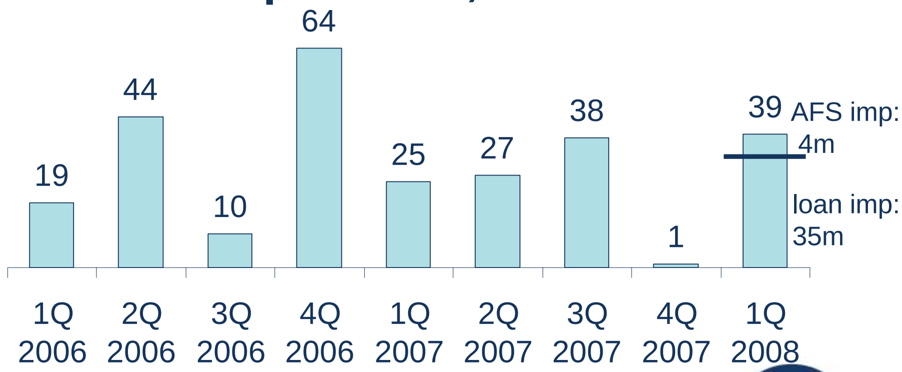


Impairment, Belgium



Loan loss ratio	FY 06	FY 07	1Q 08
Belgium	0.07%	0.13%	0.03%
Czech Republic	0.36%	0.18%	0.29%
Slovakia	-	0.96%	0.60%
Hungary	1.50%	0.62%	0.05%
Poland	0.00%	0.00%	0.64%
Russia	-	0.21%	0.82%
Merchant Banking	0.00%	0.02%	0.00%
Total	**0.13%**	**0.13%**	**0.06%**

Impairment, CEE R



Impairment - Group

- 1Q 08 total impairment: 98m, of which:
  - 27m related to the loan portfolio
  - 71m related to AFS securities
- YTD LLR 6 bps on Group level: still very low (13 bps in FY 07)
- Overall loan quality continues to be sound. NPL ratio stable at 1.5%

Note: All figures are before tax

Underlying profit

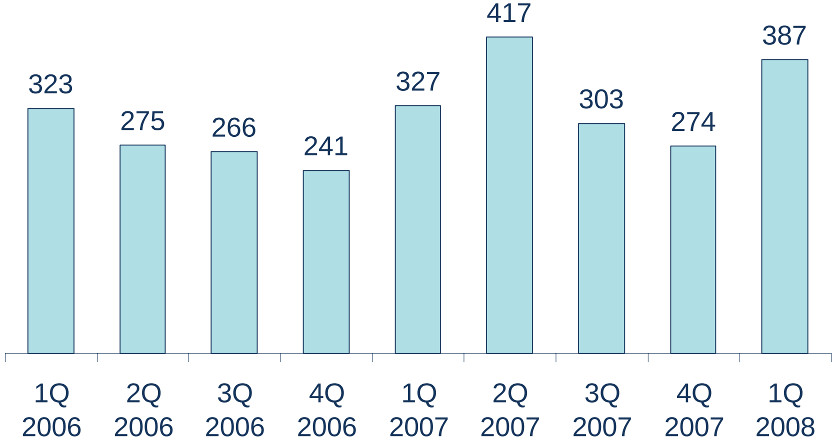
performance per business unit

KBC

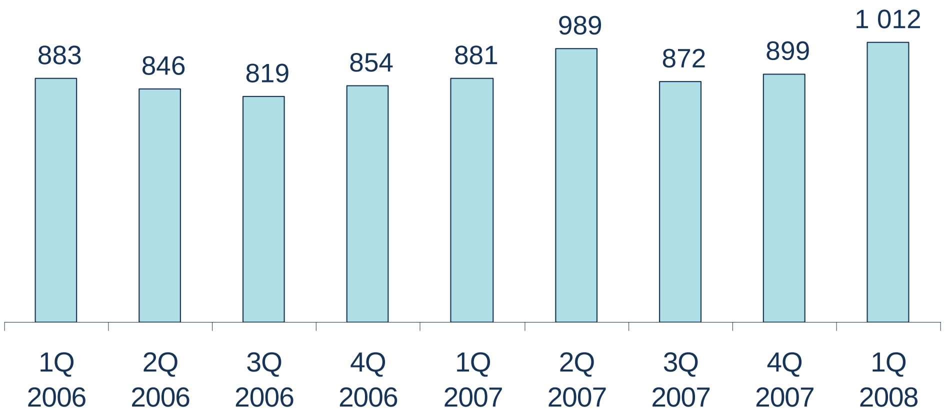
Business Unit Belgium

All figures are in m euros

Net profit

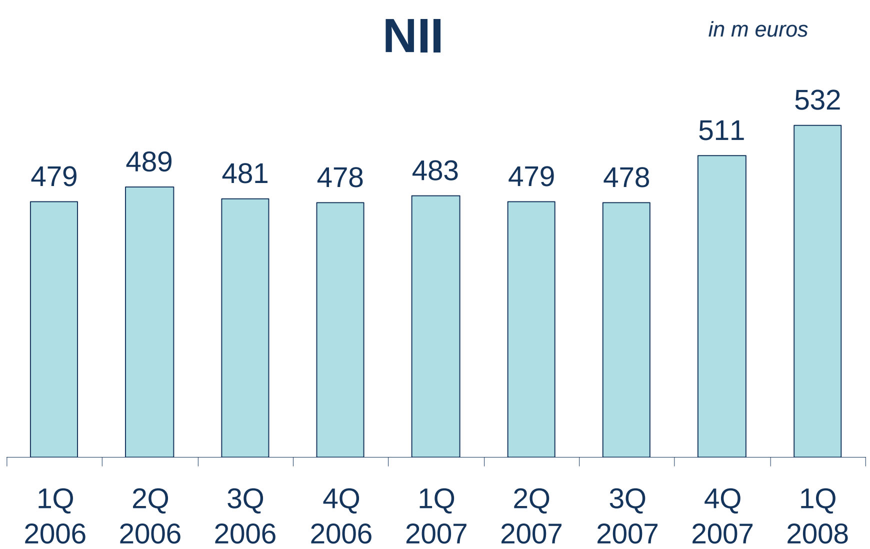


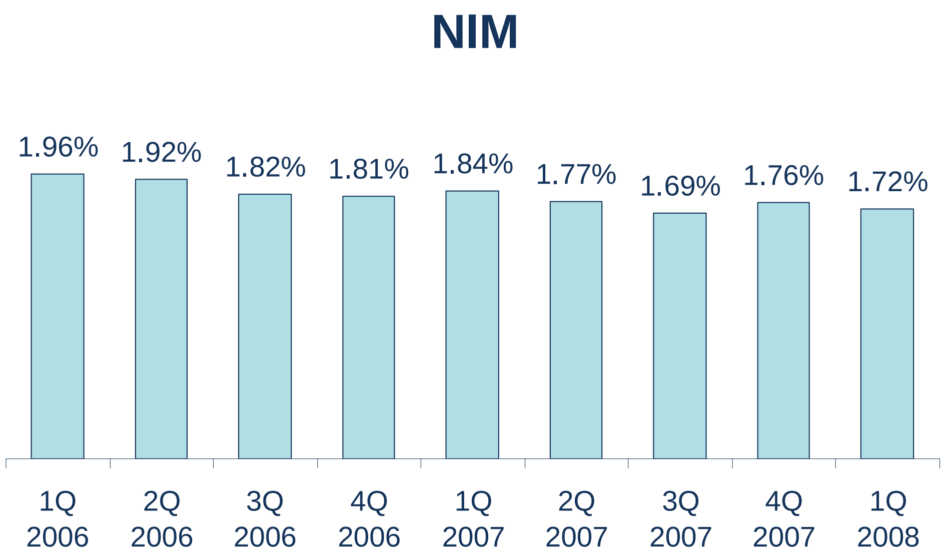
Total Income



- 1Q underlying net profit at 387m, up 41% q/q, 18% y/y
- Net profit supported by higher-than-average realised gains on investments (200m), net of impairment charges 65m higher than 2007 quarterly average
- Underlying YTD C/I ratio at 59% (in line with FY 07)
- YTD net combined ratio, non life insurance at low 88%
- YTD return on allocated capital 35% (26% with normalised level of capital gains)

