KBC Group

Company presentation
Autumn 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.

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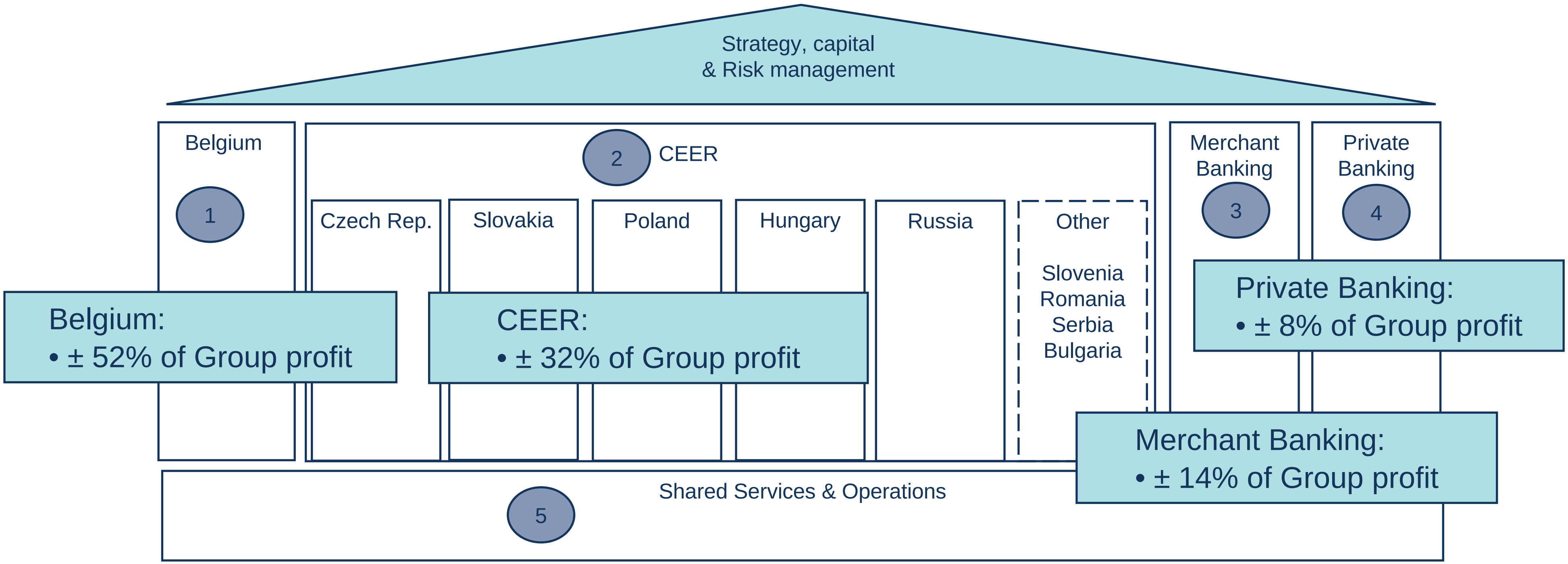
Company profile

and strategy

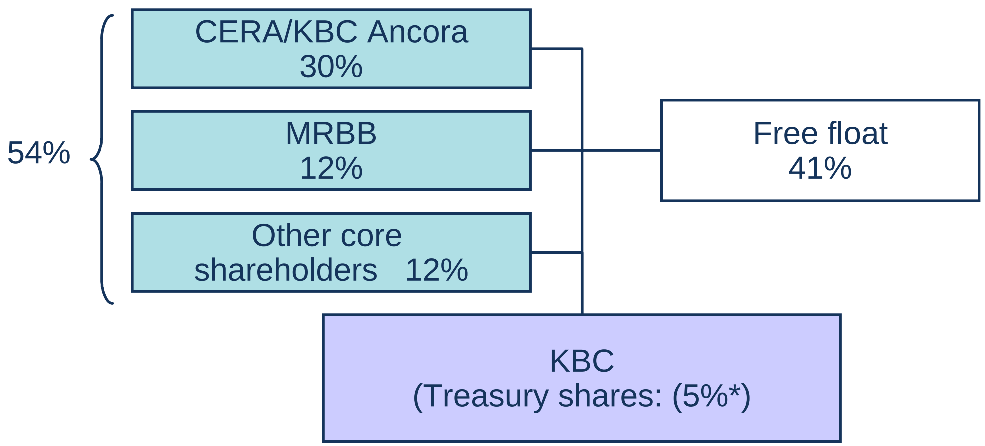
Strong, attractive franchises



N.B.:Profit contribution of business units excluding non-recurring items in 1H 2008.

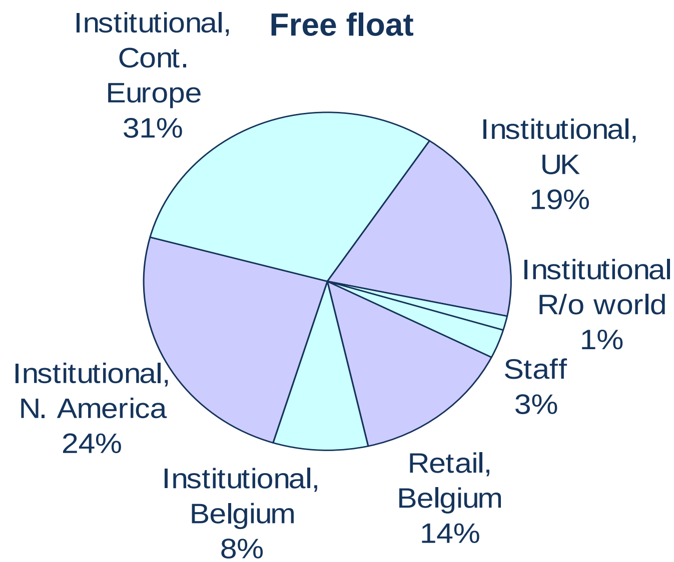
- KBC is a top-3 player in Belgium and in CEE-4; 75-80% of revenue is generated in markets with leading market share (which provides over-the-cycle strength)
- Moreover, KBC pursues some niche strategies in private banking and selected merchant banking activities (mainly European focus)

Shareholder structure



Situation as at 30 June, 2008

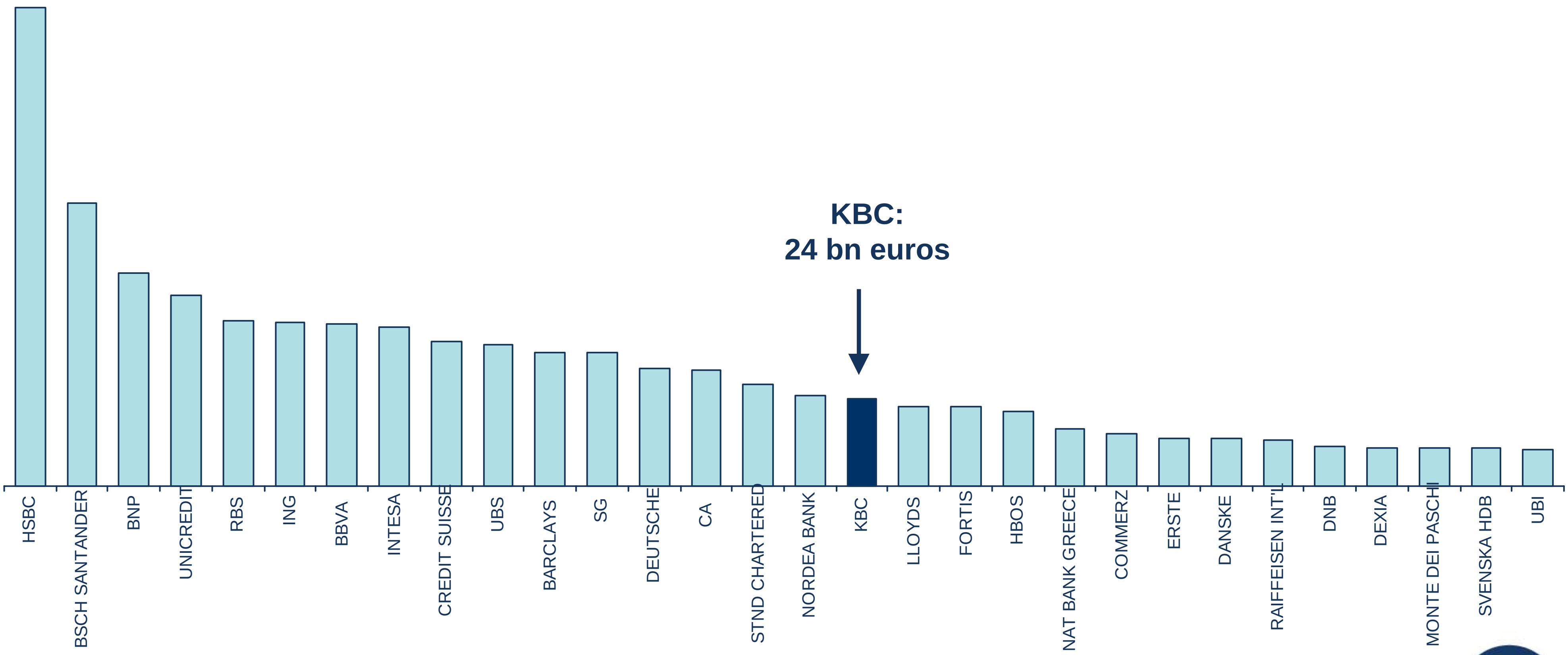
*Including ESOP hedge and shares bought back according to the share buyback plan



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 45% UK- or US-based)

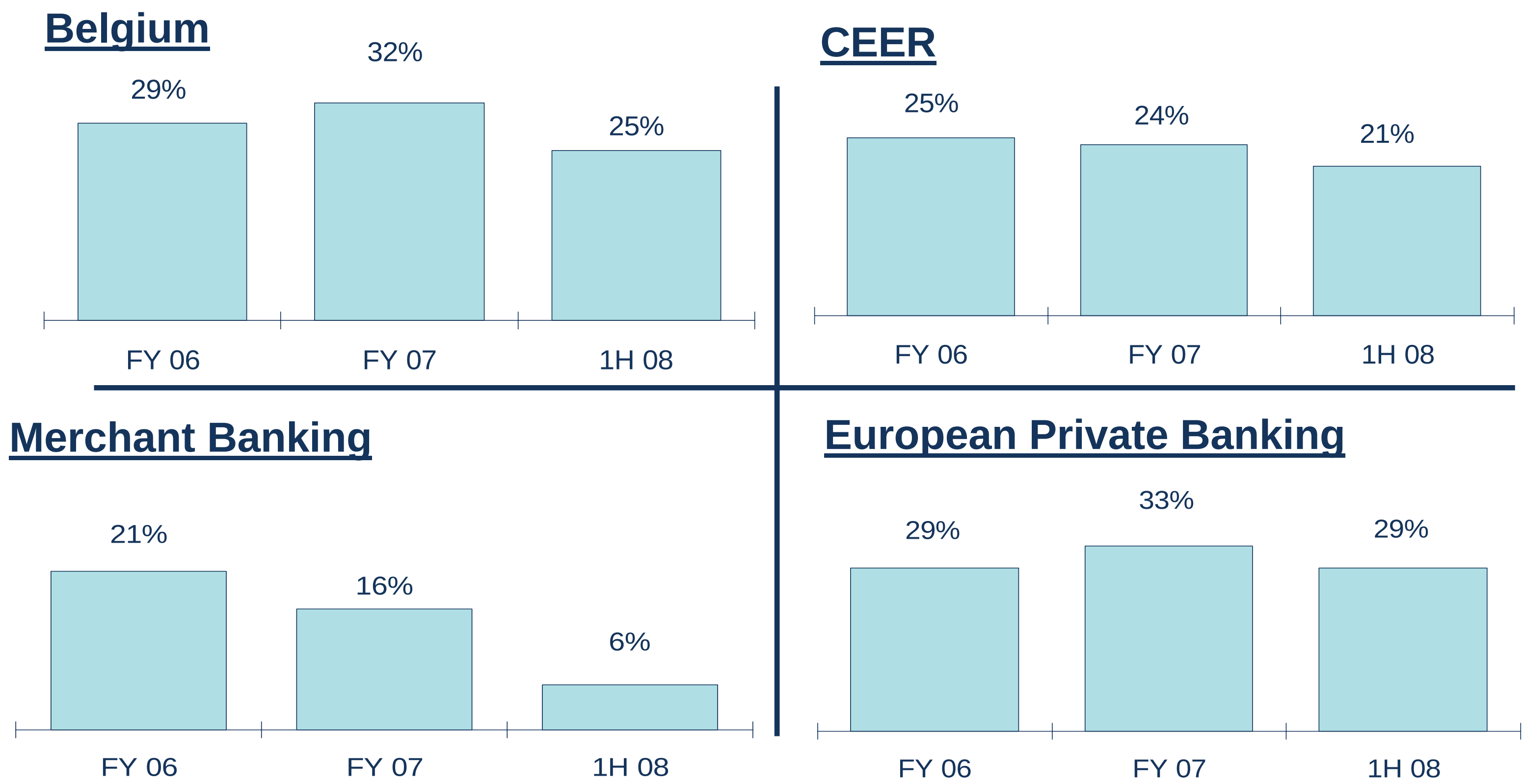
Ranking based on market capitalization, European Financials



Situation as at 1 August 2008. Actual KBC share price: 66.1 euros

Return level per business units

Return on Allocated Capital



All figures are on an underlying basis
For CEER: return level after deduction of funding costs of KBC as parent company

Growth remains resilient

y/y growth	Customer loans			Customer wealth		
	2006	2007	1H 08	2006	2007	1H 08
Belgium (retail)	+8%	+14%	+10%	+14%	+11%	+9%
CEE	+26%	+23%	+23%	+12%	+16%	+18%
Commercial banking	+13%	+16%	+15%	-	-	-
Private banking	-	-	-	+5%	+0%	-4%

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

- Our organic growth has been strong
- Although we expect to see some impact from an economic downturn, we believe growth momentum remains resilient, especially in CEE

Presence in CEER

Main markets

Czech Republic
Total assets: 35 bn
Bank ranking: Top-3
Entry: 1999

Poland
Total assets: 8 bn
Bank ranking: Top-10
Entry: 2001

Hungary
Total assets: 10 bn
Bank ranking: Top-3
Entry: 2000

Slovakia
Total assets: 6 bn
Bank ranking: Top-5
Entry: 1999

New markets

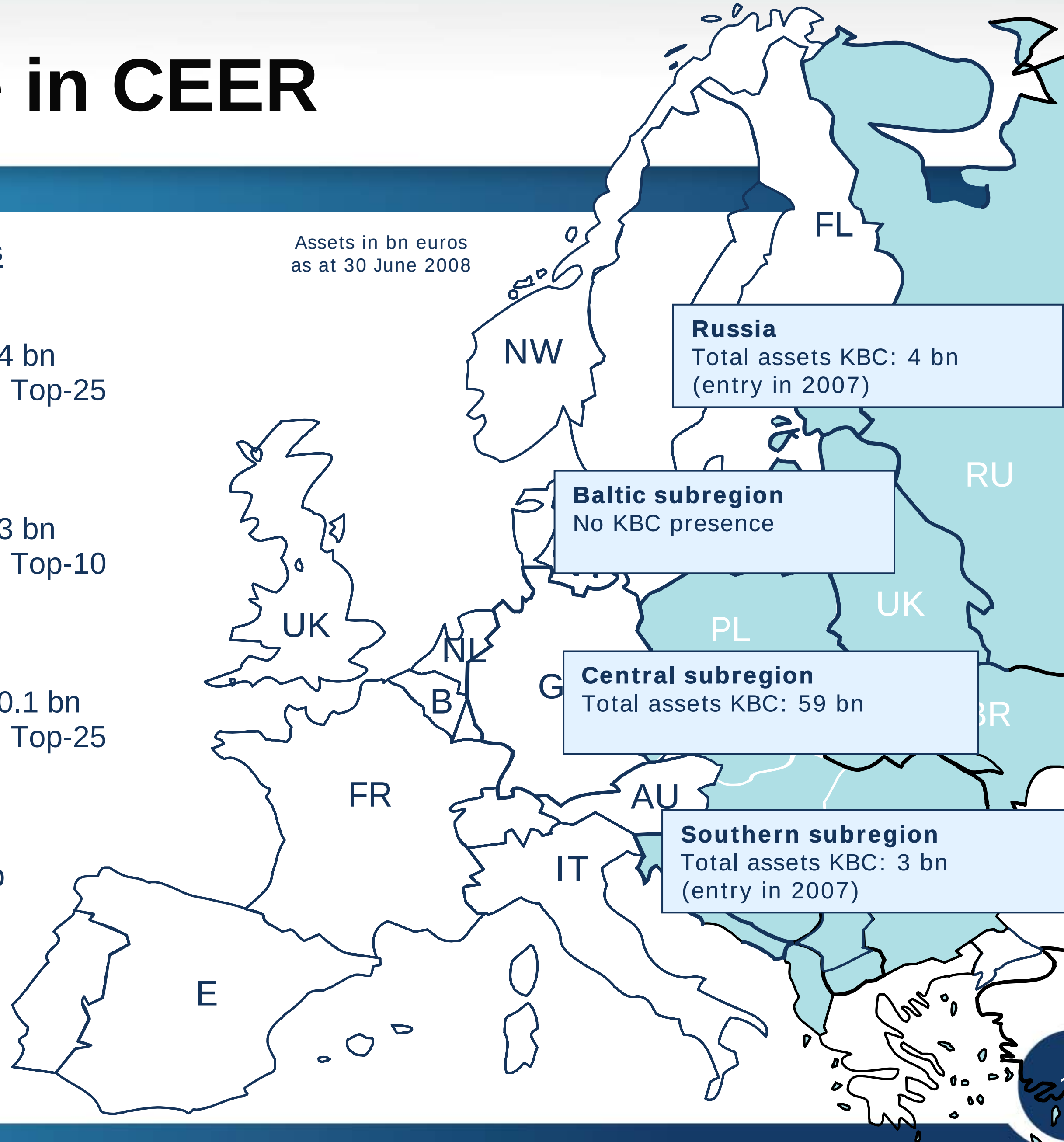
Russia
Total assets: 4 bn
Bank ranking: Top-25
Entry: 2007

