

# KBC GROUP INVESTOR RELATIONS POLICY

(version 16-JAN-07)



## **Introduction**

KBC's Investor Relations policy describes the principles and practices that KBC Group applies in order to act with integrity towards its shareholders and debt holders and as a responsible party on the capital markets. This policy ties in with its overall mission statement which covers KBC's role and responsibilities within the communities it serves. The document is to be seen as a voluntary supplement to the relevant laws and regulations. Nothing in this policy shall be construed, however, as a prohibition against complying with prevailing laws and regulations. The document also supplements KBC's insider-trading code for its employees, senior management and Board members.

## **General principles**

KBC is committed to providing timely, transparent, consistent and credible information on corporate strategies, trends and financial data to the investing public. The information will be disseminated over a broad area and all parties in the investment community will have fair access to information. Selective disclosure will be avoided at all times.

In line with market practice, more detailed information may be provided to analysts or professional investors during group meetings or on a one-on-one basis, as long as this information is not material and not withheld from other parties, if requested. The purpose of these meetings is to enable investors to gain a broader understanding of the fundamentals of the company, to discuss elements of a more technical nature, as well as to provide analysts and investors with the legitimate opportunity to interact with KBC's senior officials and to assess management quality. Moreover, in line with market practice and subject to strict confidentiality, additional information may be provided to analysts of credit rating agencies (in particular, on risk management topics).

Under no circumstances shall KBC deny an analyst or investor access to information or officials on the basis of a negative recommendation or a decision no longer to hold the company's securities. KBC shall not attempt to influence an analyst to change his or her recommendations by exerting pressure through other business relationships.

To ensure consistency and to avoid unintentional disclosure of (material) inside information, employees - other than those who are authorised to do so - are instructed not to respond to enquires from the investment community.

KBC closely monitors the markets' perceptions and expectations with regard to the Group to ensure an adequate shareholder orientation of the company management.

KBC has assigned the responsibility to safeguard the above principles to a dedicated Investor Relations function. The IR function has adequate knowledge about the company's strategy, budgets and business developments and is empowered to act as a spokesperson towards security holders and securities markets professionals (however, this clearly does not imply that all subjects are discussed with investors at will).

## **Involvement of senior management**

To ensure an adequate approach vis-à-vis the suppliers of the company's capital, a day-to-day interaction takes place between senior management and the Investor Relations function. The Investor Relations function forms recommendations on disclosure policies and content, provides market intelligence (such as analyst comments on the company, trading and liquidity statistics, etc..) and monitors the evolution of the shareholder base. The Investor Relations function is also responsible for adequately briefing or training senior managers in respect of analyst and investor contacts.

## **Access to information and meetings**

All analysts and investors have access to the Investor Relations function, the contact details of which are posted on the company Web site. Incoming questions will be dealt with in a timely way.

## **Access to meetings with senior management**

Requests by analysts or professional investors for meetings with senior management shall be met as schedules permit, and, if necessary, shall be prioritised in accordance with investor capacity to hold securities. As resources are limited and the primary responsibility of senior management is to manage the business, it should not be expected that every request for direct access to senior officials will be fulfilled. In

such meetings, senior officials may be accompanied by an Investor Relations Officer in order to avoid or detect the disclosure of (material) inside information.

### **Investor roadshows**

Periodically, on-site visits to the major financial centres are arranged in order to meet shareholders and professional investors. Therefore, KBC actively participates in roadshows and sector conferences hosted by stock brokers and investment banks. Requests from brokerages/banks hereto will be met as schedules permit and may also be determined by such criteria as demonstrated familiarity with KBC and its sector, the quality of the research published, geographical presence, track record on investor access, roadshow logistics and investor relations support, and how often the brokerage/bank has had the occasion to host meetings (this last being to avoid the perception of favouritism). All expenses for travel and hotel accommodations for the company delegation are borne by KBC alone.

### **Frequency of disclosures**

Interim earnings data are released on a quarterly basis. An earnings statement and a quarterly financial report are published at that time. Strategic important information is disclosed as it arises, in compliance with the relevant law and regulations (in principle, the disclosure will take place outside of trading hours).