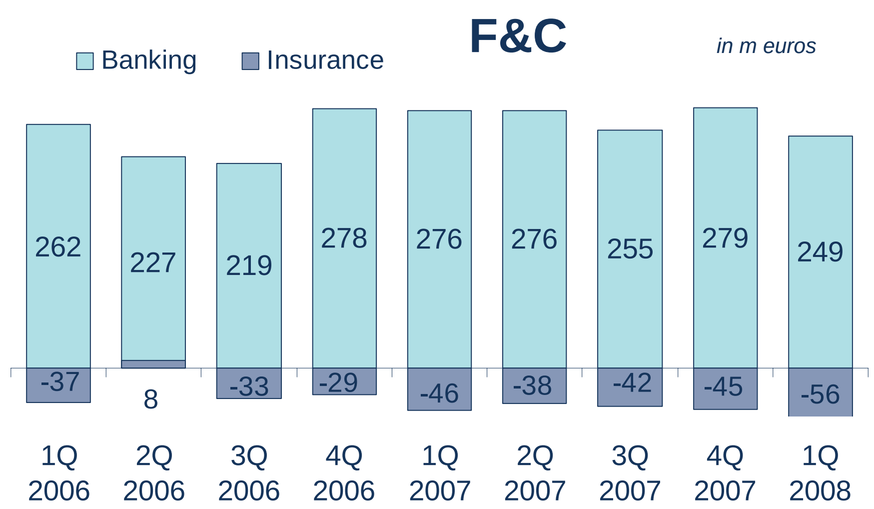
Business Unit Belgium (2)

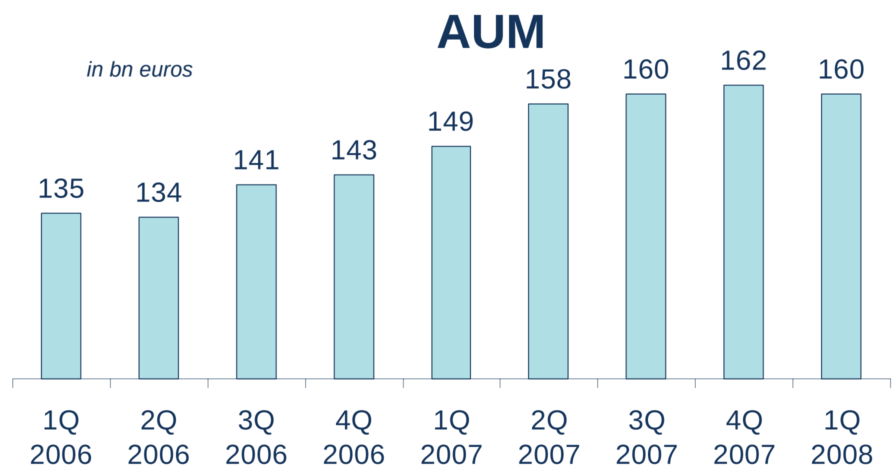




- NII (532m) up 4% q/q – continuing the strong trend started in 4Q 07
- NII up 10% y/y, resulted from:
  - brisk volume growth of loan and deposit (+16% and +14%, respectively)
  - positive impact from the capital increase in KBC Bank in 4Q 2007
- NIM stood at 1.72%, down 4 bps q/q (strong growth of low-margin deposits) and 12 bps y/y (flattening of yield curve and higher share of low-margin deposits)

Business Unit Belgium (3)



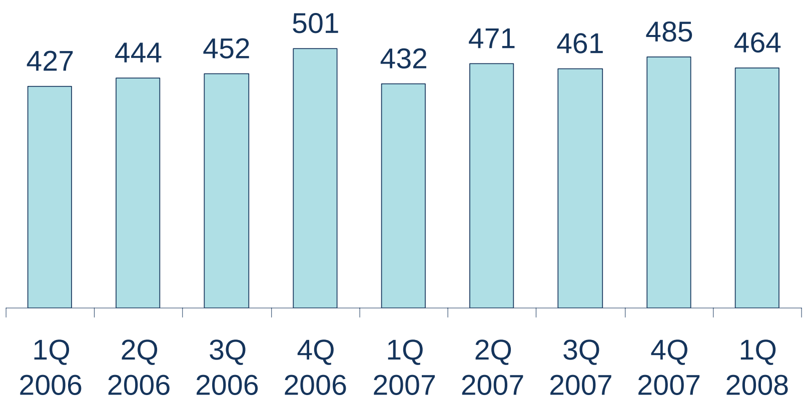


- F&C income (192m) down both q/q and y/y by 8% and 16%, respectively, due to:
  - High volatility in equity markets which led *inter alia* to decreased fees from sales of investment funds
  - increased fees and commissions paid to insurance agents
- AUM (160bn) down 1 % q/q (+3% net inflows, -4% price effect), up 7% y/y (12% net new inflows and -5% price effect)

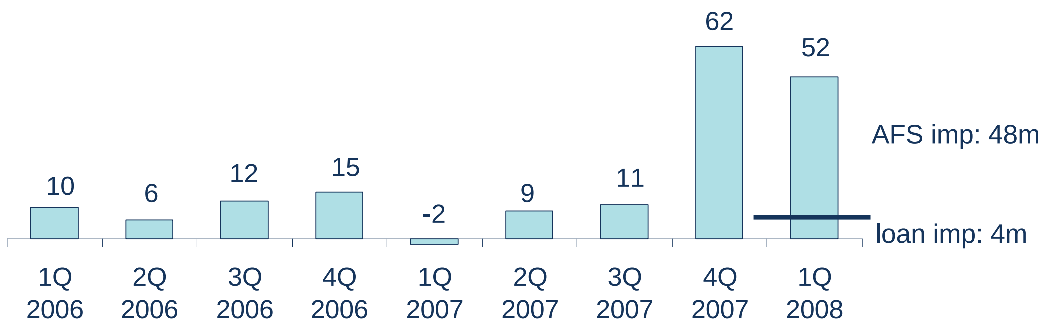
Business Unit Belgium (4)