Bulgaria
Total assets: 3 bn
Bank ranking: Top-10
Entry: 2007

Serbia
Total assets: 0.1 bn
Bank ranking: Top-25
Entry: 2007

Romania
Niche start-up
Entry: 2007

Assets in bn euros
as at 30 June 2008



‘Entry’ year means year of majority-holding acquisition

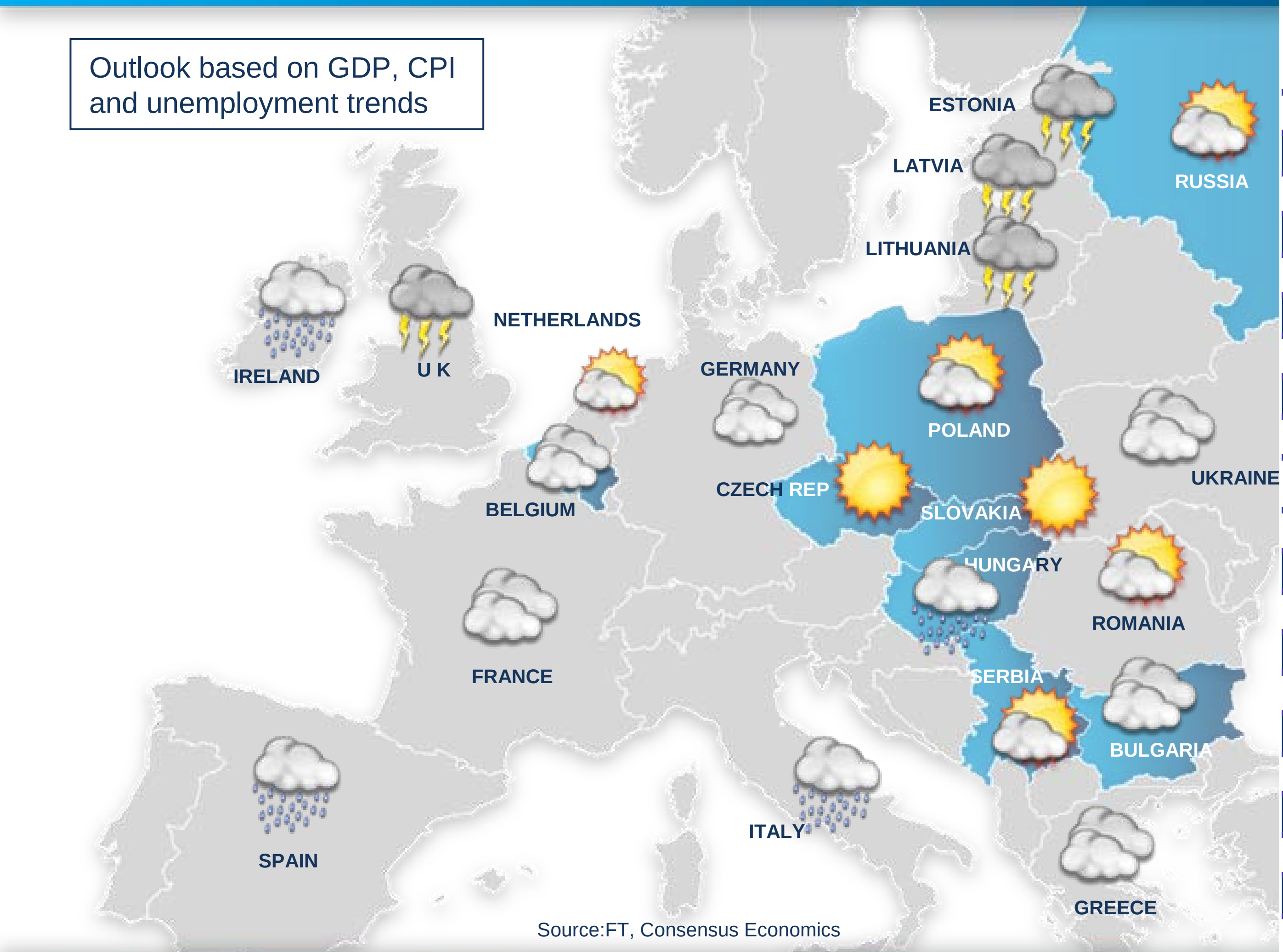
Track record in CEER

- In the last 10 years, KBC invested 7.4 bn euros in acquisitions (o/w 2.1 bn in “new” markets in 2007 and early 2008)
- Initially, KBC benefited from a strong first-mover acquisition price advantage, and, more recently, pricing discipline was also maintained (P/B for 2005-08: 3.2x vs. market avg. of 3.8x)
- The Business Unit recorded a profit growth of 32% p.a., on average, over the last 3-6 yrs
- The return on investment for CEE-4 stands at 15% (2007) and is growing
- The region’s profit growth represents ½ of that of the group (2007)

EUR	2001	3Y CAGR	2004	3Y CAGR	2007
Customer loans	12 bn	**6%**	14 bn	**28%**	30 bn
Customer wealth	21 bn	**10%**	28 bn	**19%**	46 bn
Staff	20 000	**8%**	26 000	**8%**	32 000
Underlying profit	119 m	**32%**	269 m	**32%**	618 m

‘Customer wealth’ includes customer deposits, funds under management and insurance reserves and reflects the focus of the bancassurance model

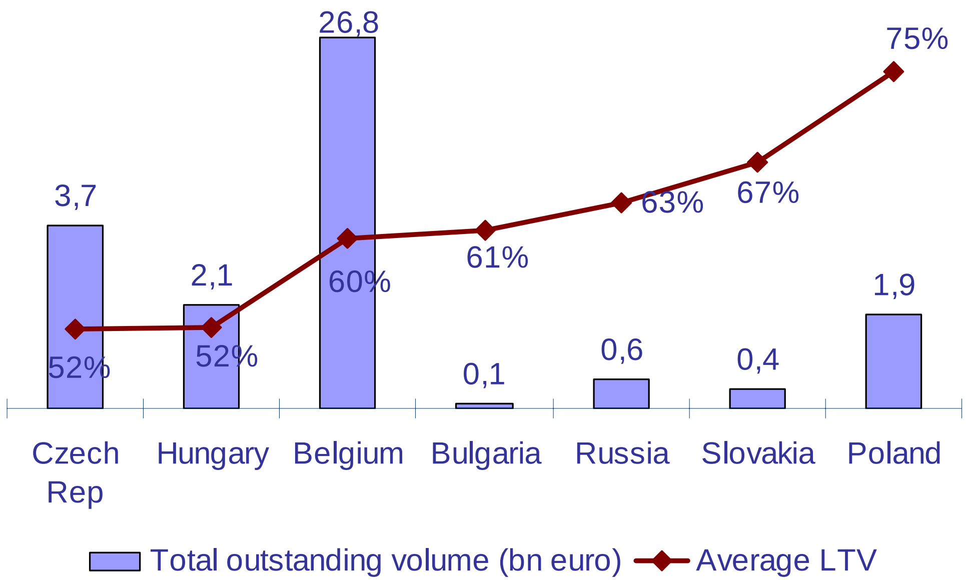
Economic outlook for Central and Eastern Europe keeps us well



	2008 GDP-GROWTH FORECASTS (%) DEC 07	JUNE 08	TREND
"OLD" EUROPE			
BELGIUM	2,0	1,8	
FRANCE	1,8	1,7	
GERMANY	1,9	2,2	
GREECE	3,3	3,1	
IRELAND	3,7	2,9	
ITALY	1,3	0,4	
NETHERLANDS	2,3	2,6	
SPAIN	2,6	1,9	
UK	1,9	1,7	
"NEW" EUROPE			
BULGARIA	5,9	5,7	
CZECH REP	4,7	4,7	
ESTONIA	5,7	1,2	
HUNGARY	2,6	2,2	
LATVIA	7,2	2,5	
LITHUANIA	7,1	5,5	
POLAND	5,5	5,4	
ROMANIA	5,4	6,3	
RUSSIA	6,9	7,5	
SLOVAKIA	7,4	7,6	
UKRAINE	6,2	6,3	

No major concerns as to exposure to residential mortgages

Average Loan-to-Value ratios of KBC outstanding mortgage portfolio

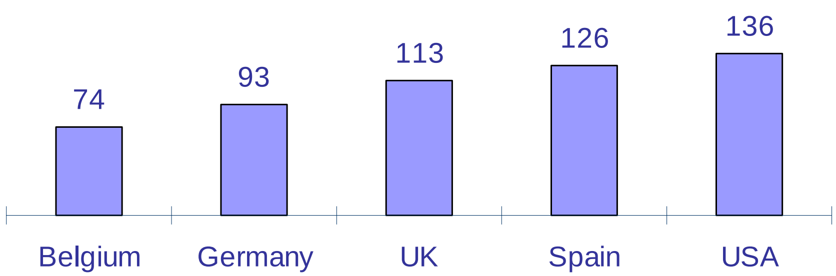


LTV on new production

Czech Rep	63%
Hungary	61%
Belgium	67%
Bulgaria	63%
Russia	65%
Slovakia	73%
Poland	79%

Low proportion of mortgages in Belgium compared to disposable income

Total mortgage volumes in % of disposable income

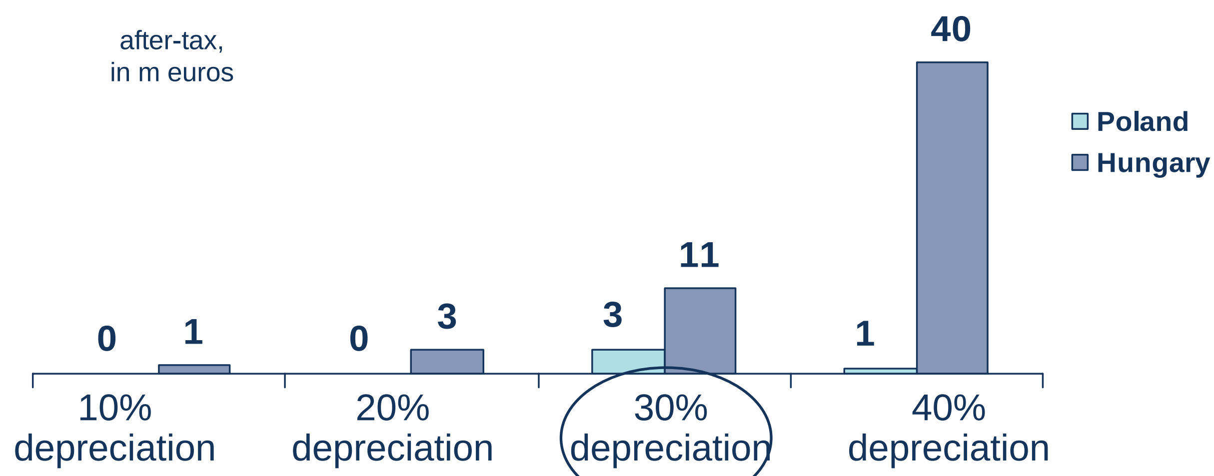


Source: Datastream

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
In Bulgaria the nominal amount of the portfolio is small



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 2007 Group net profit (i.e. 11m euros after tax)

2Q 2008
financial performance

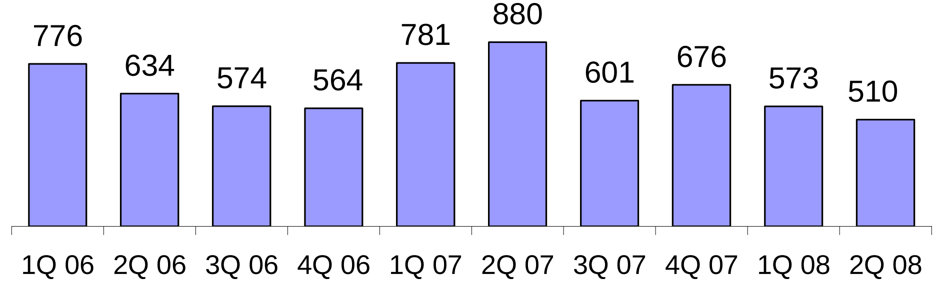
Highlights

Financial highlights - Strong operational performance

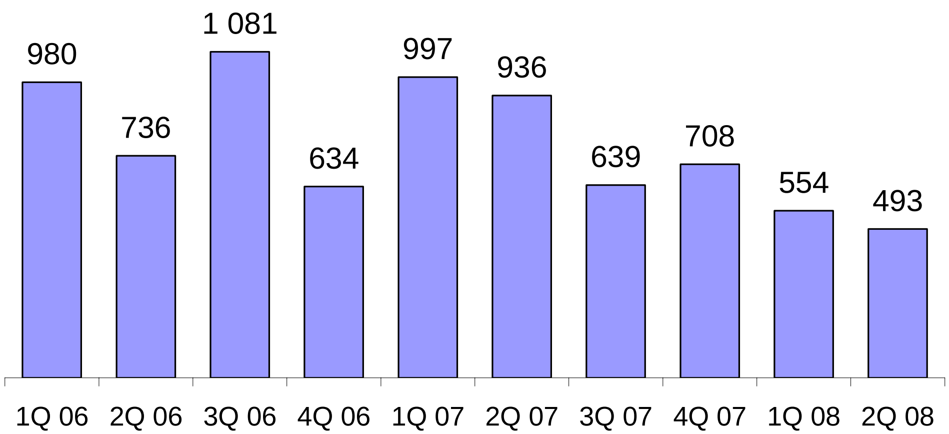
All figures are in m euros

1) Deduction of one-off items and MtM-result of hedging derivatives

Underlying net profit



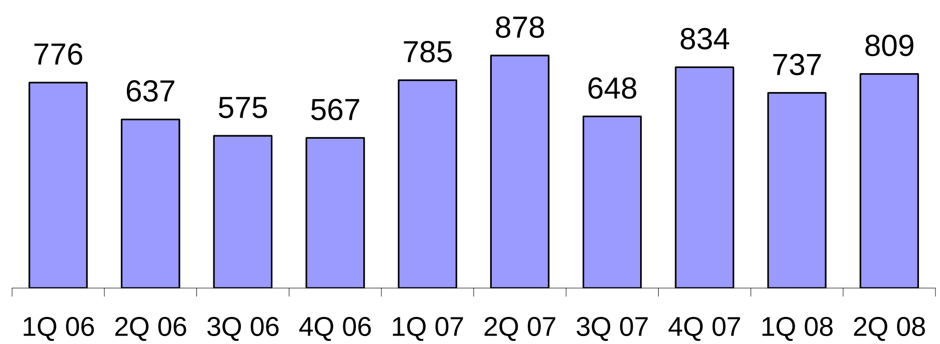
Reported net profit



2) Cleansing the impact of the market turbulence

Note:
Impact of the market turbulence is defined as FV losses on ABS/CDOs and net AFS-related impaiments

