



# Press release

Outside trading hours – Regulated information\*

Brussels, 1 October 2014

## KBC collapses last two CDOs in portfolio

On Thursday 25 September 2014, KBC collapsed the two remaining CDOs in its portfolio. These transactions will free up 0.3 billion euros in capital and increase KBC's solvency by 0.4%. They will also have a negative impact of just under 21 million euros on KBC's third-quarter income statement.

Collapsing these CDOs also releases KBC from the Portfolio Protection Agreement entered into with the Belgian Federal Government and completely eliminates the group's exposure to MBIA.

Since 2009, KBC has reduced its CDO portfolio from 25 billion euros to less than one billion euros, a decline of more than 95% on the 2008 figure.

For the record, KBC wishes to point out that it is the counterparty to and issuer of a further 0.3 billion euros' worth of CDO notes held by investors that will remain outstanding until year-end 2017. Consequently, negligible movements may yet be recorded in KBC's income statement in the coming quarters based on changes in the value of these notes (due primarily to credit spreads on the underlying portfolio).

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

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