All figures are in m euros

Operating expenses

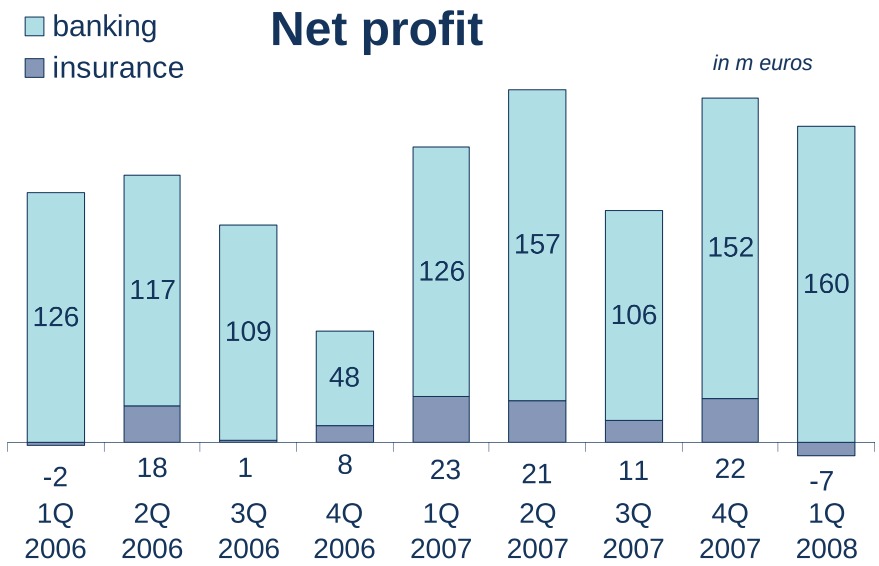


Impairment



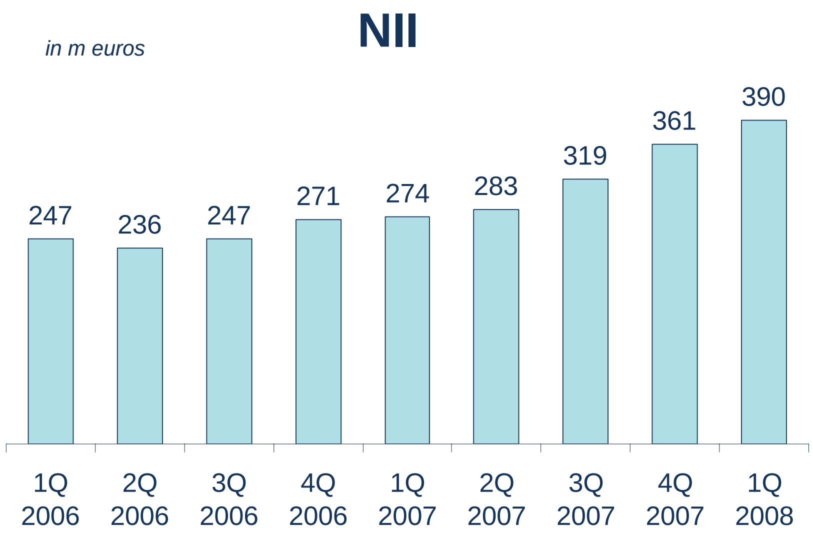
- Operating expenses (464m) down 4% q/q, mainly thanks to lower bonus accruals
- Costs up 7% y/y, as a result of:
  - inflationary pressure
  - number of one-offs, incl. 6m negative impact from staff hospitalisation costs (vs. 5m positive impact from retrieval of cost provisions in 1Q 07)
- Impairments on loans remained limited (4m, 2007 quarterly average: 15m), YTD LLR at 3bps (13 bps in 2007)
- Impairment on AFS assets impacted by difficult stock markets became relevant as of 4Q 07

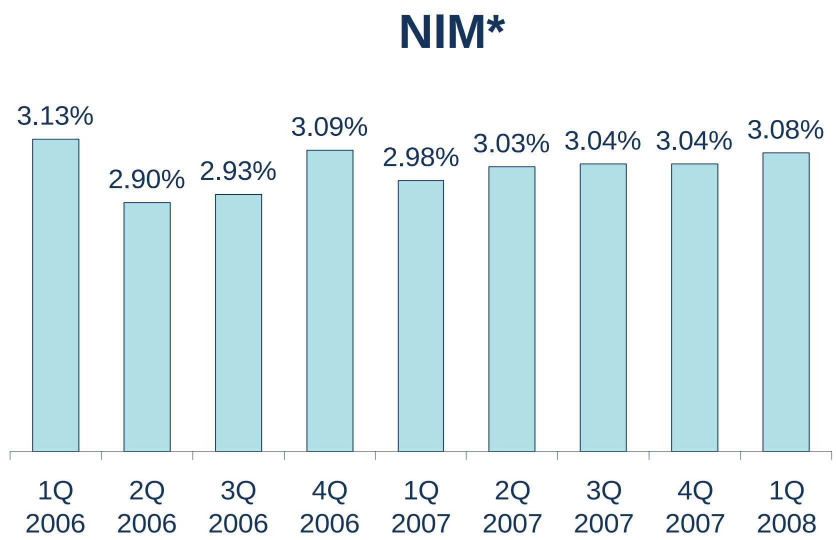
Business Unit CEE R



- Underlying net profit (154m), down 11% q/q, up 3% y/y
- Contribution of Czech Republic: 95m, Slovakia: 14m, Hungary: 40m, Poland: 31m, Russia: 6m, -33m for the remainder (incl. funding costs)
- Impact of ABS/CDO MtM: -28m pre-tax, -21m after-tax (in 4Q 07: -29m, -21m respectively)
- For the region as a whole, banking profit up 27% y/y, while insurance results down to -7m due to non-recurring factors, such as:
  - Changes in life insurance deficiency reserves in Czech Republic (11m q/q, 36m y/y)
  - First-time consolidation adjustments of DZI Insurance, Bulgaria

Business Unit CEE R (2)



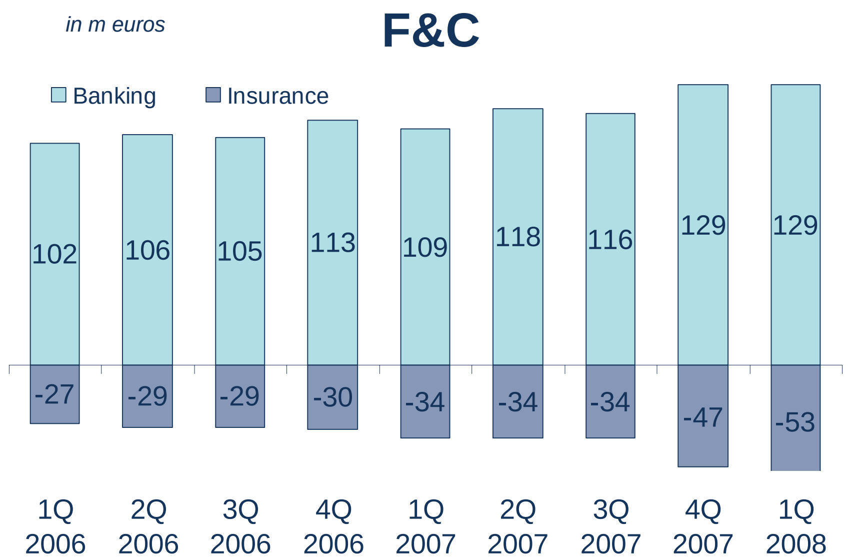


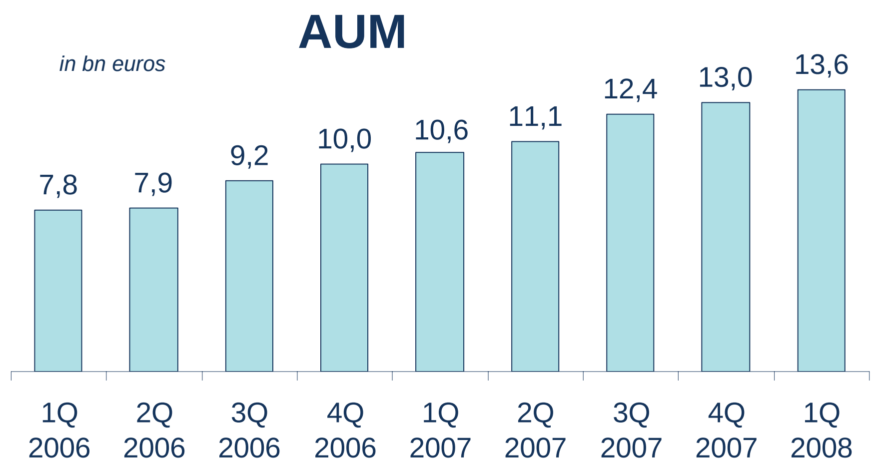
- Significant rise in NII (390m, by far the most important income item): up 5% q/q and 21% y/y on an organic basis, essentially thanks to continued robust volume growth throughout the region:
  - loan volumes: +26%, of which mortgages: +50%,
  - deposits: +8%