Clean underlying net profit



Financial highlights – Q2 monthly evolution of clean underlying profit

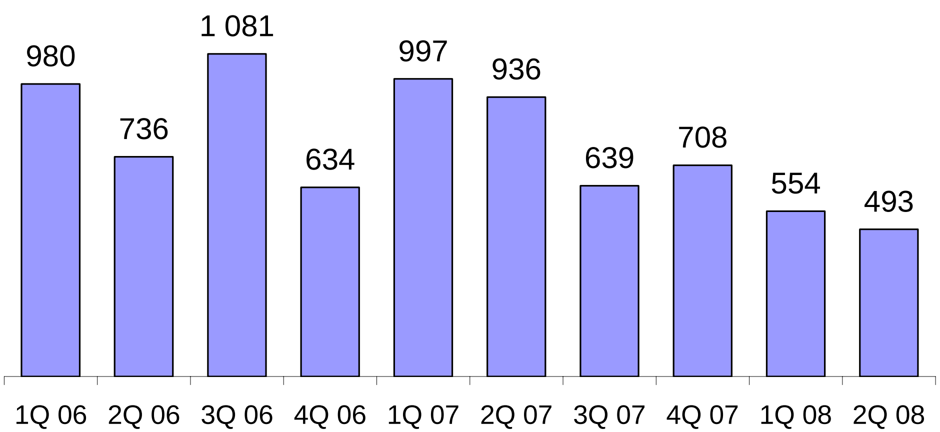
	April 2008	May 2008	June 2008
Reported net profit	373	242	-122
Underlying net profit	**364**	**242**	**-96**
FV adjustments re CDO/ABSs	36	-7	-190
Impairments on shares	-1	-7	-130
Clean underlying profit	**328**	**256**	**221**

Financial highlights - Strong operational performance

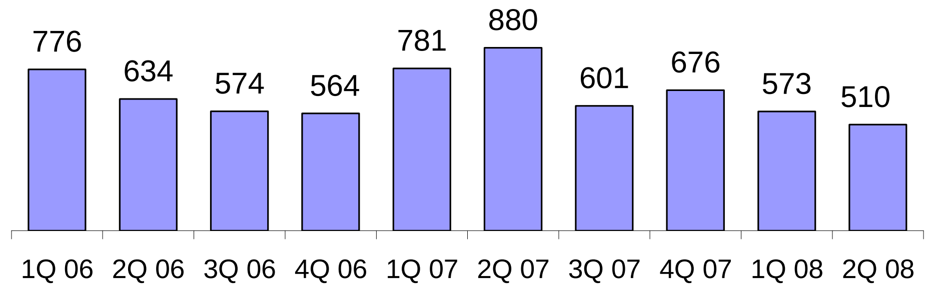
All figures are in m euros

1) Deduction of one-off items and MtM-result of hedging derivatives

Reported net profit



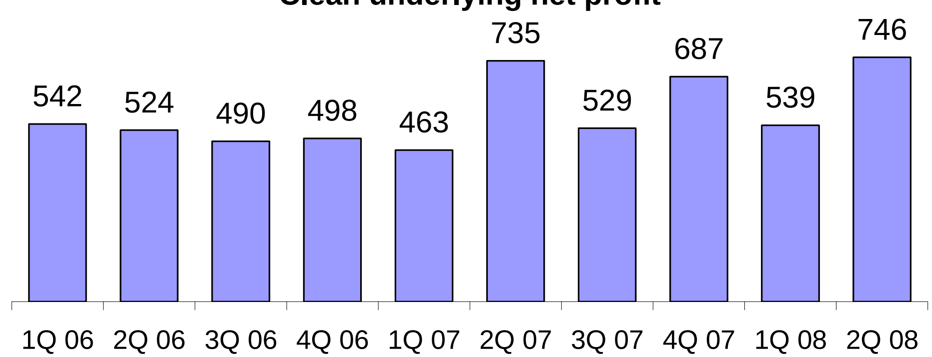
Underlying net profit



2) Cleansing the impact of the market turbulence and capital gains

Note:
Impact of the market turbulence is defined as FV losses on ABS/CDOs, net AFS related impaiments and net AFS-realised gains

Clean underlying net profit



Quarter under review – Financial headlines

- Encouraging volume growth: loan book up 10% y/y in Belgium and 23% in CEE
- Underlying NII up 13% y/y in Belgium and 24% in CEE
- Solid rebound of investment banking income (76m net profit contribution)
- Somewhat higher loan losses from very low levels. Half-year LLR at 19 bps
- Lower gains realised on share portfolio (63m)
- Net F&C down 11% y/y, mainly due to lower customer investment activities as a result of the high volatility in equity markets
- Out of 290m impairment charges in underlying profit, 143m related to the loan portfolio. 138m impairment was taken on the AFS share portfolio (held mainly by the insurance business) due to the ca. 25% fall in European equity markets
- No defaults, but further markdowns of structured credit investments portfolio. After-tax P&L impact of 161m, including a provision to cover exposure to monoline insurers. Impact on equity: -71 m
- Solvency amongst the best within the financial sector.Tier-1 ratio, banking, stood at 9.3%, according to Basel II (8.8% under Basel I). Core Tier-1 at 7% (Basel II), solvency ratio, insurance, at 210%

Future developments

André Bergen, CEO:

- *“ While overall economic activity is slowing, the quality of our overall franchise remains strong, with our CEE operations being the engine of growth. KBC has the clear ambition to double its net earnings in the region in the foreseeable future.”*
- *“Furthermore, we have recently enhanced our cost discipline throughout the group to cope adequately with increased cost inflation.”*
- *“We are also happy to see that our balance sheet is robust. Asset quality has proven to be quite solid across asset classes, while our solvency position is amongst the most secure in the financial sector.”*

Analysis of results

Group

Volumes y/y

	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	165	52	218	227	23
Growth, y/y	**+19%**	**+23%**	**+14%**	**-1%**	**+5%**
Belgium	**+10%**	**+11%**	**+21%**	**+0%**	**+4%**
CEE R	**+23%**	**+45%**	**+8%**	**+14%**	**+21%**
- Czech Republic	+24%	+45%	+10%	+8%	+9%
- Slovakia	+22%	+41%	+1%	+30%	+26%
- Hungary	+8%	+19%	-6%	+18%	+27%
- Poland	+45%	+82%	+12%	+25%	+65%
Merchant Banking	**+15%**	**-**	**-7%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**-9%**	**+1%**

y/y growth of customer deposits equals to the growth in total loans (30bn), therefore liquidity buffers remained intact in absolute terms

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

Volumes q/q – non-annualised

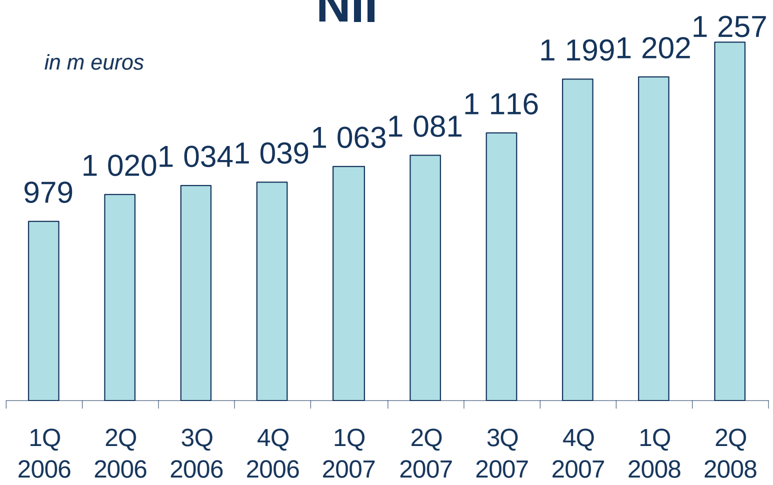
	Total loans	Of which mortgages	Customer deposits	AUM	Life reserves
Outstanding (in bn)	165	52	218	227	23
Growth, q/q	**+6%**	**+6%**	**+9%**	**+0%**	**+1%**
Belgium	**+5%**	**+3%**	**+13%**	**-1%**	**+0%**
CEE R	**+5%**	**+7%**	**+1%**	**+2%**	**+6%**
- Czech Republic	+6%	+6%	+2%	+4%	+1%
- Slovakia	+1%	+8%	-3%	+15%	+8%
- Hungary*	-4%	-5%	-5%	+2%	+7%
- Poland	+7%	+15%	+3%	-7%	+35%
- Serbia	+18%	+19%	+4%	-	-
- Russia	+19%	+30%	-4%	-	-
- Bulgaria	+11%	+13%	+1%	-	+3%
Merchant Banking	**+4%**	**-**	**+5%**	**-**	**-**
Private Banking	**-**	**-**	**-**	**+3%**	**+0%**

The current decline of volumes in Hungary has to do with the appreciation of HUF (+9% q/q) and the high proportion of FX-loans within the total loan book (60%)

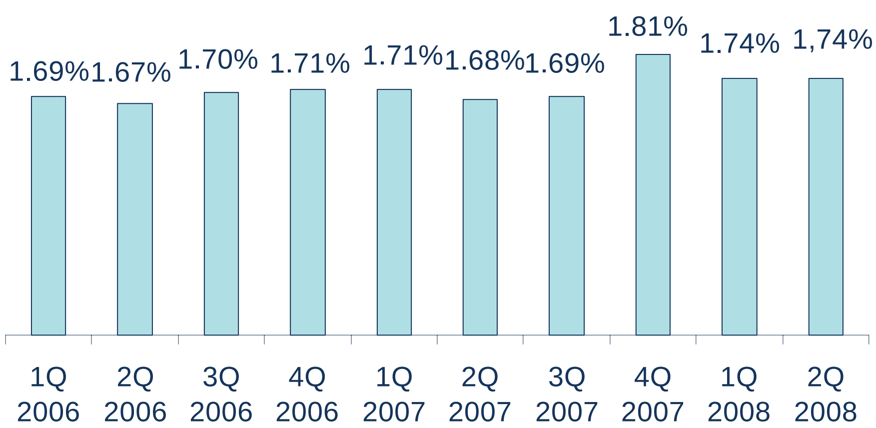
Notes: Organic growth rates only. Growth rates excluding repo and reverse repo actvities. Trends for CEE in local currency

Revenue trend - Group

NII



NIM*

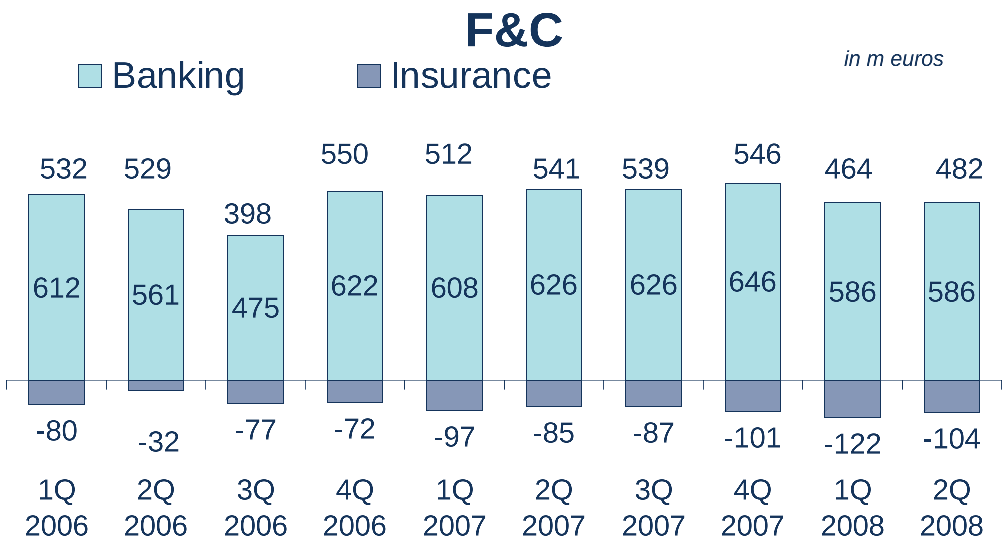


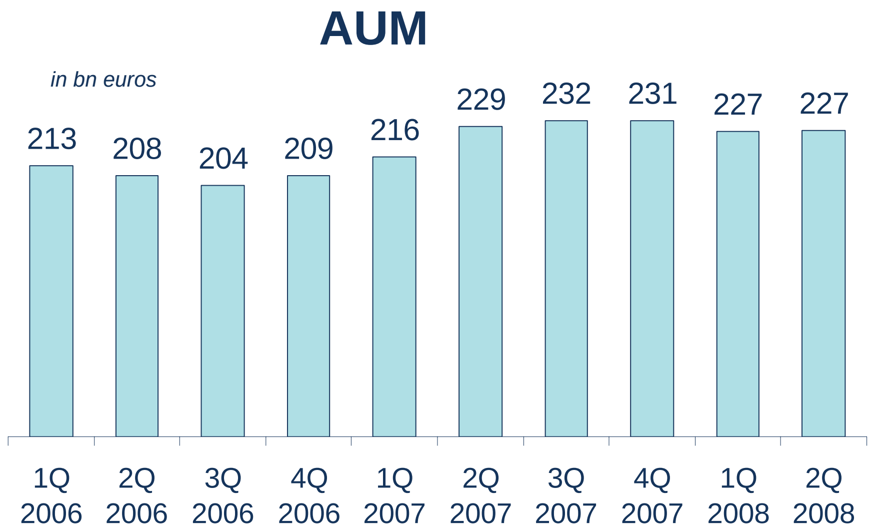
* Net Interest Margin equals Net Interest Income divided by Total Interest Bearing Assets excl. reverse repos

- NII (1 257 m) up 16% y/y and up 5% q/q, as a result of:
  - Rising volumes throughout the group: e.g., loans up 19% y/y and 6% q/q
  - NIM (1.74%): 6 bps up y/y, flat q/q

Note: change in the accounting of lease finance and ALM derivatives from 1Q 08 onwards has a -40m quarterly impact (recurring)

Revenue trend - Group



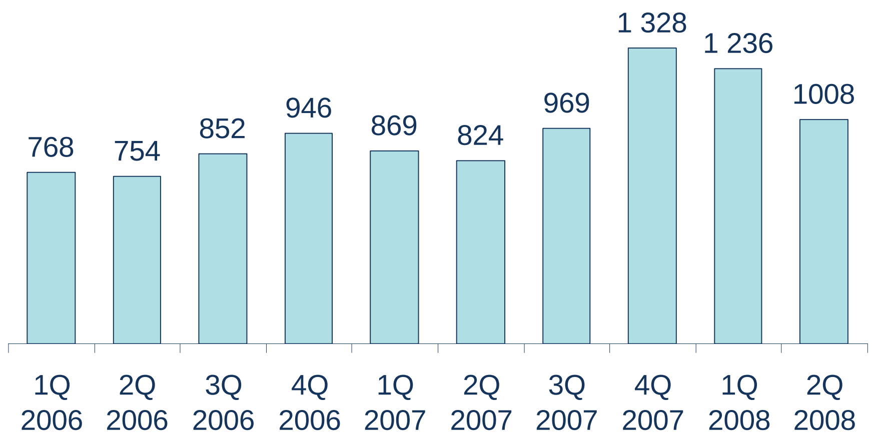


- Net F&C (482m) up 4% q/q, but down 11% y/y on a comparable basis, as a result of:
  - q/q: Flat fees received (banking and asset management), but lower commissions paid (life insurance)
  - y/y: Fees received down 6%, due to the adverse trend in equity markets; insurance fees paid up 23%
- AUM (227 bn) down 1% y/y and flat q/q. (Net inflows at 1% q/q offset by negative price effect)

