



Press Release



31 May 2010

The European Investment Bank (EIB) and KBC/CBC sign a EUR 300-million loan agreement to support Belgian companies

Through its 'Loans for SMEs' programme, the EIB, the financing institution of the EU, makes funding available to small and medium-sized European enterprises to support their investment projects. To ensure these loans reach the enterprises, the EIB uses the services of European commercial financial institutions, acting as intermediaries. It is in this framework that KBC, CBC and the EIB have concluded a loan agreement worth EUR 300 million. KBC and CBC will use their close-knit network of bank branches to make the EIB funds available to small and medium-sized enterprises in Belgium as early as this summer.

This EIB loan for SMEs takes the form of a credit line that KBC and CBC will onlend to small businesses with fewer than 250 employees across a wide range of economic sectors eligible for EIB financing. The projects, to be eligible for this specific type of funding must meet certain pre-set criteria amongst which being carried out and located in the European Union and being aimed at growth. They may also not consist of refinancing or purely financial or property transactions.

The new EIB lending formula for SMEs is also designed to be more flexible and more transparent, particularly in terms of the information provided to businesses. It will ensure that the final beneficiaries – Belgian SMEs – benefit from the advantages of EIB funding, mainly in the form of lower interest rates, and they will be explicitly informed of this. KBC/CBC have agreed with the EIB on these conditions which are part of the contract signed by the financial institutions.

Philippe Maystadt, EIB President, underlined *'the importance – particularly in this challenging time for entrepreneurship – of maintaining the flow of financing to SME projects, these being crucial to provide employment and contribute to supporting the dynamism of European economies.'*

At the signature, **Jan Vanhevel**, President of the Executive Committee of KBC Group NV said: *'At a time when our economy is showing the first signs of recovery from an unprecedented financial-economic crisis, the like of which has never been witnessed before, it is essential that an integrated bancassurance group like KBC takes full responsibility for fuelling economic growth in its home markets. I am therefore delighted that we are in a position to enjoy the support of such a reputable institution as the EIB and that we can use these funds to supplement our other financing instruments.'*

KBC has already worked successfully together with the EIB in the past on similar projects on the group's Central and Eastern European home markets. KBC will make this loan available specifically to its Belgian SME customers through the close-knit distribution network of KBC Bank branches in Flanders and Brussels, through the CBC branch network in Brussels and Wallonia, and by means of the network of Belgian corporate branches. For more information about the loan, SMEs can address their questions to the local KBC/CBC branches or find more information on the respective websites: www.kbc.be, www.cbc.be, www.kbclearse.be or www.kbcmerchantbanking.com.

Since the launch 18 months ago, in October 2008, of its '*Loans for SMEs*' programme the EIB has made more than EUR 18 billion available to SMEs of which 7.4 billion allocated last year to at least 50 000 SMEs in the European Union. For the EIB, this programme has proved to be an efficient way of supporting small and medium-sized enterprises in their future development and growth. More detailed information on the EIB can be found at www.eib.org and, more specifically, on its activities with SMEs at www.eib.org/sme.

Note to editors :

About the KBC group:

Headquartered in Brussels (Belgium), KBC (www.kbc.com) is one of the leading financial groups in Europe. It is a multi-channel bancassurer with a geographic focus on Europe, catering mainly for retail customers, SMEs and mid-cap companies. KBC also provides services to corporate customers and engages in selected market activities. The group occupies major, even leading positions in its home markets of Belgium and Central and Eastern Europe, and has established a presence in a number of other countries and regions around the world. At the end of 2009, KBC employed 54 000 people. KBC is one of the largest Belgian companies listed on NYSE Euronext Brussels (ticker symbol 'KBC').

About the European Investment Bank:

The **EIB** - the European Investment Bank - is the long-term lending arm of the European Union, and is wholly owned by the 27 EU Member States. Its mission is to support through its activities the development of EU policies. It borrows funds on the capital markets (with an AAA rating) in order to finance on the keenest terms projects that are in line with EU strategies. In 2009, the EIB signed loans totaling EUR 79.1 billion of which 70.5 billion was for projects within the European Union. The EIB loans contribute chiefly to economic and social cohesion, environmental protection, research and innovation, support for SMEs, the development of trans-European transport and energy networks, and sustainable, competitive and safe energy.

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