



Press Release – during trading hours

Brussels, 26 April 2013

KBC reaches agreement with Société Générale Srbija and Telenor Serbia on the acquisition of KBC Banka (Serbia)

KBC has reached an agreement with Société Générale Srbija and Telenor Serbia on the acquisition of KBC Banka, KBC's banking entity in Serbia. Under the agreement, Telenor will purchase 100% of KBC Banka's shares, while Société Générale Srbija will acquire KBC Banka's key assets and deposits. All the parties involved agreed not to disclose any financial details of the transaction. For KBC, however, the transaction will have an impact on earnings of an estimated -47 million euros (-17m euros of which recorded in 1Q 2013), largely offset by another capital release of an estimated 42 million euros, resulting in a negligible total capital release. The agreement marks KBC's exit from the Serbian banking market.

- KBC Banka is a universal bank providing a full range of products and services to retail, SME and large corporate customers in Serbia. The bank's headquarters are located in Beograd. Customers are served through a nationwide distribution network of 58 branches, located in the most economically active areas of the country. KBC Banka holds market shares of between 0.9% and 2.9%, serves approximately 81 000 retail and SME customers, and employs 492 people.
- Société Générale Srbija is a leading bank in Serbia and is part of the Société Générale Group. The Group has been present in Serbia for over 35 years, with a network of 102 branches offering a broad range of financial products services and employing over 1 300 staff.
- Telenor Group is the sixth largest mobile operator in the world with 148 million subscribers in 11 markets, including 3.2 million in Serbia. Last year, the Group identified mobile financial services as one of its key strategic directions and market opportunities.
- Pending regulatory approval, the transaction is expected to be finalised in the fourth quarter of 2013.
- For KBC, however, the transaction will have an impact on earnings of an estimated -47 million euros (-17m euros of which recorded in 1Q 2013), largely offset by another capital release of an estimated 42 million euros, resulting in a negligible total capital release.

Strategic rationale behind the agreement

KBC's decision to sell KBC Banka was part of the Group's strategic refocus that was agreed with the European Commission in November 2009. Since then, KBC has been refocusing on retail customers, small and medium-sized enterprises and mid-caps in its core markets of Belgium and Central and Eastern Europe, while reducing risk-weighted assets. The divestment of KBC Banka fits in with this updated strategy.

The acquisition of KBC Banka's key portfolio illustrates the strategic ambitions of Société Générale Srbija to further expand its businesses, to offer new products and services to customers in Serbia and to support the country's economic growth.

For Telenor the acquisition of KBC Banka is a crucial step in the process of bringing advanced mobile financial services to customers in Serbia. This investment will contribute to support economic growth in Serbia.

KBC Banka customers and other relevant stakeholders will soon receive further details of the transaction and the necessary assistance to transfer their assets. During a transition period of a few months, KBC Banka – with the backing of KBC – will continue to provide a full range of services to its customers and serve their financial needs. KBC Banka customers will be able to use all their usual products and enjoy the same level of professional service as before. All parties included in the transaction have committed to

mitigate the effects of KBC's withdrawal from the Serbian market. KBC will ensure that during the transition process, the necessary staff levels are maintained to provide service and support to KBC Banka's customers. Respecting social dialogue, KBC will establish a redundancy plan for any employees directly impacted.

Johan Thijs, CEO of KBC Group NV commented on the deal as follows: *'I am pleased to announce another step in implementing KBC's updated and refocused strategy that was agreed with the European Commission in 2009 and is now almost fully realised. The divestment of KBC Banka further strengthens our focus on our core bancassurance markets while reducing our risk profile. Today's announcement marks KBC's exit from the Serbian market and the end of period of uncertainty for KBC Banka. I would like to thank KBC Banka's management and staff for their commitment and efforts over the past years and wish them every success in the future.'*

Note for the editors:

About Telenor Group (www.telenor.rs)

Telenor Group is the sixth largest mobile operator in the world with 148 million subscribers in 11 markets, including 3.2 million in Serbia. Telenor offers services that ensure that subscribers are connected easily and reliably with people and information. Last year, the Telenor Group identified Financial Services as one of its key strategic directions and market opportunities, setting a target of 1 billion USD in global revenue for 2016. Telenor has valuable existing financial service positions in many markets and is flexible about the best way to offer mobile financial services in each of the 11 markets in which it operates.

About Société Générale Srbija (www.societegenerale.rs)

Société Générale Srbija is part of Société Générale Group, based in 76 countries, employing 154 000 people and serving 32 million customers throughout the world. Société Générale has been present in Serbia for over 35 years. It has a network of 102 branches and employs over 1 300 staff.

In addition to banking services and products for individuals and legal entities, Société Générale Srbija offers leasing services (SOGLEASE), consumer loans through point of sales, memberships to a voluntary pension fund (SOGE Penzije) and insurance (SOGE Osiguranje).

About KBC Banka (www.kbcbanka.rs)

KBC Banka (formerly Alco Banka a.d. Beograd) was established as a joint stock company in 1996. In 2007, KBC became a 100% owner of the company. KBC Banka is a universal bank, providing a full range of products and services to retail, SME and large corporate customers through its network of 58 branches. The bank serves approximately 81 000 retail and SME customers, and employs 492 people. In 2012, KBC Banka was ranked 22nd in the Serbian banking sector.

About KBC (www.kbc.com)

KBC is an integrated multi-channel bancassurance group, catering mainly for retail, SME and local mid-cap customers. At the end of 2009, KBC refocused its strategy and now concentrates on its core activity in its home markets of Belgium and certain countries in Central and Eastern Europe (Czech Republic, Slovakia, Bulgaria and Hungary). Elsewhere around the globe, the group has established a presence in selected countries and regions. Under that refocused strategy, and at the request of the European Commission, KBC decided to divest a number of businesses in non-EU markets and with limited market shares, such as the activities of KBC Banka (Serbia).

KBC's headquarters are located in Brussels (Belgium). The group employs more than 37 000 FTE, has 9 million customers and is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

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KBC was advised on this transaction by Alba Partners and KBC Securities.

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