Revenue trend - Group

All figures are in m euros

Premium income



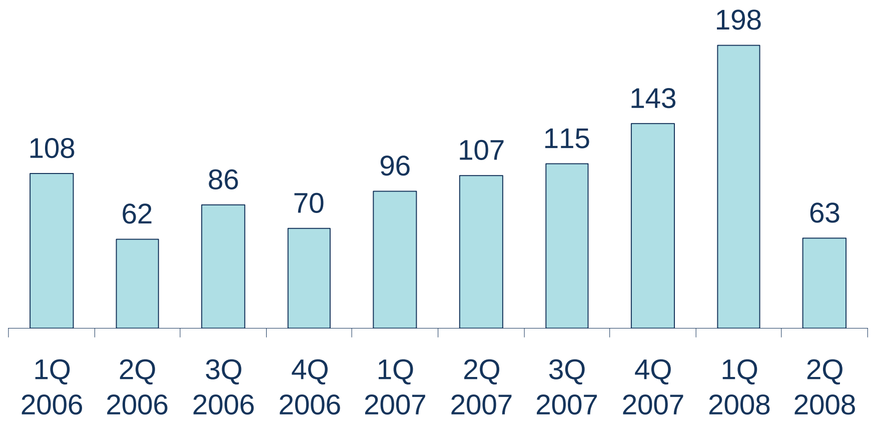
FV gains

- Earned premium, insurance (1 008m) down 18% q/q on the back of lower lump-sum life insurance sales (especially unit-linked), but up 22% y/y
- FV gains (88m) up from the negative result of previous quarter, but significantly down on the high level a year earlier (404m)
  - difficult capital market situation was still in evidence, but trading activities performed well
  - FV adjustments on CDO/ABS portfolio: 314m pre-tax (vs. 141m in 1Q 08)

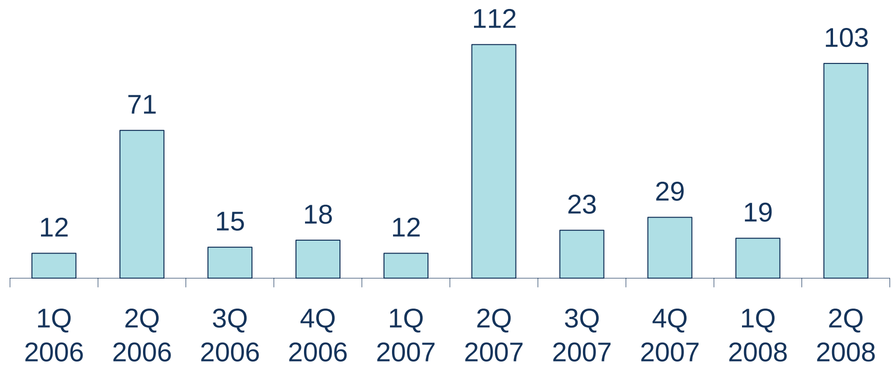
Revenue trend - Group

AFS realised gains

All figures are in m euros



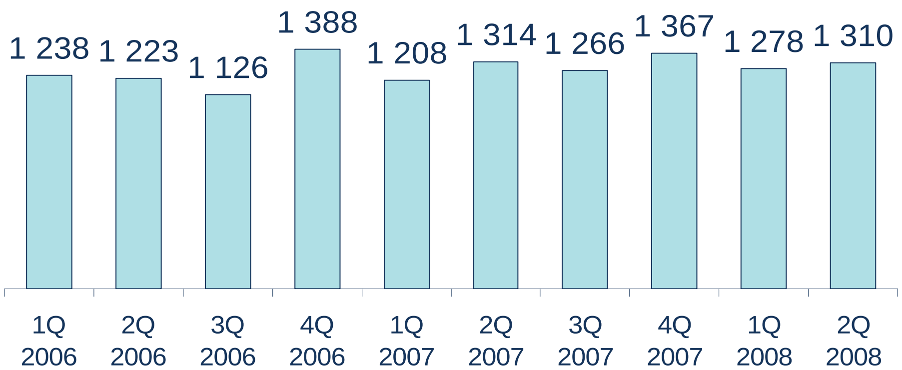
Dividend income



- AFS gains (63m) much lower than in previous quarters. In 1Q 2008 a large part of the planned gains for the year on the sales of shares in the insurance business had already been realised (Business Unit Belgium)
- Still unrealised gains on shares stood at gross 437m (net 157m) in the insurance division at the end of 2Q 08
- Dividend income (103m) significantly up q/q in accordance with the seasonal peak in the second quarter

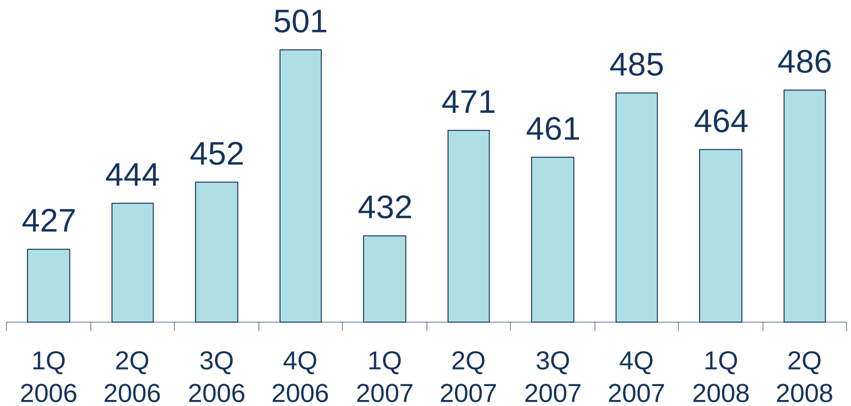
Operating expenses - Group

Operating expenses, consolidated

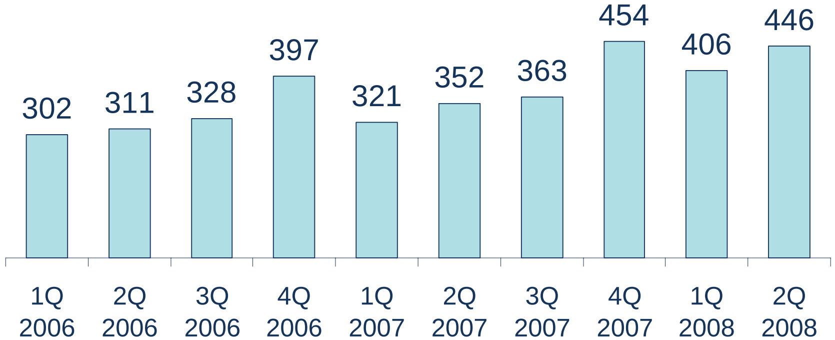


C/I, banking	FY 06	FY 07	1H 08
Belgium	58%	59%	61%
Czech Republic	57%	53%	49%
Slovakia	-	65%	58%
Hungary	63%	59%	56%
Poland	72%	70%	65%
Russia	-	72%	64%
Merchant Banking	50%	53%	64%
Private Banking	73%	65%	68%
Total	**58%**	**58%**	**63%**

Operating expenses, Belgium



Operating expenses, CEER



All figures are in m euros

Operating expenses - Group

- q/q evolution: down 1% on a comparable basis (excluding FX-impact and a 22m take-back in 1Q 08)

	1Q 08	2Q 08	change
Opex at actual rate	**1278**	**1310**	**3%**
FX-impact/Change in scope		-23	
One-offs	22		
Opex on comparable basis	**1300**	**1287**	**-1%**

- y/y development: down 5% on a comparable basis (without FX and changes in consolidation scope and a 27m one-off charge in 2Q 07)

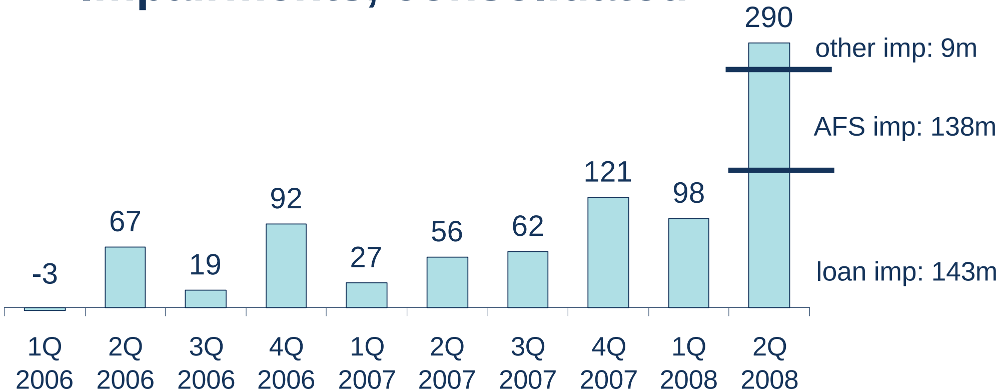
	2Q 07	2Q 08	change
Opex at actual rate	**1314**	**1310**	**0%**
FX-impact/Change in scope		-87	
One-offs	-27		
Opex on comparable basis	**1287**	**1223**	**-5%**

- YTD C/I ratio at 63% (underlying)
- Rigid cost budget review completed in order to cope with increased inflationary pressure (e.g. CPI in Belgium peaked at 5.9% in July)

Impairments - Group

All figures are in m euros

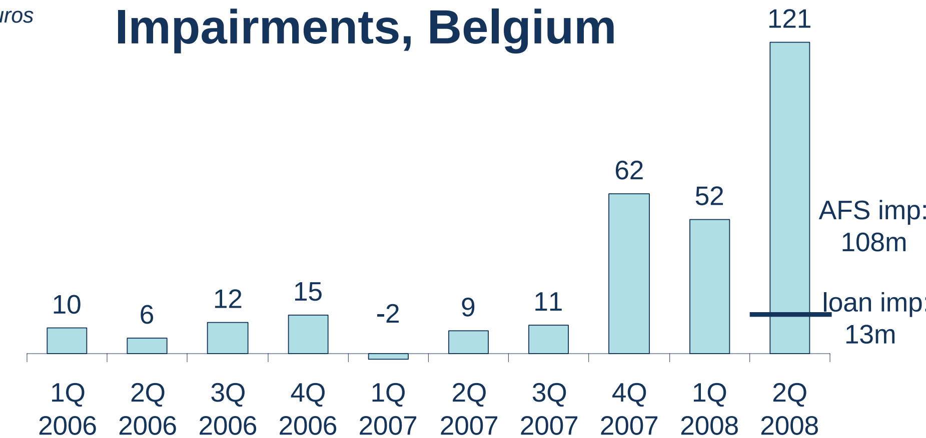
Impairments, consolidated



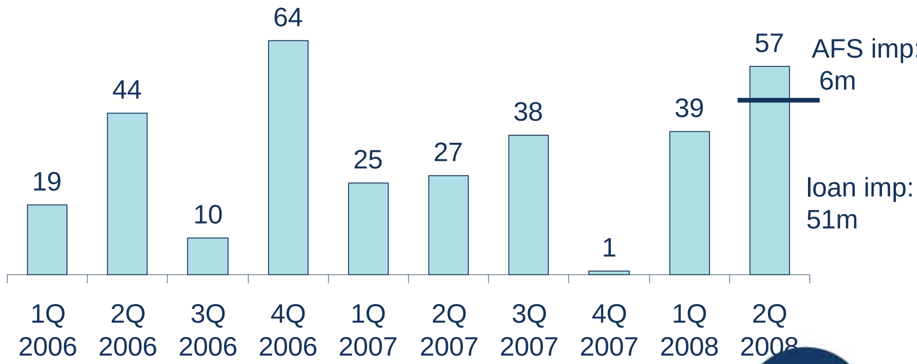
Loan loss ratio	FY 06	FY 07	1H 08
Belgium	0.07%	0.13%	0.06%
Czech Republic	0.36%	0.18%	0.24%
Slovakia	-	0.96%	0.58%
Hungary	1.50%	0.62%	0.00%
Poland	0.00%	0.00%	0.92%
Russia	-	0.21%	1.60%*
Merchant Banking	0.00%	0.02%	0.16%
Total	**0.13%**	**0.13%**	**0.19%**

*boosted by the allocation of generic provisions

Impairments, Belgium



Impairments, CEER



Impairments - Group

- 2Q 08 total impairment: 290m, of which:
  - 143m related to the loan portfolio
  - 138m related to AFS securities (mostly shares in the insurance divisions)

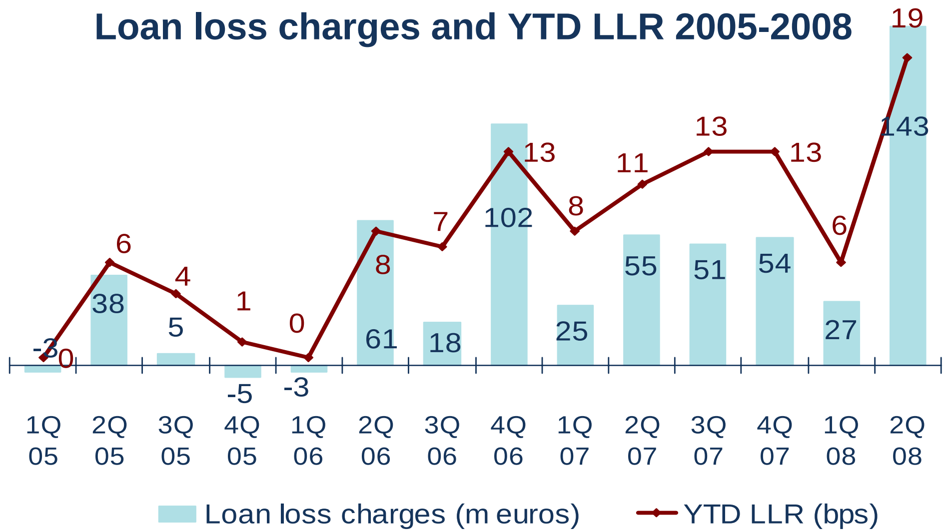
Impairments	3Q 07	4Q 07	1Q 08	2Q 08
on loans	- 51	- 54	- 27	- 143
on AFS assets	- 8	- 65	- 71	- 138
on goodwill & other	- 3	- 2	0	- 9
Total	**- 62**	**- 121**	**- 98**	**- 290**

- YTD LLR 19bps on Group level: still very low (13bps in FY 07)

- Although loan losses are rising, overall loan quality continues to be sound. NPL ratio at 1.4% (1.5% at YE 07)

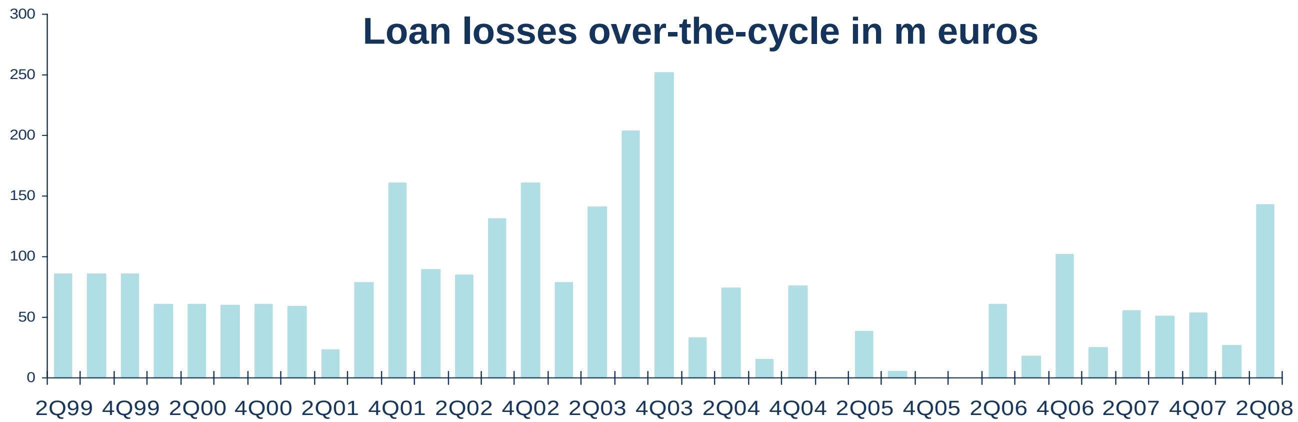
Note: All figures are before tax

Evolution of loan losses



LLR best estimates:

