



Press release

Outside trading hours – Regulated information*

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KBC's comfortable capital position reflected in strong Solvency II ratio

Under the new Solvency II framework, which came into force on 1 January 2016, new requirements will need to be met by insurers in Europe with regard to required capital, risk management and reporting standards. KBC's healthy insurance business and sound capital and risk management are reflected in the following parameters for KBC Insurance:*

- *Solvency II ratio of 242% (based upon figures at the end of 3Q15)*
- *Solvency Own Funds of 3.6 billion euros (end of 3Q15)*
- *Solvency Capital Requirement (SCR) of 1.5 billion euros (end of 3Q15)*

A Solvency II ratio of 242% clearly ranks KBC Insurance amongst the better-capitalised companies in the insurance industry in Europe.

Johan Thijs, KBC Group CEO: 'KBC's very solid Solvency II ratio is testimony to the health of its insurance business. It is the result of sound preparation for the new regulatory framework and a highly qualitative ALM approach. It will allow us to grow sustainably and to create long-term value for our shareholders and other stakeholders. Our solvency position ranks us well above the average in the European insurance industry. KBC has opted for the Standard Formula Model approach, which is regarded as more conservative, rather than using internal models.'

Solvency II

Solvency II is the new regulatory framework for insurers in Europe. It sets new requirements with regard to required capital, risk management and reporting standards. Its implementation as of January 2016 substantially changes the approach to insurance risk and company-wide risk management. It serves solely for reporting purposes and has no impact on KBC's insurance products or the services offered to its clients. KBC Insurance chooses to use the volatility adjustment (VA) method, and applies no transitional measures.

(*) This description relates to all insurance activities in the consolidation scope of KBC Group NV.

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* This press release contains information provided in compliance with European transparency legislation for listed companies.

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