### **Use of media**

A broad range of public communication channels is used to disseminate news releases (including via the Web site, press agencies, newswires and news distribution service providers). These channels are supplemented by the use of direct communication via e-mail, conference calls, group presentations and one-on-one meetings.

### **Investor Relations calendar**

KBC publishes a calendar on its Web site which contains the dates of earnings publications, AGMs, dividend payouts, analyst meetings and international investor roadshows.

### **Reporting standards**

Internationally accepted reporting standards are used. If required for transparency reasons, additional data may be provided which are based on other reporting standards, as long as definitions and/or reconciliation with the international reporting standards are made publicly available.

### **Forward-looking information**

From time to time, KBC provides forward-looking information to enable the investment community to better assess the company and its performance prospects (e.g., by disclosing a set of financial targets, capital expenditures, plans for future operations, etc.). When disclosing such forward-looking statements in writing, KBC commits to making use of explicit cautionary language, whereby (potential) shareholders are warned that the statements, although made on a fair and creditworthy basis, involve many assumptions and sources of risk and, therefore, actual results in future may differ materially from the projected situation.

### **Information storage**

All material information is published on the company Web site. A multi-year record of all public disclosures of material information is stored there, as well (in principle: 5 years).

### **Inside information**

Inside information is treated as highly confidential by authorised employees. Access to (material) inside information by employees is subject to strict internal guidelines (in compliance with the prevailing law and regulations).

### **Market rumours**

As long as it is clear that KBC itself is not the source of a market rumour, it may restrict its comments or avoid providing any comments whatsoever (unless regulations or the Market Regulator's intervention should require a public statement).

### **Conference calls**

KBC makes a practice of holding conference calls to discuss quarterly financial results and important strategic announcements (in the English language). It ensures that such conference calls are properly announced. Everybody is allowed to listen in to the calls, while analysts and professional investors who pre-register may participate in the public question-and-answer session. Recordings of conference calls are available on the Web site for replay for at least ten days.

### **Blackout periods**

To preclude the perception of selective disclosures prior to an earnings publication date, KBC shall observe a quarterly pre-earnings blackout period which is clearly announced in advance (i.e. published on the financial calendar available on the Web site). During this period, the company shall not take part in analyst or investor phone conversations or meetings, even if the object of these is not to discuss current operations or results.

## **Analyst reports**

KBC maintains an active working relationship with international stock brokers, investment banks and credit-rating agencies - independent of their current views or recommendations on the company - to enhance the quantity and quality of analysts research. KBC may review an analyst's report or earnings model for factual accuracy of information that is within the public domain. KBC shall not pressure an analyst to change his or her conclusions. KBC posts names and companies of analysts on the investor relations section of its Web site.

## **Analyst meetings**

On a regular basis, KBC organises analyst meetings or investor relations conferences with more extensive management presentations designed for analysts and professional investors. If (material) inside information is to be disclosed at such an occasion, a news release will be issued in line with the general disclosure policy. Analyst meetings shall be announced sufficiently in advance and KBC makes a practice of broadcasting the events on its Web site. As a rule, analysts physically attending the meetings are expected to pay for their own travel expenses and hotel accommodations.

## **Scope of policy**

KBC's investor relations policy applies to the publicly-traded securities issued or guaranteed by the legal entity, KBC Group N.V. (as an issuer and/or guarantor of publicly-traded equity and debt capital instruments) and its direct subsidiaries KBC Bank N.V., KBC Insurance N.V. and Kredietbank S.A. Luxembourgeoise (as issuers and/or guarantors of publicly-traded debt instruments). The scope of this policy includes securities that qualify as capital instruments (ordinary shares, preference shares, mandatory convertible bonds and some types of subordinated debt). Although, in practise, most of the principles of the policy also apply to the funding liabilities or the securities that are held within the trading portfolio, these are not specifically included within the scope of the policy.

## **Accountability**

This policy document was issued in January 2007. The principles and practices were already in place for a long time, on an informal basis. The Group Investor Relations Office is assigned responsibility for the implementation and periodic review (if required) of this policy. Shareholders and investors that have remarks in connection with this policy or its application should address them to the Group Investor Relations Office (contact: [investor.relations@kbc.com](mailto:investor.relations@kbc.com)).

-----