- **Belgium:** 20 bps (over-the-cycle)
- **Corporates:** 35 bps (over-the-cycle)
- **CEE-4**: 40-60 bps (2008-2010)
- **Russia:** 150-200 bps (2008-2010)



Share portfolio impairments

Size of the AFS portfolio: 4.2bn,

predominantly in insurance business

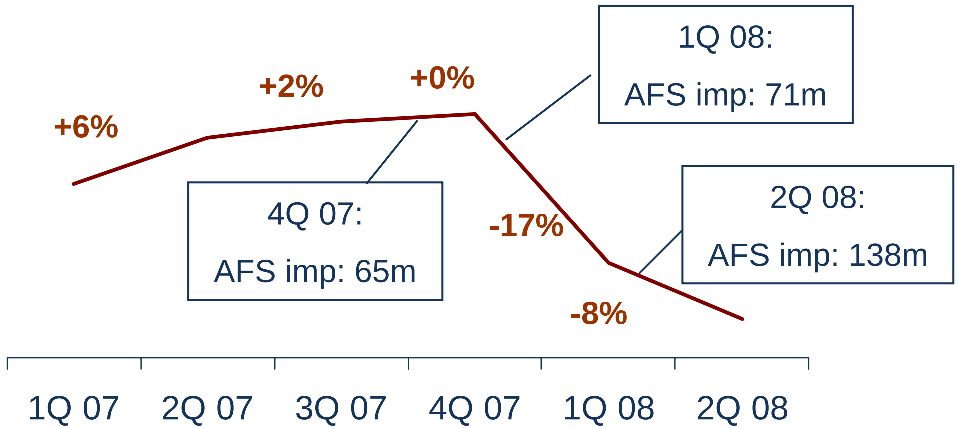
Objectives:

- Higher investment yield anticipated over a long-term investment horizon
- Hedging the “tail-risk” of long-term life-insurance liabilities

Impairment rules applied:

- 12 months below 75% / at reporting date below 60% of purchase price
- All negative price trends of previously impaired shares
- Other criteria apply

Evolution of MSCI Europe Index

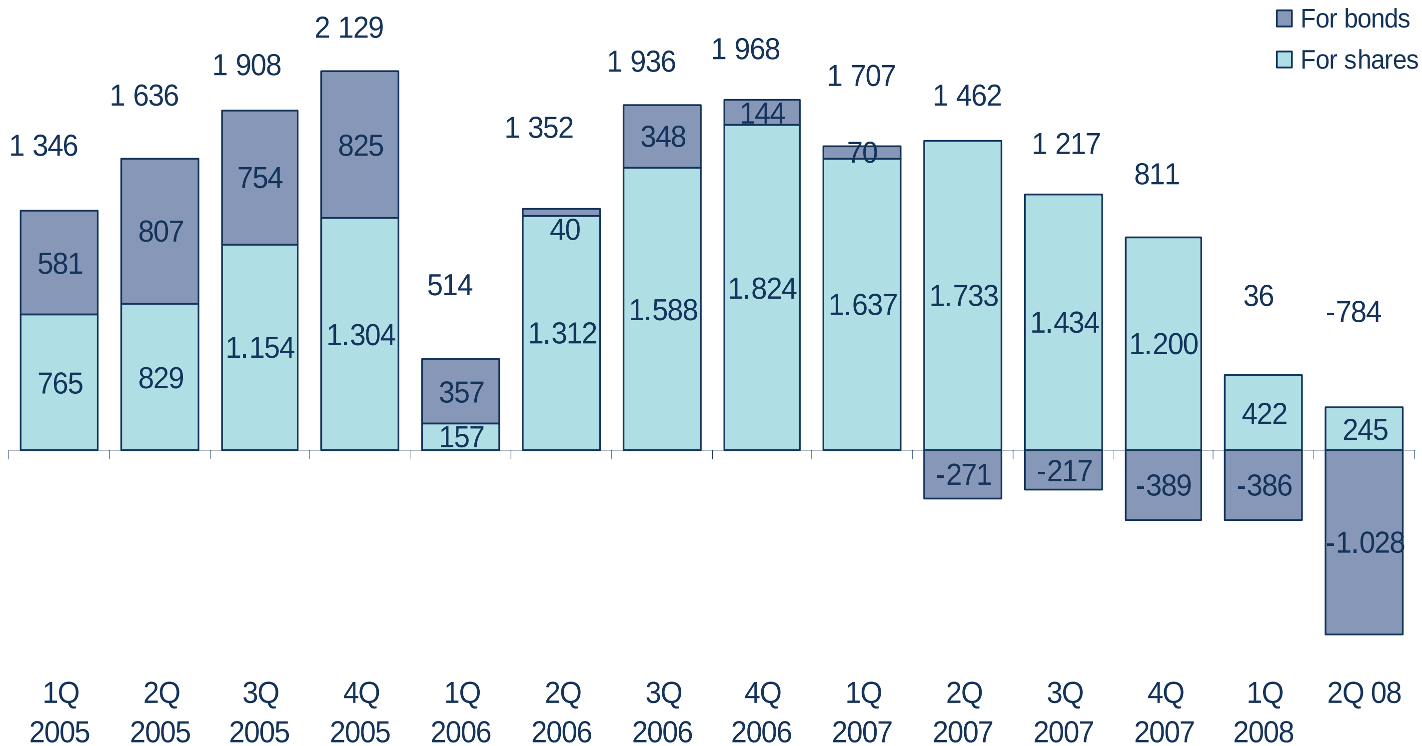


Earnings sensitivity to share price trends

Equity market assumptions	P&L impact	Impact on shareholders' equity
12,5% drop	-193m	-293m

All figures are after taxes

Evolution of revaluation reserves

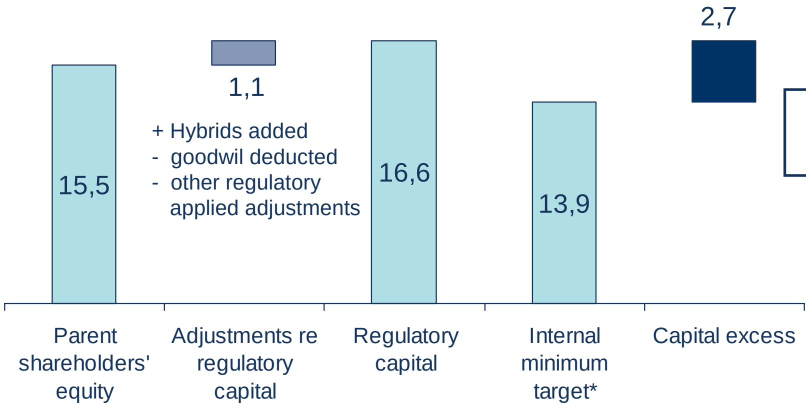


- Rising interest rates and falling equity prices have had a significant impact on the revaluation reserves, and hence, on the solvency of the insurance business in 1H 08 (no impact on banking capital)

Solvency situation

Capital excess

All figures are under Basel II, in bn euros

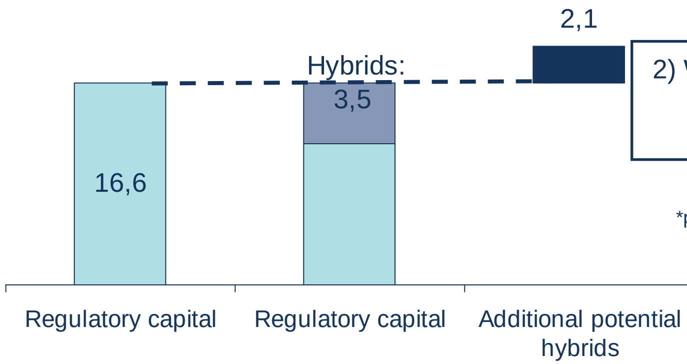


1) We have 2.7bn excess in capital

*8% Tier 1 in banking, 200% solvency in insurance

- Current Tier-1 ratio, banking, at 9.3%, core (equity)Tier-1 at 7% (according to Basel II)
- Solvency ratio, insurance at 210%
- We could further strengthen solvency by increasing debt leverage before we would have to take EPS-dilutive actions
- Using the maximum hybrid and holding company leverage potential would increase theTier-1 ratio, banking, to over 11%, solvency ratio, insurance to over 300% (*ceteris paribus*)

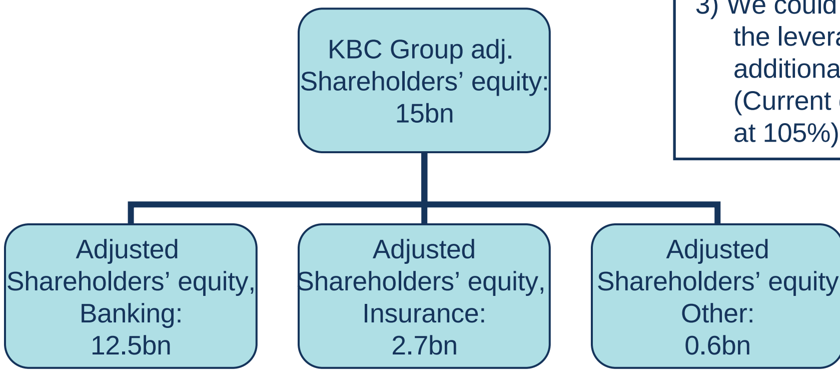
Hybrid capital instruments



2) We could add max. 2.1bn hybrid elements*

*profit sharing certificates

Leverage at holding company level*



3) We could increase the leverage by additional 1.5bn (Current gearing at 105%)

Sum of the subs: 15.8bn

* All figures are after deduction of assumed dividend upstreaming

Structured
credit exposure

CDO/ABS exposure

Relevant changes in 2Q 2008:

- No major changes to composition of CDO and ABS portfolio (14.4 bn, net fair value)
- No credit defaults incurred on securities held
- Ratings of several CDO notes downgraded (with valuation impact)
- Ratings of monoline insurers downgraded (with valuation impact)

CDO/ABS exposure - overview (bn)		Mar-08	Jun-08
Nominal exposure			
Investment portfolio	CDO	9.0	9.0
	ABS	6.8	6.5
Trading portfolio	ABS	1.0	0.7
Nominal, total		16.8	16.2
Value writedowns (cumul)			
Initial writedown of junior/equity pieces		-0.8	-0.8
Value adjustments for monolines		-0.0	-0.2
Other value adjustments	P&L	-0.3	-0.5
	Sh. Equity	-0.2	-0.3
Total writedowns		-1.4	-1.8
Exposure, net of value adjustments			
Total		**15.5**	**14.4**

A detailed "June 2008 securitisaiton report" is available on www.kbc.com/Ir

Impact credit crisis on valuation of CDO/ABS portfolios

In 2Q 2008, 419m additional fair value markdowns recognised (1.0 bn total markdown since start of crisis)

- CDO notes were downgraded (for first time since start of crisis) following rating methodology changes, causing 135m modelled value loss
- *Monolines* were downgraded, impacting the fair value of the CDS protection received: additional 148m value adjustments were made (bringing total to 187m, 42% of the CDS fair value)
- Widening of ABS and CDS spreads (reference for underlying collateral) triggered another 136m modelled value writedown

Fair value adjustments made in July 2008:
-5m on P&L, -37m on B/S (before tax)

Credit ratings KBC FP CDOs	2Q 2007 ratings	2Q 2008 ratings
Aaa	83.6%	73.1%
Aa	13.9%	10.6%
A	2.3%	5.7%
Baa	0.2%	2.1%
Ba	0.0%	7.9%
B	0.0%	0.4%*
Caa	0.0%	0.2%*
Ca	0.0%	0.0%
C	0.0%	0.0%
D	0.0%	0.0%

Exposure to *monoline* insurers (mainly MBIA, Ambac, FSA)	
Credit enhancing for liquidity facilities in pub fin & health care sectors	Guarantees received (1.1 bn) for underlying assets that are AA/A- rated. Given high ratings, loss at insurers' default is very limited
Insurance coverage received for CDOs	Fair value exposure in the form of CDS protection bought against CDOs to the tune of 447m; 187m provisioned
Indirect exposure within the corporate collateral pool of CDOs	Overall collateral valuation based on observable data. Increasing risk profile of collateral reflected in fair value

*Written down to zero

CDO/ABS valuation impact, overview

CDO/ABS valuation changes (m)	2Q 08	YTD 08	12MTD
Fair value adjustment (P&L impact)	167	308	486
Fair value adjustment (B/S impact)	105	195	325
Value adjustment for monolines (P&L)	148	148	187
Total	**419**	**651**	**998**
Due to downgrading of CDO notes held	135	135	135
Due to increased counterparty risk of monolines	148	148	187
Due to credit spread widening & other FV changes	136	368	676

All figures are before tax

REMINDER

The following explains the "below average" CDO writedowns:

- Mostly corporate (74%), limited portion of RMBS/CMBS (14%)
- High "attachment points" of CDO notes , allowing substantial losses before being impacted (17%, on average)
- No assets sold at distressed prices ("buy and hold")
- "Low quality" CDO tranches completely written-down in past (equity/junior notes, 0.8 bn)
- Active CDO collateral management (asset substitutions)
- Part of CDO exposure hedged by short positions in trading book
- Selective asset picking at origination (no pressure to upload low-quality assets in order to complete securitisation transactions, no warehouse lines or super senior protection provided to external managers…)

Structured credit loss estimates

Exposure overview (summary at June, 2008):

- Nominal outstanding*: 15 433m, of which 8 187m CDO and 7 243m ABSs
- For 7 456m KBC acts as the CDO manager through its subsidiary KBC Financial Products (KBC FP)
- 97% of securities rated A or higher (85% Aaa)
- Underlying pool of assets (look-through approach for CDOs):
  - 39% is corporate risk (78% is IG, average rating is Baa2**)
  - 8% is subprime RMBS, 5% Alt-A (CMBS and credit card receivables both less than 1%)
  - Financial guarantee within CDOs by monolines via CDS (fair value exposure: 447m)

Test assumptions:

- 25% net loss on all 2005-2007 subprime and alt-A assets
- Up to 300 bps net loss on corporate underlying assets
- Potential default of monolines

Test scenarios used for CDOs managed by KBC FP and all ABS with subprime content (updated June 30, 2008)	Net loss test assumptions			Test result:
	Subprime/Alt-A underlying	Corporate underlying	Defaults of monolines	expected default
Scenario 1	25%	-	-	231m
Scenario 2	25%	3%	-	408m
Scenario 3	25%	-	100%	474m
Scenario 4	25%	3%	100%	708m

*Nominal amount, net of equity and junior CDO pieces fully written down at time of origination

** For reference purposes: Moodys' global average 1yr corporate default rate for Baa2 stands at 19 bps (1998-2007), over the last 35 yrs peak level (1986) stood at 136 bps

