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Brussels, 4 March 2014 (6.15 p.m. CET)

KBC announces its intention to issue euro-denominated CRD IV compliant Additional Tier-1 instrument

KBC may envisage calling some of its outstanding stock of classic tier-1 securities

Today, KBC Group NV is announcing its intention to issue in the near future a euro-denominated, non-dilutive, Additional Tier-1 (AT1) instrument of benchmark size, compliant with the current CRD IV regulation, subject to market conditions and following an investor roadshow throughout Europe and Asia commencing on Monday, 10 March 2014. This AT1 security will be a 5-year non-call perpetual instrument with temporary write-down at 5.125% CET1.

The securities will be sold to institutional investors.

Goldman Sachs International, J.P. Morgan, KBC Bank, Morgan Stanley and UBS have been mandated as Joint Bookrunners and Joint Lead Managers for the potential Additional Tier 1 transaction.

KBC's target capital structure includes 1.5% of RWAs in the form of AT1 instruments, to be issued throughout the CRD IV implementation period.

Johan Thijs, KBC Group CEO commented on the announcement as follows: '*We have looked at our capital structure in light of the current CRD IV regulation and the current outstanding securities. Taking into account regulation and current capital value as well as current valuation of the instruments, we have decided to optimise our layer of Additional Tier-1 capital complementing the strong Common Equity Tier-1 layer we already have. This will strengthen our total capital position even further.*'

Subject to market conditions and the amount raised by this AT1 issue, KBC may envisage calling some of its outstanding stock of classic tier-1 securities at their next possible call date and according to the terms and conditions of the prospectus of these securities.

KBC is one of the best capitalised and well-positioned financial institutions in Europe. Its fully loaded common equity ratio (pro forma) under the current Basel III framework came to 12.5%(1) at the end of the fourth quarter of 2013, well above the targeted common equity ratio of 10% under Basel III (fully loaded).

KBC's core strategy remains focused on providing bank-insurance products and services to retail, SME and mid-cap clients in Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria.

(1) Fully loaded, but including the remaining aid from the Flemish Regional Government, the impact of the agreements signed (but not yet closed) for the divestment of KBC Bank Deutschland and Antwerp Diamond Bank, as well as the payment of 500 million euros to the Flemish Regional Government at the beginning of 2014

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

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