  (all figures above are organic growth y/y; exchange rate changes excluded)
- NIM up 4bps q/q and 10bps y/y

* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

Business Unit CEE R (3)



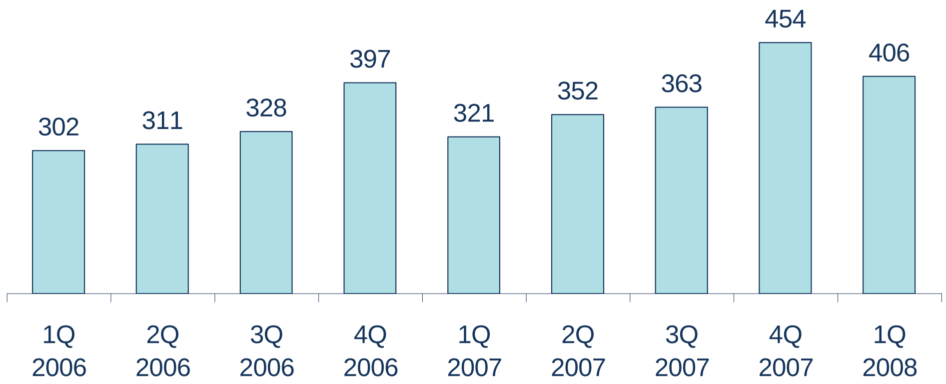


- Net F&C stood at 76m, as a result of:
  - F&C received (banking) down 1% q/q, up 5% y/y on a comparable basis
  - Increased commissions paid to insurance agents (organically: +11% q/q and +26% y/y), resulting from higher sales
- AUM up 2% q/q, 20% y/y on an organic basis, half of which thanks to new inflows (10 % points price effect)

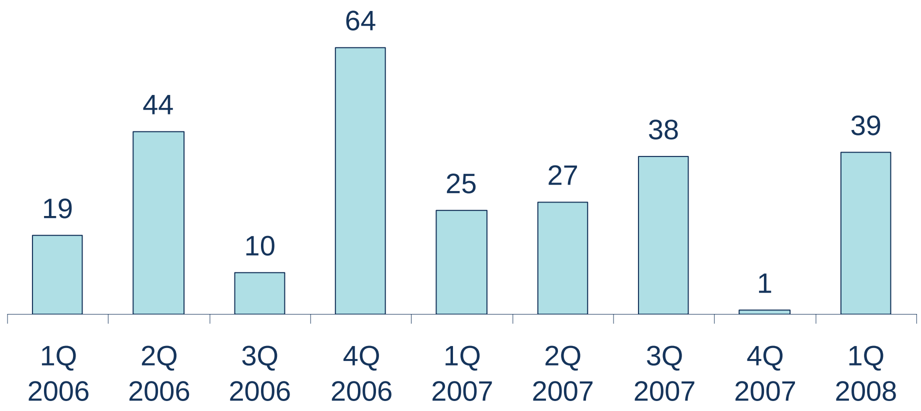
Business Unit CEE R (4)

All figures are in m euros

Operating expenses

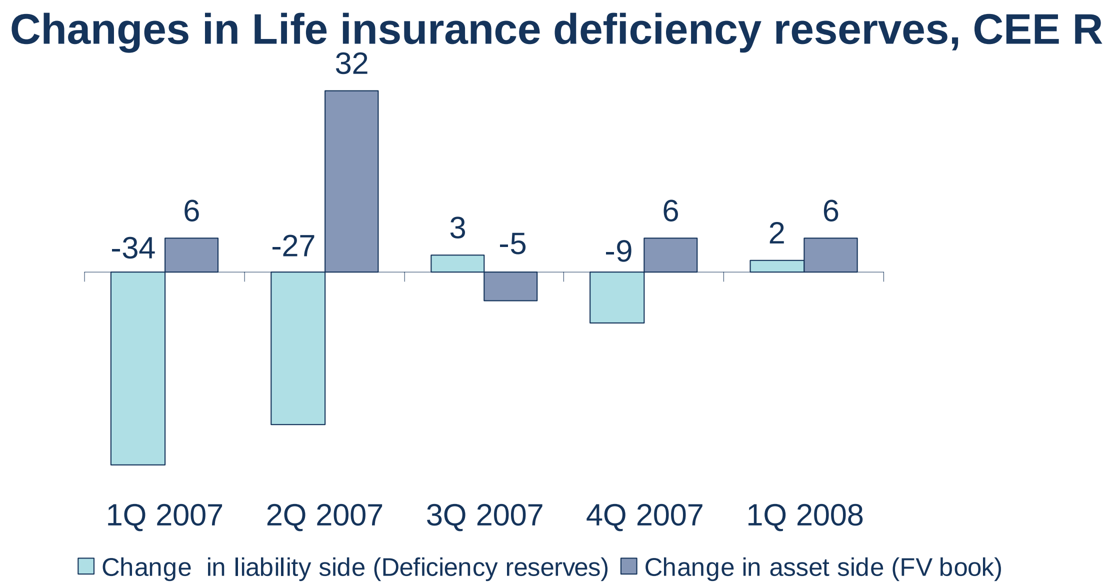


Impairment



- Operating expenses (406m) down 13% q/q:
  - 4Q 07 burdened by seasonality and start-up costs for consumer finance in Romania
  - 1Q 08 benefited from the write-back of a litigation provision in Hungary (impact +13m)
- Costs up 6% y/y, due to wage inflation and costs related to branch openings, among other things
- YTD C/I ratio (banking) at 61% (63% in FY 07)
- Impairments (39m) up q/q and y/y; 4Q 07 benefited from a retrieval of portfolio-based provisions (21m)
- YTD LLR for the region: 38 bps (26 bps in FY 07)

Business Unit CEE R (5)