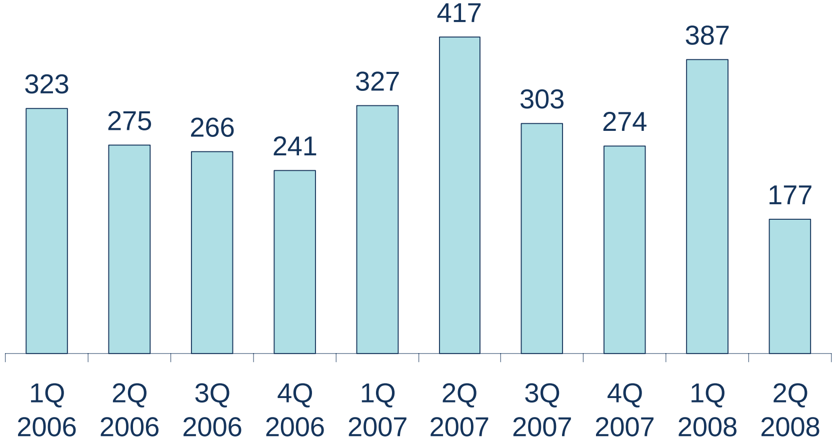
Underlying profit

performance
per business unit

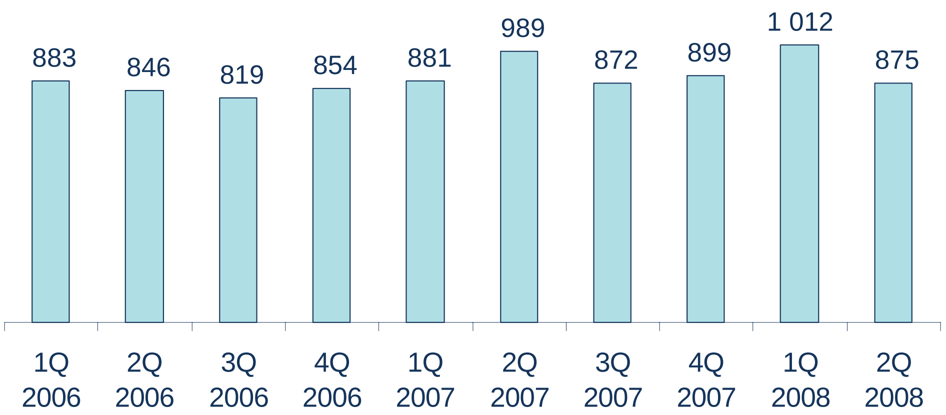
Business Unit Belgium

Net profit

All figures are in m euros

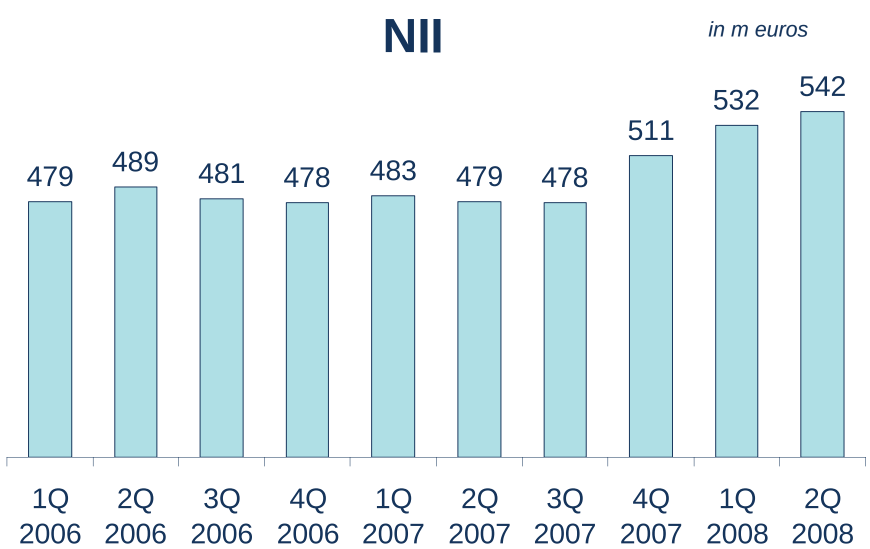


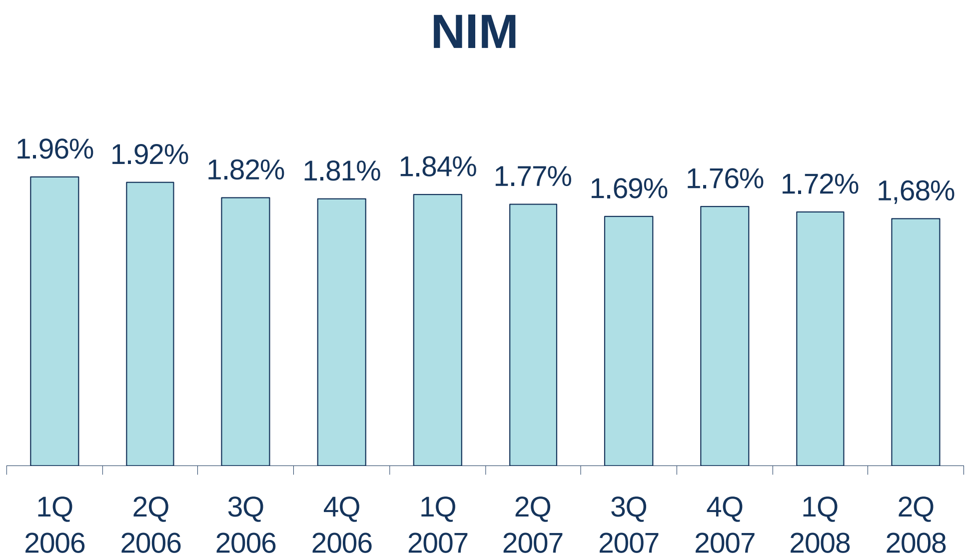
Total Income



- Underlying net profit at 177m, significantly lower than in previous quarters, largely due to lower AFS realised gains and higher AFS impairments
- Key financial ratios:
  - Underlying YTD C/I ratio at 61% (59% in FY 07)
  - YTD net combined ratio, non life insurance at low 91%
  - YTD return on allocated capital 25%

Business Unit Belgium (2)

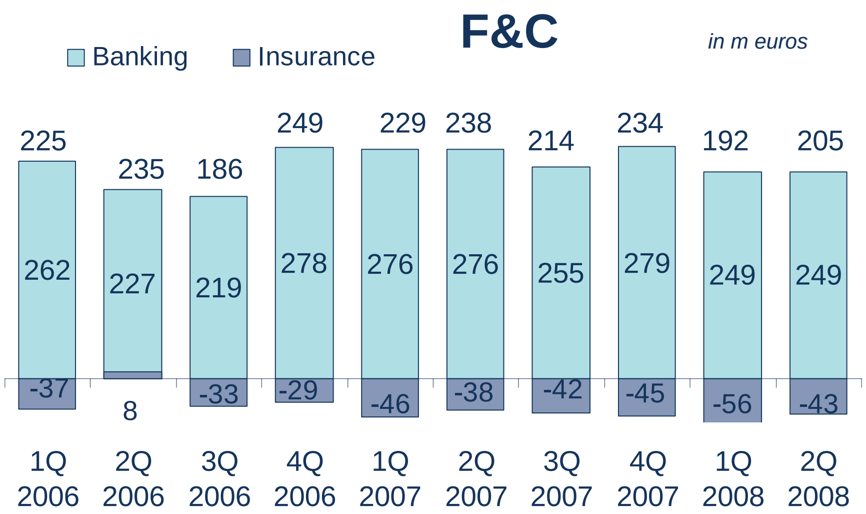


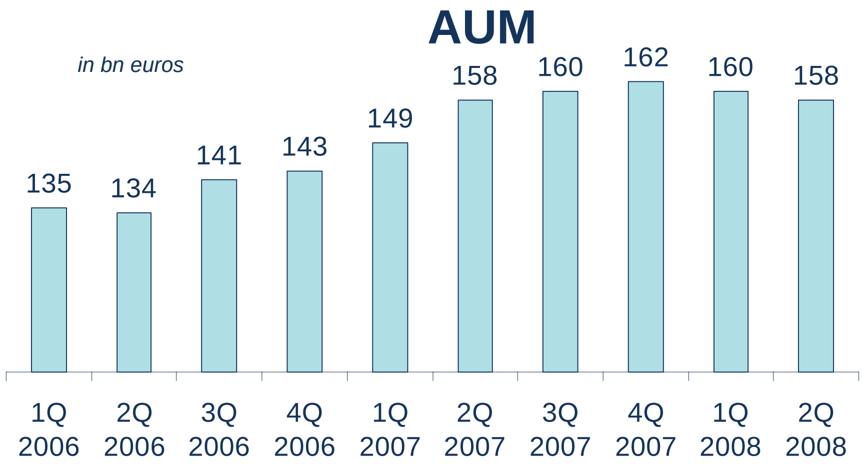


- NII (542m) up 2% q/q and 13% y/y – continuing the strong trend started in 4Q 07 and resulting from continued volume growth of loans and deposits (+10% and +21%, respectively)

- NIM stood at 1.68%, down 4 bps q/q and 9 bps y/y and resulting from higher share of low-margin deposits

Business Unit Belgium (3)





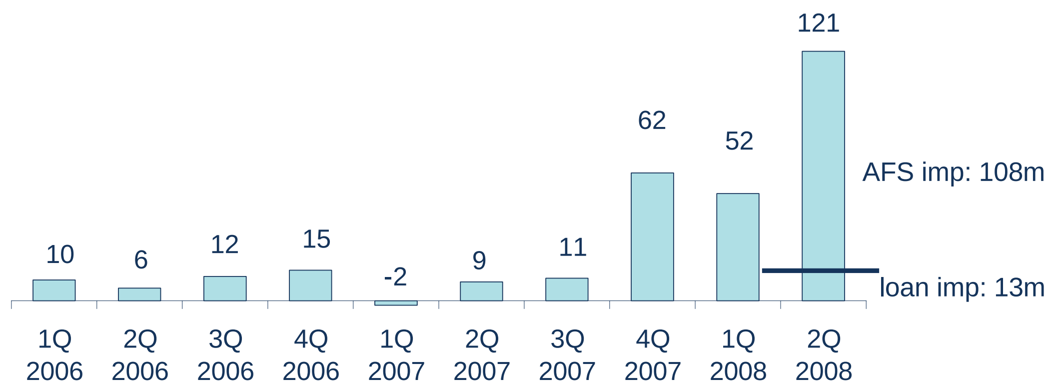
- F&C income (205m) up 7% q/q, but down 14% y/y, mainly due to high volatility in equity markets which led *inter alia* to flat fees from sales of investment funds
- AUM (158bn) down 1 % q/q (0% net inflows, -1% fund performances), flat y/y (+7% net new inflows and -8% fund performances)

Business Unit Belgium (4)

Operating expenses

All figures are in m euros

Impairment



- Operating expenses (486m) up 5% q/q, partially due to increased cost provisions for a litigation file
- Costs up 3% y/y only, as inflationary pressure was counterbalanced by lower bonus accruals

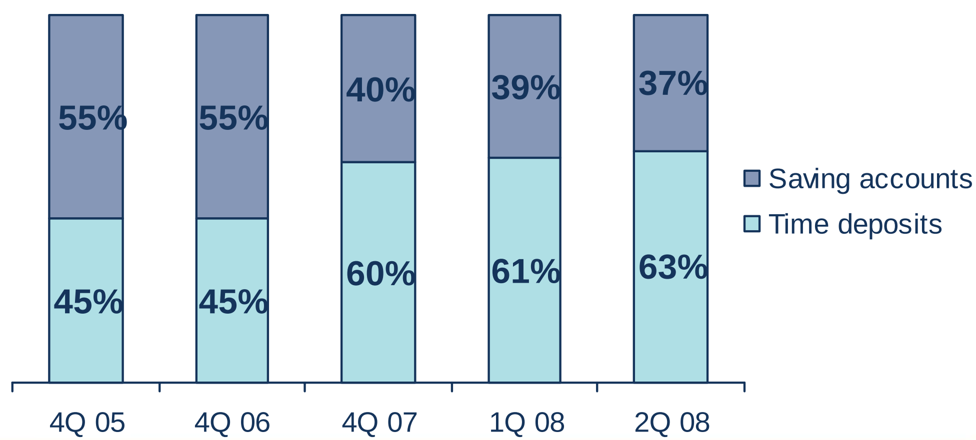
- Impairments on loans remained limited (13m), in line with 2007 quarterly average of 15m
- YTD LLR at 6bps (13 bps in 2007)
- High impairment on AFS assets (108m) in the insurance division on the back of adverse stock markets

Business Unit Belgium (5)

- Growth in customers' wealth continues to be strong, but since start of 2007, strong "mix" shifts were observed, having a negative impact on NIM:
  - Shift from investment funds to bank deposits
  - Shift from high-margin saving accounts to low-margin time deposits

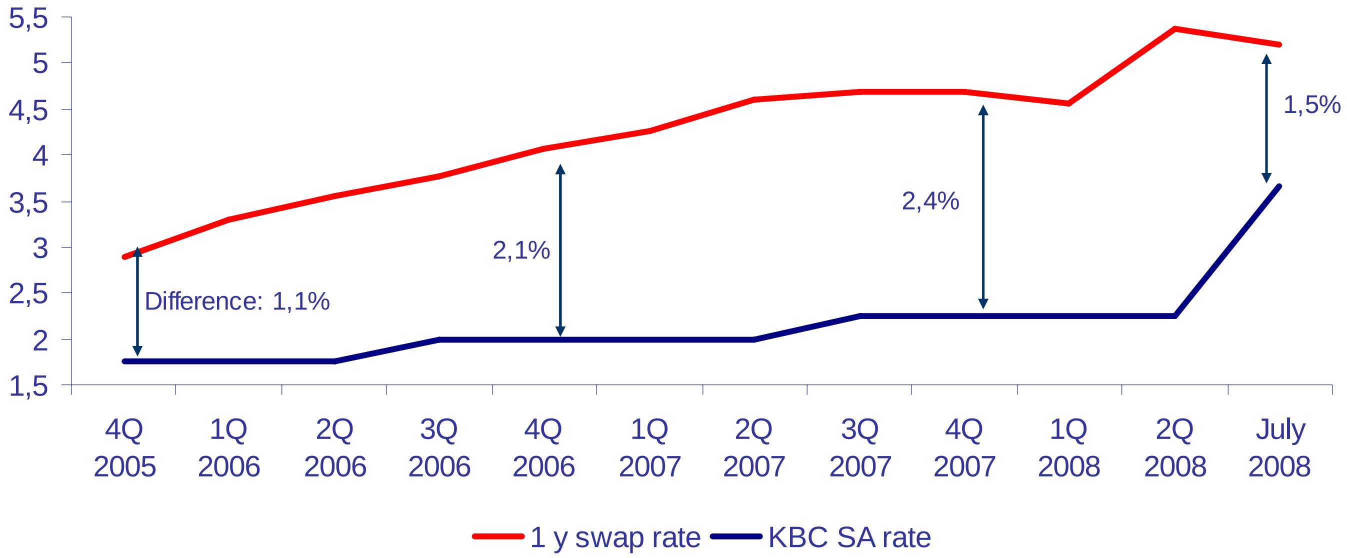
Evolution of total customer wealth (AUM + deposits + life reserves)

Shift from saving accounts to time deposits



Business Unit Belgium (6)

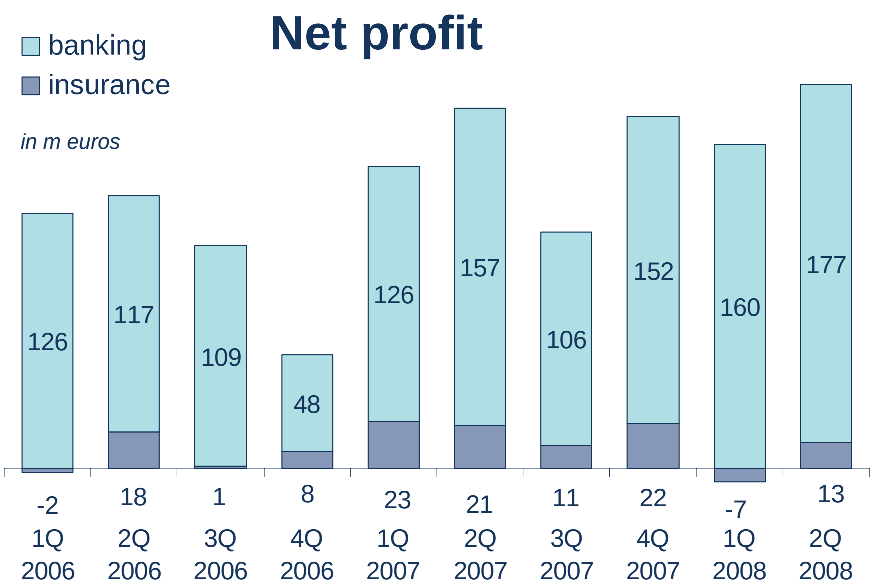
- In accordance with the increasing market rates (1 year swap rate exceeded 5%) and the competitive pressure, KBC increased its customer rate on (part of) its savings account to 4% as of July 2008 (estimated effective rate paid: ± 3.65% p.a.)

