



Press Release

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Brussels, 17 April 2018

KBC successfully places an Additional Tier-1 instrument for 1 billion euros

After a successful marketing, KBC Group NV ("KBC") today placed 1 billion euros in non-dilutive, Additional Tier-1 (AT1) securities (the "Securities"). There was considerable interest in the issue, which was 2.1 times oversubscribed.

Johan Thijs, KBC Group CEO commented on the transaction as follows: *'We continuously monitor our capital structure and our current portfolio of outstanding securities in light of market conditions. The new AT1 Securities have been issued in view of any potential future call of our existing 1.4 billion euros AT1 Securities issued in 2014, which we have the right to redeem in accordance with their terms in March 2019. The issue of the Securities enables us to maintain an optimal capital structure and continue to support our already excellent solvency ratios. Any decision to call the existing AT1 Securities will be taken in the context of our financial position and other factors at the relevant time and will be subject to any required regulatory and other approvals and pre-conditions being satisfied.'*

There was considerable interest in the issue of our euro-denominated CRD IV-compliant Additional Tier-1 instrument of benchmark size, which was 2.1 times oversubscribed. The success of the transaction emphasizes the trust of the market in KBC's solid capital position and business model.'

KBC is one of the best capitalised and well-positioned financial institutions in Europe. KBC's common equity ratio under the Danish Compromise came to 16.5% phased-in and 16.3% fully loaded at the end of 2017, well above the minimum capital requirements set by the competent supervisors of respectively 9.875% and 10.60% for 2018.

This AT1 instrument will be 7.5-year non-call perpetual with a temporary write-down at 5.125% CET1 and an initial coupon of 4.25% per annum, payable semi-annual.

The instruments were placed with institutional investors spread across Europe and Asia.

The Securities were offered in minimum denominations of 200 000 euros and are expected to be rated 'BB' by Standard & Poor's and 'BB+' by Fitch. The Securities are expected to be issued on 24 April 2018. Application will be made for the Securities to be listed on Euronext Brussels.

BNP Paribas, Deutsche Bank, Goldman Sachs International, HSBC, KBC Bank and Morgan Stanley were mandated as Joint Bookrunners and Joint Lead Managers for this transaction.

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