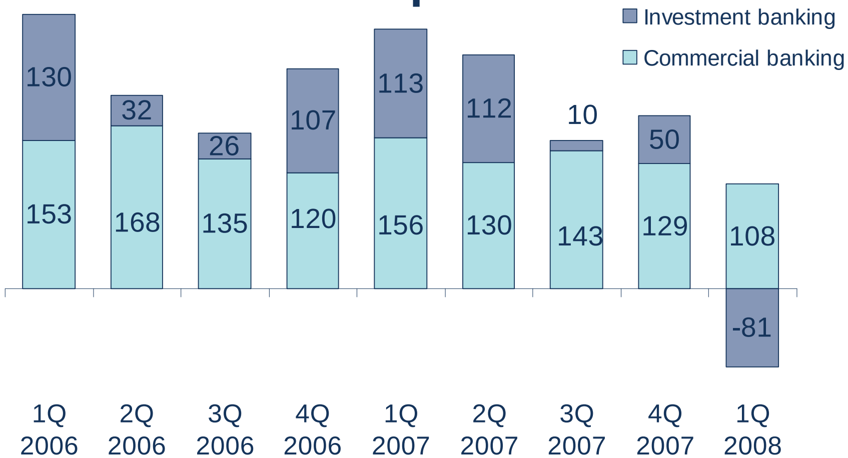


- Deficiency reserves built up to avoid negative consequences of a sustained decline in interest rates on long-term Life insurance liabilities
- Reserves set primarily for those products that are most susceptible to interest rate risk (i.e. guaranteed rate insurance products)
- Liabilities are re-invested in bonds, valued at market value
- Volatility between value changes in the asset side (FV book) and liability side (reserves) caused by valuing asset side on bond yield curve, but liabilities on swap yield curve

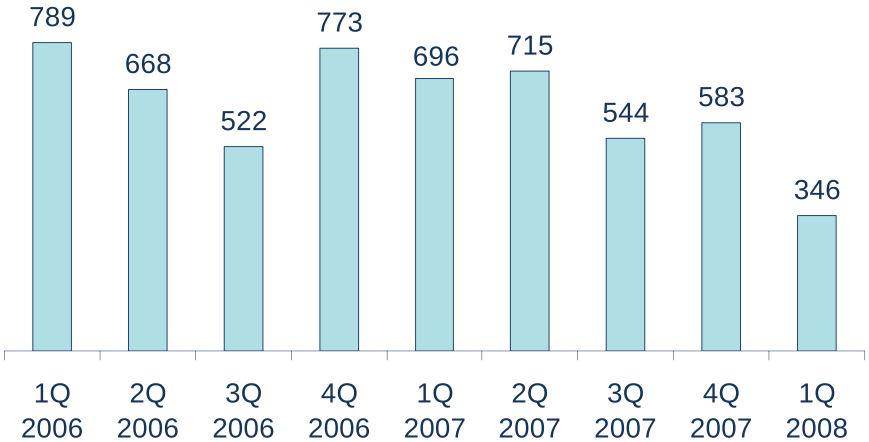
Business Unit Merchant Banking

All figures are in m euros

Net profit

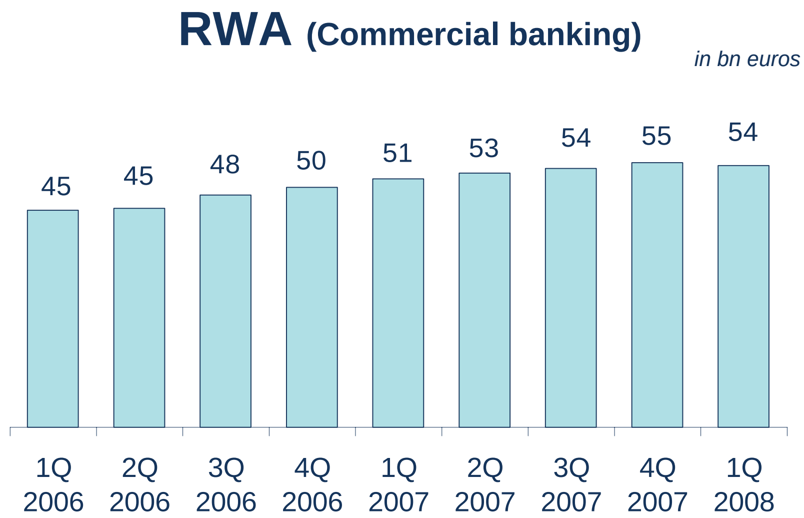


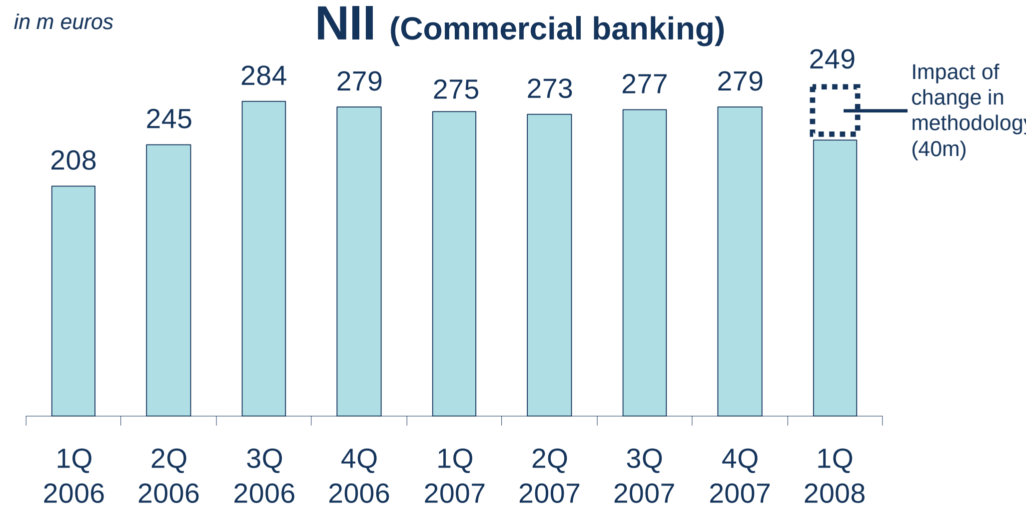
Total Income



- Underlying net profit at 26m:
  - 108m profit in commercial banking, down 23% on 2007 quarterly average
  - 81m loss for investment banking (vs. 71m quarterly average profit in 2007)
- Largely impacted by the adverse situation on financial markets
- MTM losses on CDOs: 74m pre-tax, 46m after-tax
- No additional credit valuation adjustments related to credit insurers (vs. -39m in 4Q 07)

Business Unit Merchant Banking (2)



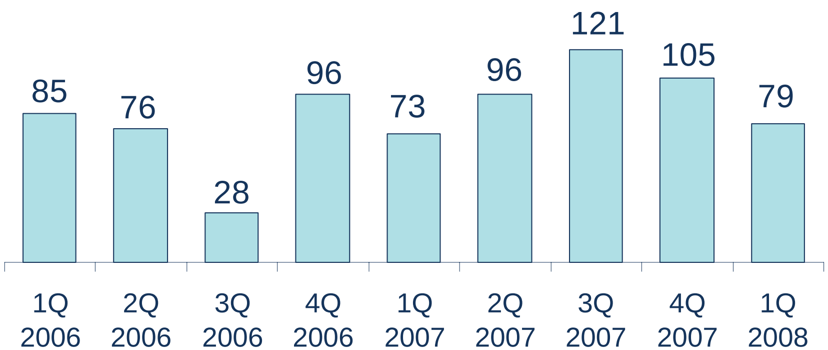


- NII (249m, related to commercial banking) up 4% q/q and 5% y/y, disregarding the negative impact of a methodological change in the booking of lease finance and ALM derivatives (-40m per quarter, recurring as of now)
- RWA of commercial banking down 1% q/q, not on account of strains in funding, but due to ensuring an adequate risk-return level in light of a possible global economic slowdown

Business Unit Merchant Banking (3)

