



Press release

Regulated information*



8 October 2008 (during trading hours)

KBC stresses its strong position and strategy

Given the recent turbulence on the markets, André Bergen, KBC Group CEO, wishes to clarify the group's position and strategy. Indeed, there are fundamental reasons supporting the group's solidity, reasons that have already been highlighted and confirmed by all financial analysts, without exception.

1. KBC has strong liquidity and solid solvency levels

'KBC is highly solvent. With a Tier-1 ratio of more than 9%, it is one of the most solvent banks. Moreover, the group has strong liquidity levels (i.e. it has more deposits than loans), making it much less dependent on the interbank market to finance its operations. KBC also has a large buffer of securities that it can use, if necessary, to mobilise funds from the ECB. To date, this buffer has been left untouched.'

2. KBC is supported by reference shareholders who think long term

'The majority of KBC shares are held by stable shareholders who believe in our long-term strategy and who have supported the group through thick and thin for decades.'

3. KBC's corporate strategy is clear and focused

'KBC is a bancassurer that focuses primarily on retail and SME customers and that targets growth markets in Central and Eastern Europe, where the credit crisis is having little or no impact at the moment'. KBC is present mainly in those Central European countries that are in relatively good macroeconomic shape. As these economies are showing no sign of overheating they are also less vulnerable.

No problems have arisen in relation to funding the subsidiaries, either. Throughout the group, even more attention than before is being paid to ensuring that assets and liabilities are correctly balanced.

4. KBC is a company that has a traditionally conservative approach to its operations"

"In recent years, KBC has consistently adopted a rather conservative approach to both acquisitions and investments.'

5. KBC endeavours to communicate as transparently as possible

KBC is a fundamental supporter of open and transparent communication, even in difficult circumstances and when the market is driven by rumour and emotion. KBC endeavours to respond quickly and accurately to questions from all its stakeholders. *'When the crisis erupted last year, KBC was one of the first financial institutions to disclose its exposure to CDOs. KBC has regularly published details of the write-downs on the CDO portfolio during the past twelve months and will continue to release details of any temporary negative mark-to-market write-downs going forward.'*

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