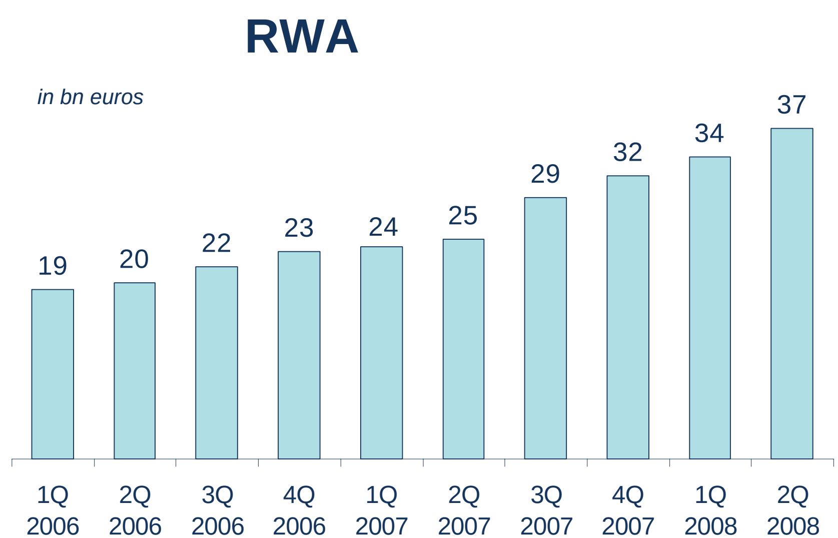


<u>Strategy</u>:

- Reprice according to rise in market rates
- Maintain customer satisfaction and safeguard market share (± 99% of market offers similar rates)
- Stop shift to (low-margin) time deposits

Business Unit CEER



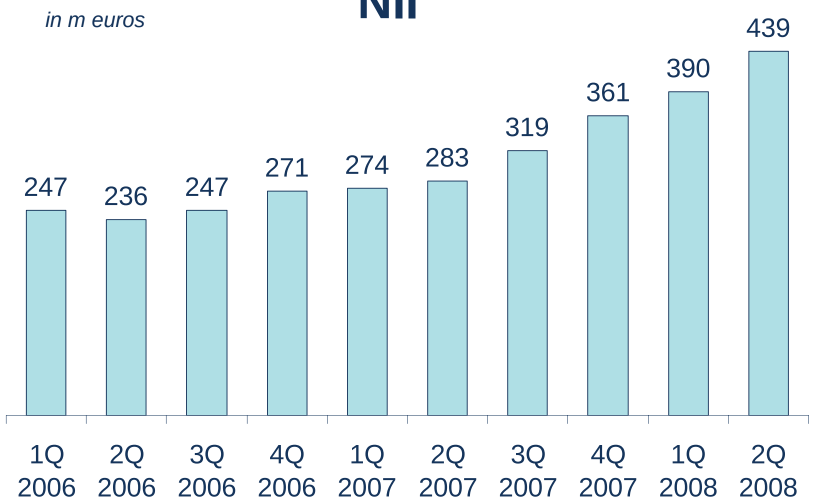


- Underlying net profit (190m), a record high, up 23% q/q and 7% y/y
- Contribution of Czech Republic: 128m, Slovakia: 13m, Hungary: 43m, Poland: 30m, Russia: 4m

- Impact of FV ABS/CDO (investment of excess deposits in CR): -29m after-tax (in 1Q 08: -21m)
- Excluding this impact, for the region as a whole, banking profit was up 31% y/y, while insurance results were down 35%

Business Unit CEER (2)

NII



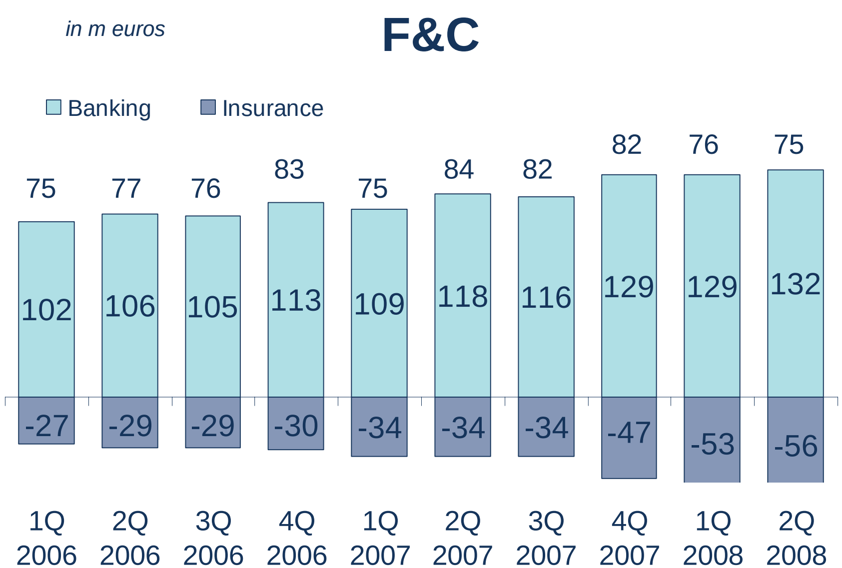
NIM*

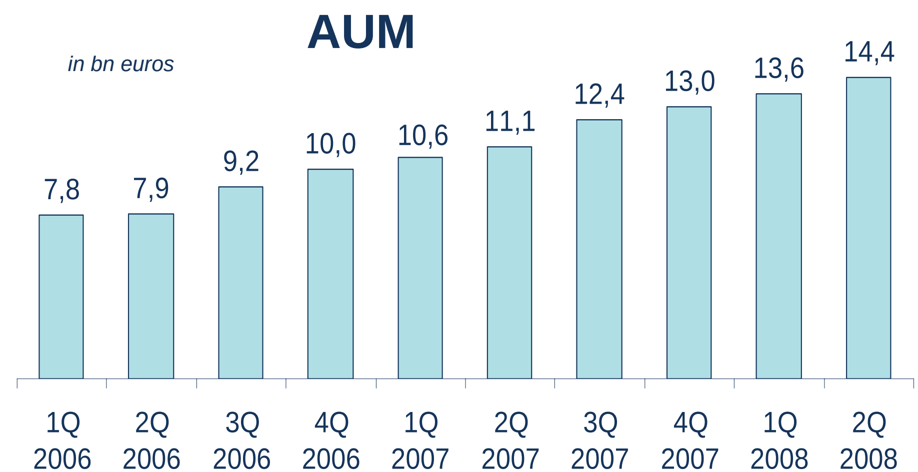
- Significant rise in NII (439m, by far the most important income item): up 5% q/q and 24% y/y on an organic basis, thanks to robust volume growth and margin expansion:
  - loan volumes: +23%, of which mortgages: +45%, and deposits +8% y/y
  - NIM up to 3.10% (partly due to new acquisitions in markets with higher margins)

All growth figures above are organic growth y/y; FX-impact excluded

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

Business Unit CEER (3)





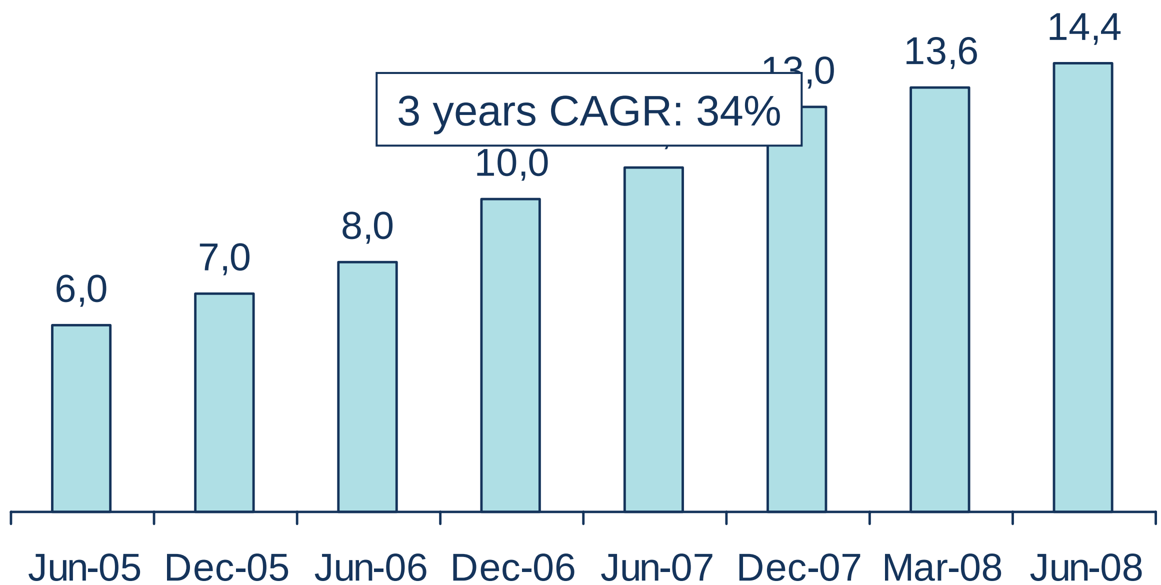
- Net F&C stood at 75m, as a result of:
  - F&C received (banking) up 2% q/q, and 12% y/y on a comparable basis
  - Offset by increased commissions paid to insurance agents due to higher sales

- Notwithstanding the difficult market environment, AUM up 2% q/q, 14% y/y on an organic basis

Business Unit CEER (4)

- Over the past few years KBC has become a leading asset manager in CEER

Evolution of KBC AUM in CEER

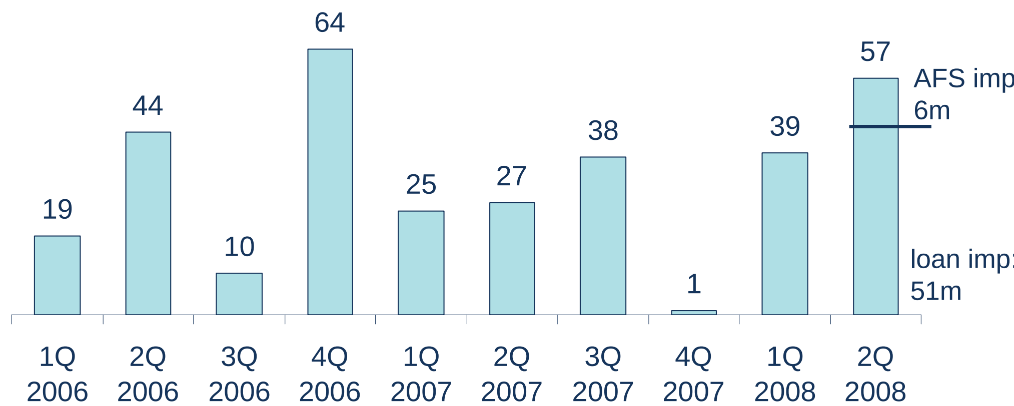


Business Unit CEER (5)

All figures are in m euros

Operating expenses

Impairments



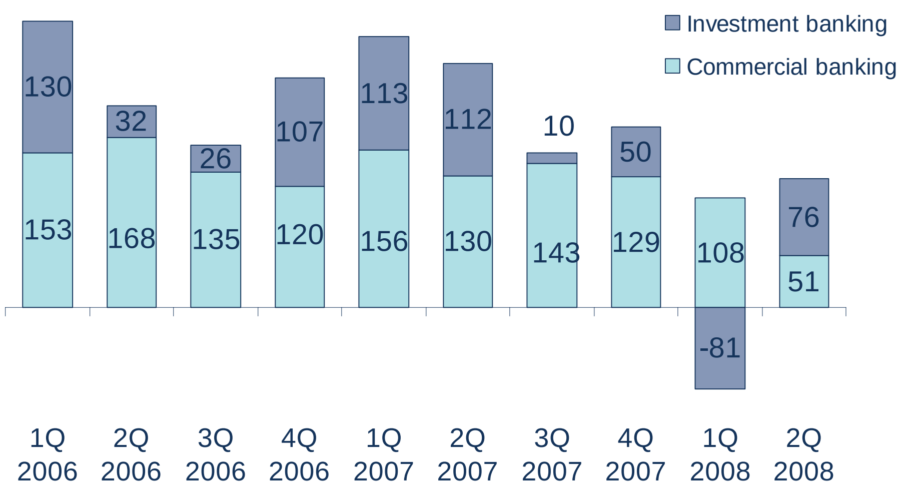
- Operating expenses (446m) up 6% q/q:
  - In 2Q 08 a provision release in Poland (positive impact of 10m)
  - 1Q 08 benefited from the write-back of a litigation provision in Hungary (impact +13m)
- Organic cost increase at 4% y/y, due to wage inflation and costs related to branch openings (10m per quarter), among other things
- YTD C/I ratio (banking) at 61% (63% in FY 07)

- Impairments (57m) up to the previous quarters; mainly related to consumer loans in Poland and generic provisions in Russia
- YTD LLR for the region: 43 bps (26 bps in FY 07); YTD LLR in Russia (160 bps) boosted by allocation of generic provisions

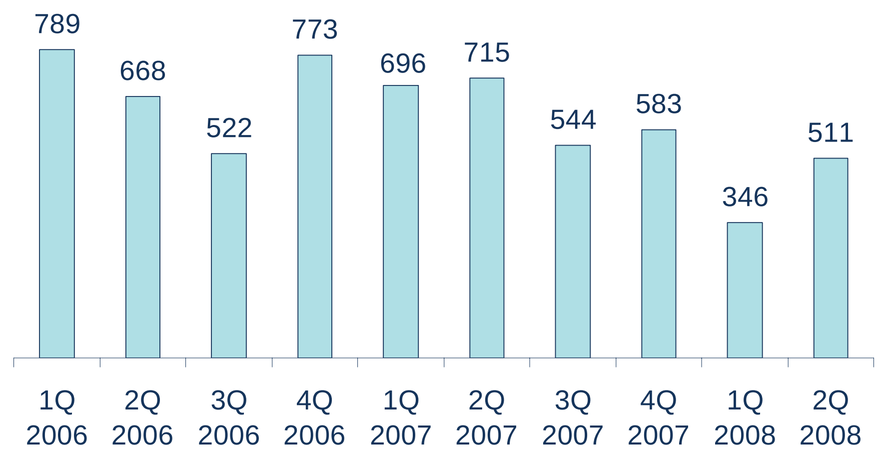
Business Unit Merchant Banking

All figures are in m euros

Net profit

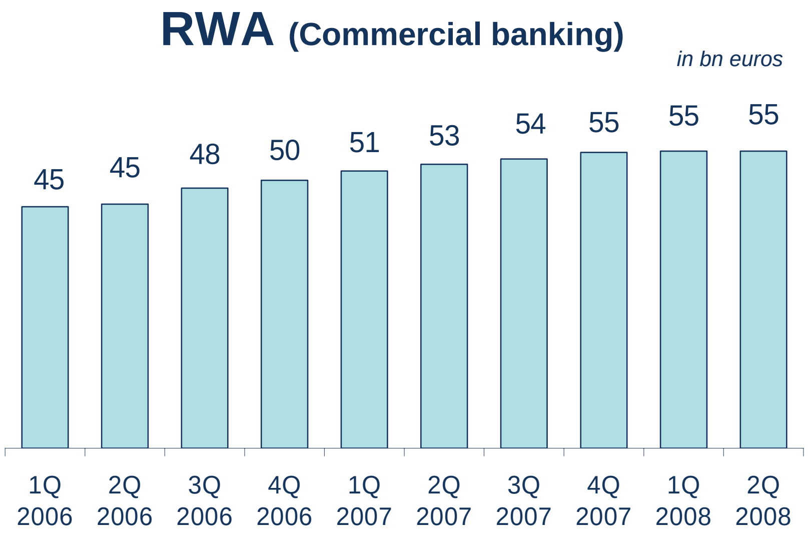


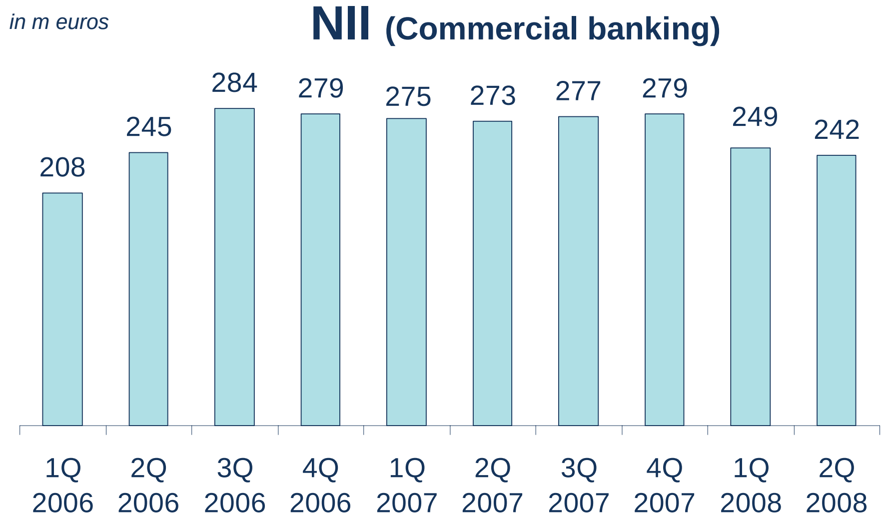
Total Income



- Underlying net profit at 128m:
  - 51m profit in commercial banking, down vs. previous quarter, mainly due to increased loan loss provisions
  - 76m net profit for investment banking (vs. 81m loss in 1Q 08)
- FV losses on ABS/CDOs: 90m after-tax (-46m in 1Q 08), including additional credit valuation related to monoline insurers