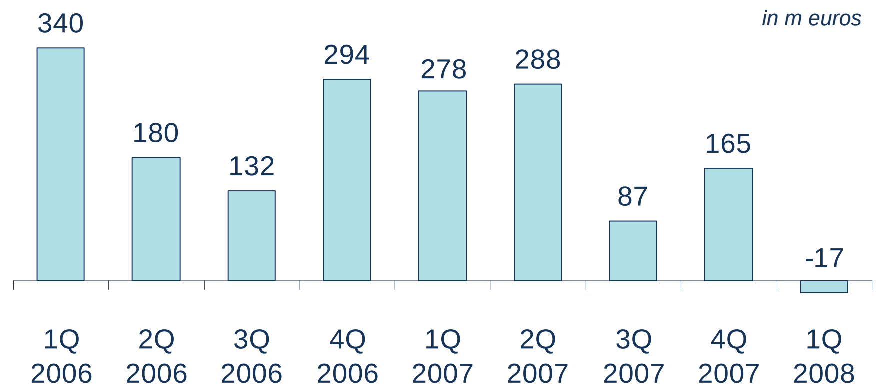
F&C

All figures are in m euros



FV gains (Investment banking)

in m euros

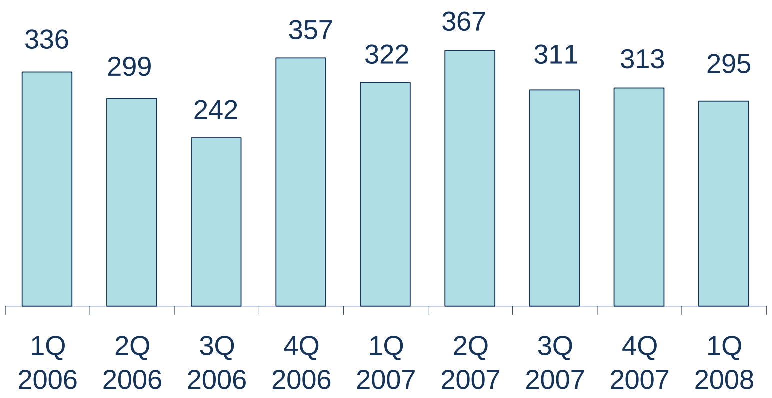


- Net F&C (79m) down 25% q/q due to lower equity brokerage and corporate finance activities; slightly up y/y
- Negative 32m Fair Value income (commercial banking: -16m, investment banking: -17m) contains, amongst others:
  - 74m negative value adjustments on CDO/ABSs (pre-tax, 63m in 4Q 07, nil in 1Q 07)
  - Weak sales and trading performance
  - Higher funding costs

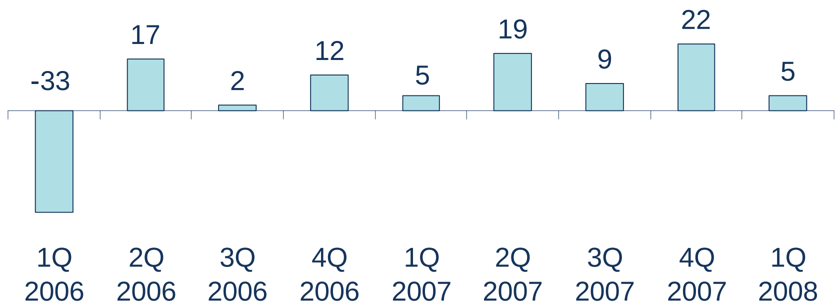
Business Unit Merchant Banking (4)

Operating expenses

All figures are in m euros



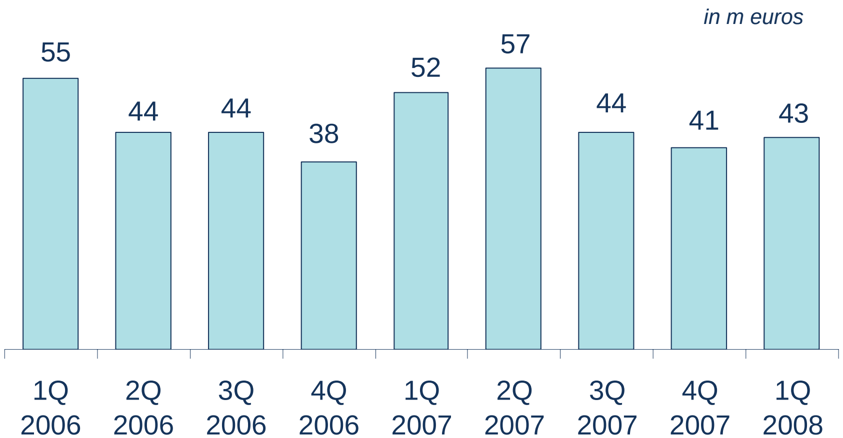
Impairment



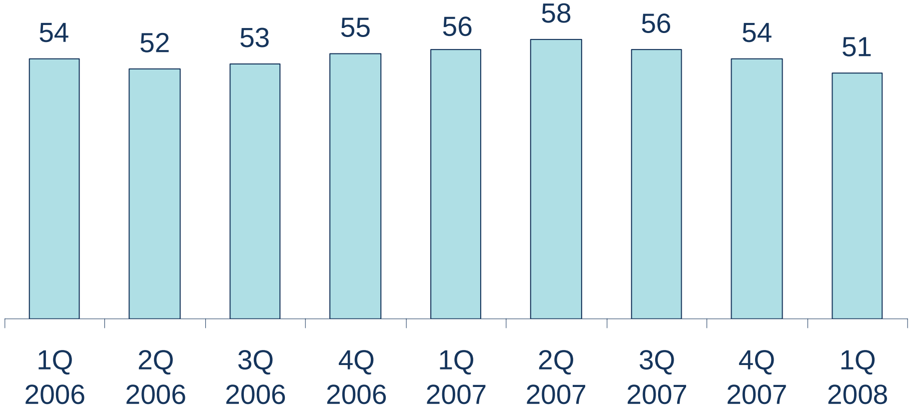
- Significant improvement in operating expenses (295m), both q/q and y/y, predominantly related to lower profit-related remuneration
- More significant drop in income than costs resulted in an 85% C/I ratio (53% in FY 07)
- Net retrieval of loan loss impairments (13m)
- Due to deteriorated market situation, AFS-assets related impairment 17m (48m in 4Q 07, 1m in 1Q 07)
- YTD LLR: zero (2 bps in FY 07)

Business Unit Private Banking

Net profit



AUM

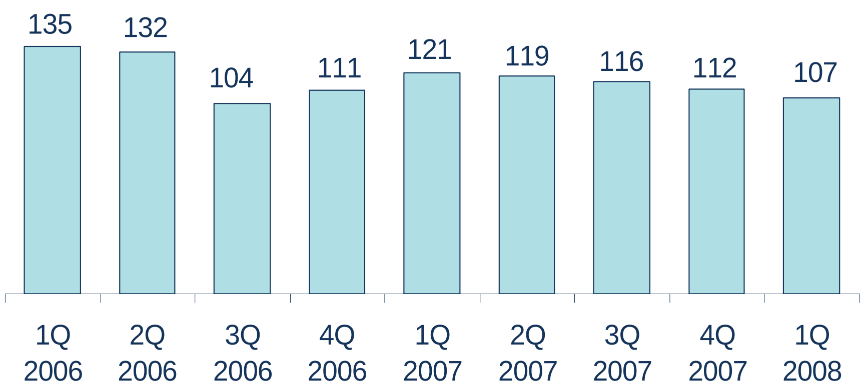


- Underlying net profit (43m) up 5% q/q, down 17% y/y
- YTD return on allocated capital at 29% (33 % in FY 07)
- AUM (51bn) down 6% q/q, and 7% y/y:
  - negative price effect both q/q and y/y (-4%, -12% respectively)
  - net new inflow: 1% y/y, 0.3% q/q
  - the drop was most outspoken in the non-core, low-yielding assets - in line with expectations
  - +2.4% q/q and +4% y/y net inflows of on-shore private banking (total: 24 bn)

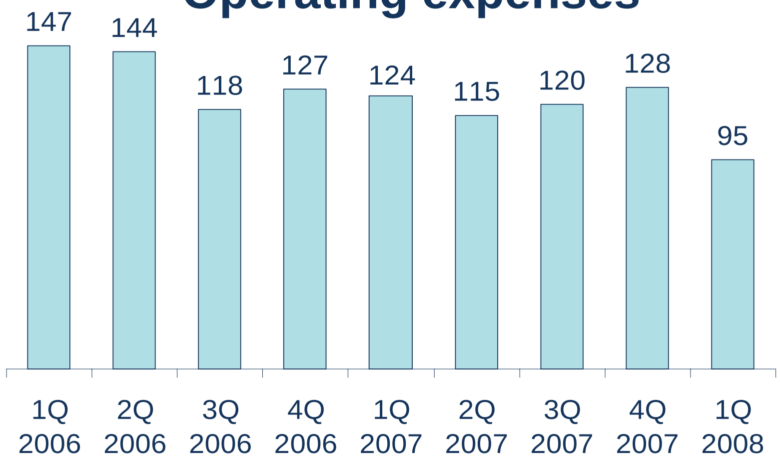
Business Unit Private Banking (2)

All figures are in m euros

F&C



Operating expenses



- The unfavorable market circumstances were predominantly reflected in net F&C (107m), down both q/q (-4%) and y/y (-12%)
- Expenses (95 m) down 26% q/q and 23% y/y, included a 19m write-back of a redundant early-retirement provision. Excluding this item expenses down 8% y/y and 11% q/q
- C/I at 65% (78% excluding provision take-back)
- MtM adjustment re CDOs at -10m, pre-tax (-7m, after-tax)

Structured

credit exposure

Manageable impact of subprime assets

31 March 2008	Portfolio total (euros)	Asset type	AAA-rated	AAA/AA-rated	Allocation to subprime RMBS
Main CDO portfolio	6.9 bn	Corporate CDO notes with limited ABS underlying	88%	99%	13%
"Atomium" portfolio	1.7 bn	US ABS of former KBC conduit "Atomium"	96%	96%	32%
Other portfolios	7.4 bn	Mostly European ABS/CDO without subprime assets	94%	98%	0%
Total	16.0 bn	All	92%	98%	10%

- No material change since YE-07 as to size and composition of exposure
- No actual losses, but 527m MtM impact on P/L and B/S over the last 3 quarters (306m and 221m, before tax respectively of which 141m and 91m in 1Q 2008)
- Updated stress test results as at 31 March 2008:
  - effective subprime loss at pre-tax 133m assuming 20% net loss on subprime content (vs. 171m as tested per 31-Dec-2007, thanks to asset-substitution)
  - pre-tax 209m loss assuming 25% net loss on subprime content

Earnings impact, detailed overview

No impairment (no actual losses); however, a negative impact:

- on net profit (P&L) due to the marking-to-market of synthetic CDOs and a MBS portfolio qualified as held-for-trading and the provisioning for the counterparty risk for the credit insurance received for CDOs
- on shareholder's equity (B/S) due to the marking-to-market of all other ABS/CDO positions

P&L impact	Impairment loss (P&L)	Mark-to-market value adjustment (P&L)	Credit insurers' risk provision (P&L)	Post-tax P&L impact (P&L)	Pre-tax impact on equity (B/S)	Post-tax impact on equity (B/S)
3Q 07	Nil	-51 m	-	-39 m	-49 m	-38 m
4Q 07	Nil	-114 m	-39 m	-70 m	-81 m	-51 m
FY 07	Nil	-165 m	-39 m	-109 m	-130 m	-88 m
1Q 08	Nil	-141 m	-	-93 m	-91 m	-61 m
April 2008	Nil	+39 m	-	+26 m	-13 m	-9 m

Manageable impact of subprime (2)

Reminder:

A combination of factors explains KBC's low subprime risk vs. peers:

1. Limited size of subprime portion (only 10% of total ABS/CDO portfolio)
2. High "attachment points" of CDO notes , allowing substantial losses of underlying assets before being impacted (avg. attachment point 17%)
3. Active management of CDOs held, allowing asset substitution
4. Low quality pieces of CDOs (equity/junior) completely "provisioned" (i.e. not recognised in profit) at the time of issue in the amount of 750m euros
5. Hedges are in place (via short positions, not with monolines) and offset somewhat the MtM volatility of CDOs

DO NOT COMPARE APPLES WITH ORANGES!