Business Unit Merchant Banking (2)



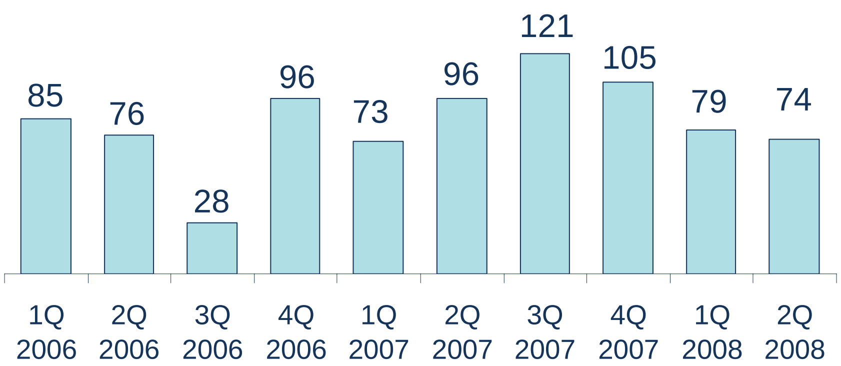


- NII (242m, related to commercial banking) down 3% q/q, due to the devaluation of USD against EUR and a number of small accounting changes
- Up 3% y/y, disregarding the negative impact of a methodological change in the booking of lease finance and ALM derivatives (-40m per quarter, recurring from 1Q 08 onwards)
- Rising credit spreads in SME lending in Belgium offset by higher funding costs for non-Belgian activities

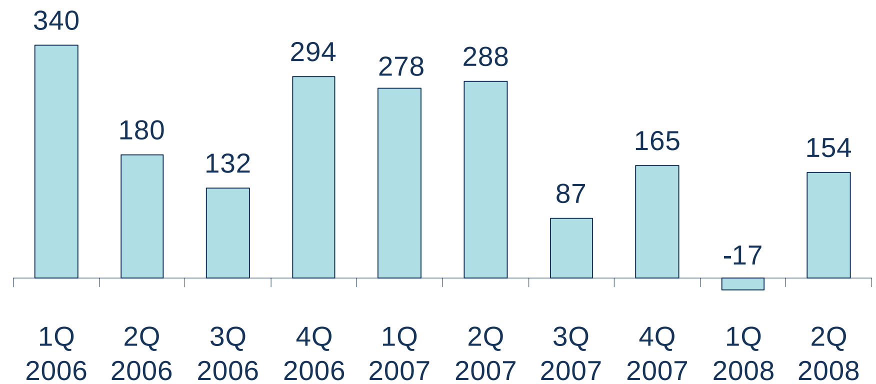
Business Unit Merchant Banking (3)

All figures are in m euros

F&C



FV gains (Investment banking)

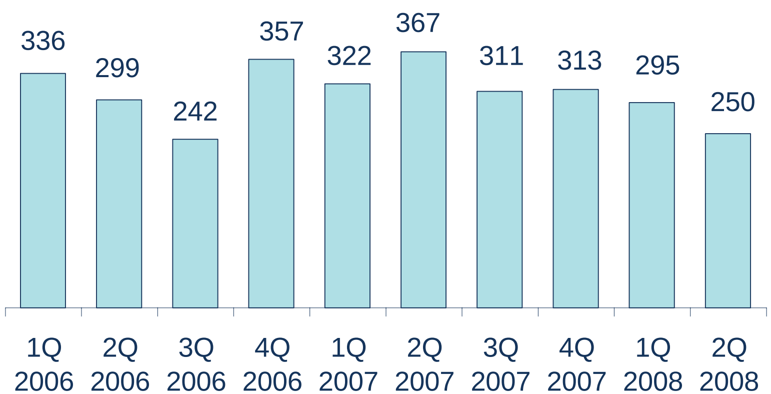


- Net F&C (74m) below 2007 quarterly average of 99m, due to lower equity brokerage and corporate finance activities
- Significant rebound of Fair Value income contains, among other things:
  - 215m negative value adjustments on CDO/ABSs and monoline insurers (pre-tax, 74m in 1Q 08, nil in 2Q 07)
  - Activities on money and debt capital markets performed well, while equity derivatives recovered and insurances derivatives grew

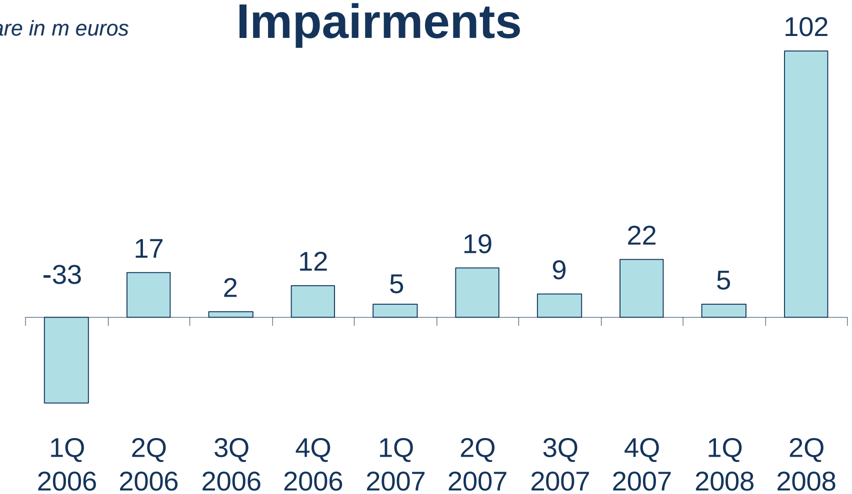
Business Unit Merchant Banking (4)

Operating expenses

All figures are in m euros



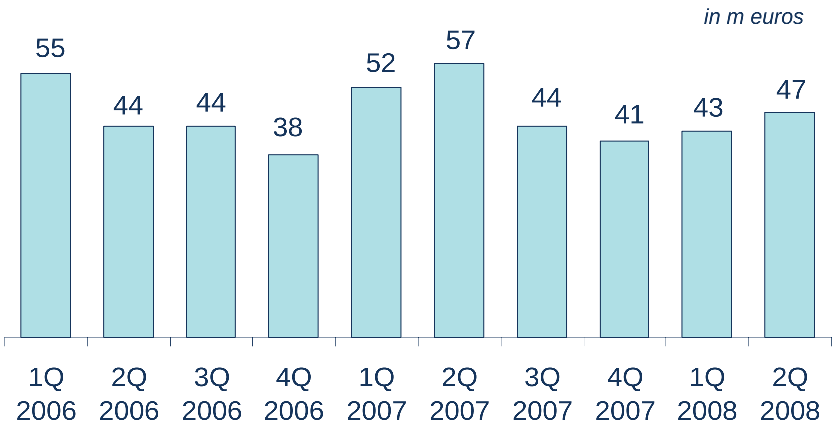
Impairments



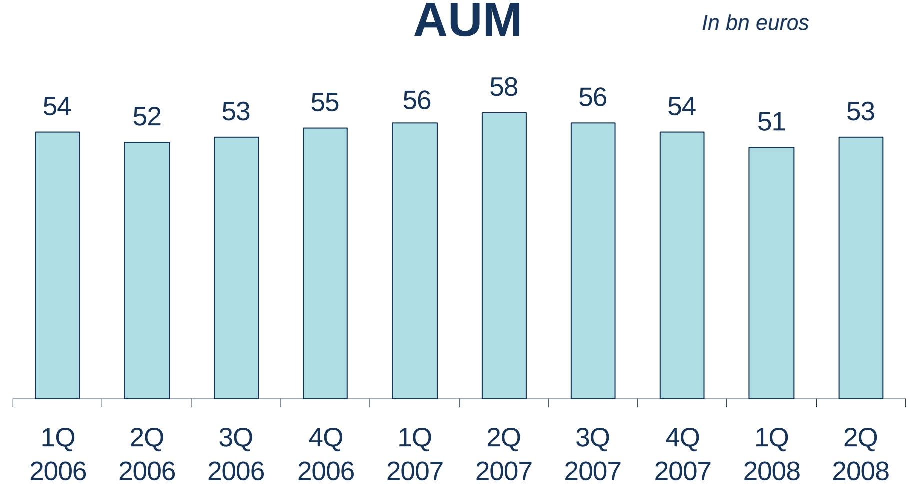
- Operating expenses (250m), down 15% q/q and 32% y/y, *inter alia* due to:
  - Lower remuneration and other variable expenses
  - Lower headcount in investment banking
- YTD C/I ratio at 64% (53% in FY 07)
- Significant increase in loan impairments, bringing YTD LLR to 16 bps (2 bps in FY 07)

Business Unit Private Banking

Net profit



AUM



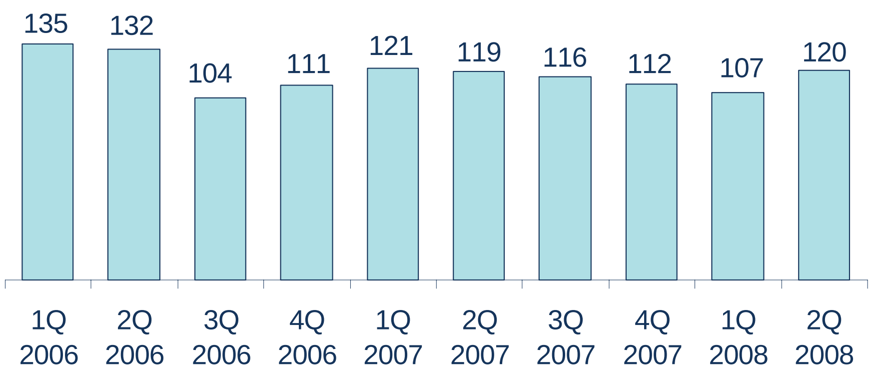
- Underlying net profit (47m) up 9% q/q, down 18% y/y
- Positive impact from the first-time consolidation of Richelieu Finance (11m over five months)
- YTD return on allocated capital at 29% (33 % in FY 07)

- AUM (53bn) up 3% q/q, and down 9% y/y:
  - Excluding Richelieu: -1% q/q, -13% y/y
  - net new inflow: 2% y/y, 4% q/q, offset by negative price effect
  - the drop was most outspoken in the non-core, low-yielding assets - in line with expectations
  - +10% q/q and +12% y/y net inflows of on-shore private banking (total: 26 bn)

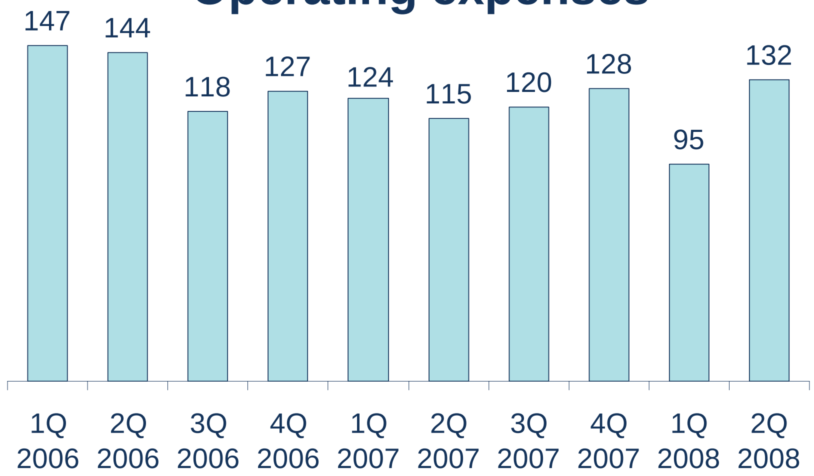
Business Unit Private Banking (2)

All figures are in m euros

F&C



Operating expenses



- Increasing net F&C (120m), both q/q and y/y, thanks to Richelieu (excluding Richelieu F&C down 10% q/q and 19% y/y)
- Expenses (132 m) up 23% q/q and 2% y/y organically. 1Q 08 included a 19m write-back of a redundant early-retirement provision
- YTD C/I at 68% (65% in FY 07)
- FV adjustment re CDOs at -12m, pre-tax (-8m, after-tax) – similar to 1Q 08

Wrap up

Wrap Up

- Strong operating performance with encouraging volume trends across the board and double-digit growth in NII both in Belgium and in CEE
- Solid rebound of investment banking income
- Upward trend for loan losses from very low levels
- No defaults, but further markdowns of structured credit investments portfolio and additional provision to cover exposure to monoline insurers
- Sensitivity to equity market downturn
- Solvency amongst the best within the financial sector

Annexes

Annex 1: Impact of structured credit exposure

Fair Value ABS/CDO - impact on P&L		Belgium	CEER	Merchant Banking	Private Banking	Group Centre	KBC Group consolidated
Pre-tax	3Q 2007	-8	-16	-22	-6	-	-51
	4Q 2007	-25	-13	-115	-13	-	-166
	1Q 2008	-29	-28	-74	-10	-	-141
	2Q 2008	-50	-37	-215	-12	-	-314
	1H 2008	**-79**	**-65**	**-289**	**-22**	**-**	**-456**
	TOTAL	**-112**	**-94**	**-426**	**-41**	**-**	**-673**
After-tax	3Q 2007	-6	-12	-17	-4	-	-39
	4Q 2007	-17	-10	-66	-9	-	-102
	1Q 2008	-19	-21	-46	-7	-	-93
	2Q 2008	-33	-29	-90	-8	-	-160
	1H 2008	**-53**	**-51**	**-136**	**-15**	**-**	**-255**
	TOTAL	**-74**	**-73**	**-219**	**-28**	**-**	**-396**

Fair Value ABS/CDO - impact on equity		KBC Group consolidated
Pre-tax	3Q 2007	-49
	4Q 2007	-81
	1Q 2008	-91
	2Q 2008	-105
	1H 2008	**-195**
	TOTAL	**-325**
After-tax	3Q 2007	-37
	4Q 2007	-51
	1Q 2008	-61
	2Q 2008	-71
	1H 2008	**-132**
	TOTAL	**-220**

Annex 2: Capital position

Capital position, Basel II 30 June 2008	Available	Target	Surplus
Banking	13.7 bn	11.8 bn	1.9 bn
Insurance	2.2 bn	2.1 bn	0.1 bn
Other group subsidiaries	0.6 bn	0.1 bn	0.6 bn
Total, Group	**16.6 bn**	**13.9 bn**	**2.7 bn**

- KBC intends to keep its Tier-1 banking capital level at >8% and >200% solvency margin, insurance
- At the end of 2Q 2008, the capital was in surplus of that level in the amount of 2.7bn euros

Annex 3: Holding company gearing ratio

As of 30-06-2008, in m euros	Shareholders' equity	Dividend upstreaming assumed	Shareholders' equity for calculation
Shareholders' equity KBC Group (A)	**15 459**	**-419**	**15 041**
Shareholders' equity subsidiaries (B)	**16 506**	**- 661**	**15 845**
KBC Bank*	11 852	- 444	11 408
KBC Insurance	2 741	-	2 741
KBL EPB	1 127	- 63	1 064
Shared services companies	786	-154	632
Gearing ratio (B) / (A)			**105%**

* Minus revaluation reserve on KBC Group shares (31 million)