Solvency

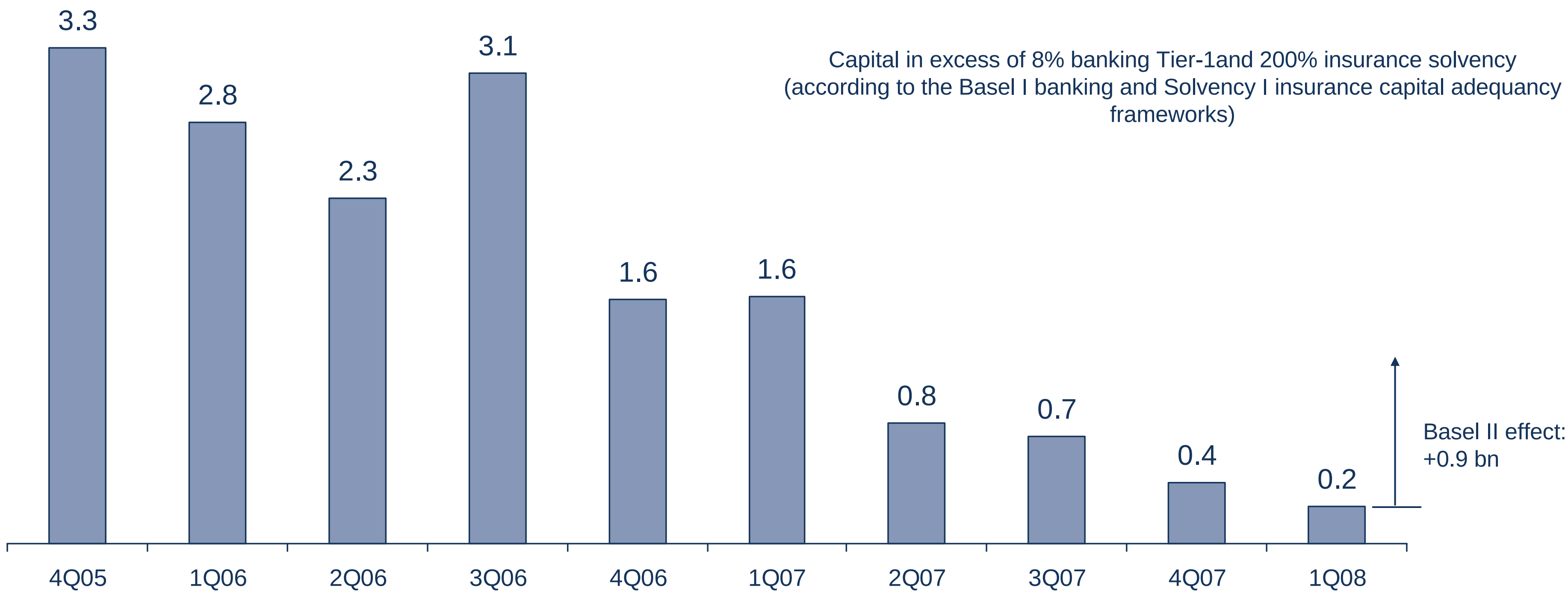
situation

Capital position

Capital position, 31 March 2008	Available	Required	Excess
Banking (Basel I)	12.4 bn	12.4 bn	-
Insurance (excl. AFS)	1.7 bn	2.0 bn	-0.3 bn
Other group subsidiaries	0.6 bn	0.1 bn	0.6 bn
Total, Group (Basel I)	**14.7 bn**	**14.5 bn**	**0.2 bn**
Impact Basel II	-0.6 bn	-1.5 bn	0.9 bn
Total, Group (Basel II)	**14.1 bn**	**13.0 bn**	**1.1 bn**

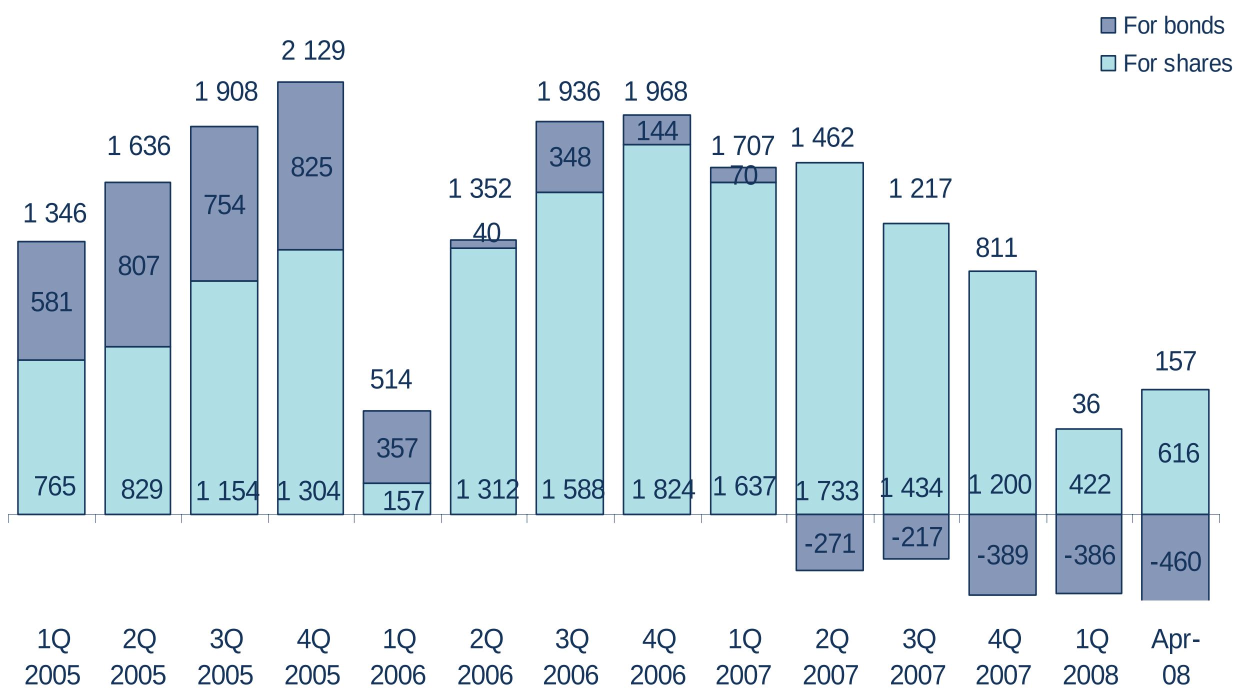
- KBC intends to keep its Tier-1 banking capital level at >8% (and >200% solvency margin, insurance)
- At the end of 1Q 2008, the capital was in excess of that level in the amount of 0.2bn euros

Excess capital position



- The excess capital has been largely put at work or returned to shareholders:
  - RWA growth 1Q06 -1Q 08 1Q: +33% (3.1 bn extra capital required)
  - Total amount of acquisitions 1Q 06 -1Q08: 2.5 bn
  - Share buyback 1Q06 – 1Q08: 2.2 bn
- Gearing ratio stood at 100.03% by the end of 1Q 08

Evolution of revaluation reserves



- The adverse market environment has had a significant impact on the revaluation reserves, and hence, on the solvency of the insurance business in 1Q 08

Suspension of share buyback

- Share buyback programme temporarily suspended as of today, 15 May 2008, motivated by:
  - Uncertain market outlook period still applies
  - Talk of increased capital requirements by both regulators and rating agencies

- Share buyback has always been communicated as subordinated to better growth alternatives:
  - continued expansion in organic RWA-growth
  - Possible additional acquisition opportunities

Wrap up

Wrap Up

- Encouraging volume trends across the board
- Solid underlying performance in CEE banking, testifying to the region's role as a growth-driver for the group
- Difficult market environment weighed on trading and asset management operations
- Limited markdowns of our structured credit investments portfolio. P&L impact: 93m euros, impact on equity: 61 m (after-tax)
- The second quarter up to now has shown a strong performance, even in reference to the record 2Q 07 levels
- Solvency remained robust, but just to be cautious the share buyback has been temporarily suspended so as to ideally position KBC for growth from a position of strength

KBC's Management is delighted to invite you to Moscow on 5 and 6 June 2008 on the occasion of its Investor Day, to further unveil its ambitions in the Eastern part of Europe and Russia.

KBC

We recommend that you make your travel arrangements as soon as possible due to visa application formalities for entry into Russia. The number of flights to Moscow may also be limited.

Please also ensure that you plan to arrive in Moscow on 5 June by 4 p.m. local time, at the latest.

Annex

Annex: earnings impact per Business Unit

ABS / CDO MtM		Belgium	CEE R	Merchant Banking	Private Banking	Group Centre	KBC Group consolidated
Pre-tax	3Q 2007	-8	-16	-22	-6	-	**-51**
	4Q 2007	-25	-13	-63	-13	-	**-114**
	FY 2007	**-33**	**-29**	**-85**	**-18**	**-**	**-165**
	1Q 2008	**-29**	**-28**	**-74**	**-10**	**-**	**-141**
After-tax	3Q 2007	-6	-12	-17	-4	-	**-39**
	4Q 2007	-17	-10	-35	-9	-	**-70**
	FY 2007	**-22**	**-22**	**-52**	**-13**	**-**	**-109**
	1Q 2008	**-19**	**-21**	**-46**	**-7**	**-**	**-93**
CDO credit value adjustments (related to monoline insurers)							
Pre-tax	**FY 2007**	**-**	**-**	**-39**	**-**	**-**	**-39**
	1Q 2008	**-**	**-**	**-**	**-**	**-**	**-**
After-tax	**FY 2007**	-	-	**- 23**	**-**	**-**	**-23**
	1Q 2008	**-**	**-**	**-**	**-**	**-**	**-**