

Press release



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Brussels, 7 December 2010

KBC increases its stake in CIBank (Bulgaria) to 100%

Today, KBC and Tzvetelina Borislavova signed an agreement in which KBC acquires Ms Borislavova's remaining stake in the Bulgarian CIBank. In so doing, Ms Borislavova is exercising the seller put option which she had agreed on 24 September 2007 with KBC.

KBC thus increases its shareholding in its Bulgarian banking subsidiary to 100% and is now the sole shareholder of the company. The transaction does not have any impact on KBC's capital position.

KBC plans to immediately start the procedure for delisting the company from the Bulgarian Stock Exchange.

Jan Vanhevel, KBC Group CEO, commented as follows: *'Ms Borislavova has always been a very loyal partner for KBC. We would like to express our sincere gratitude to her for her valued contribution to the development of CIBank, especially in the severe market conditions which we have experienced over the last two years. Through CIBank and DZI Insurance, KBC is the main bancassurance player in Bulgaria, with a dense network for distributing banking and insurance products. KBC has identified Bulgaria as one of the group's strategically important home markets. Becoming the sole shareholder of CIBank is proof of our commitment to Bulgaria. We believe that, together with DZI Insurance, CIBank will be able to take full advantage of the country's potential in the field of banking and insurance, to the benefit of the customers, employees and all other stakeholders.'*

Ms Tzvetelina Borislavova, added: *'Co-operation with KBC, one of the prominent and successful bancassurance groups in Europe, has offered CIBank many new opportunities. We have been able to take advantage of the knowledge and know-how that KBC, as an international group, has in the field of banking and insurance. CIBank has also received the necessary financial and capital support to further extend its market presence and to approach all customer segments with a full range of financial services. As KBC is also the owner of DZI Insurance, CIBANK has been able to expand its already large countrywide network and gain access to many potential customers by offering a broader range of products. I'm grateful and proud of our co-operation and of the achievements of the last few years and I'm convinced that, together with DZI Insurance, CIBank will be able to continue successfully introducing the bancassurance concept in the Bulgarian market. I wish them all the best for the future.'*

Contact details:

- Wim Allegaert, General Manager, Investor Relations, KBC Group

Tel.: + 32 2 429 40 51 wim.allegaert@kbc.be

- Viviane Huybrecht, General Manager, Group Communications/Spokesperson, KBC Group

Tel.: + 32 2 429 85 45 pressofficekbc@kbc.be

Note for the editors

About CIBank

At the end of 2007, KBC acquired a majority stake in Economic and Investment Bank (now CIBank). Tzvetelina Borislavova retained a minority shareholding in the bank and remained KBC's partner in Bulgarian banking activities. Ms Borislavova continued to chair the Supervisory Board and ensured continuity as the bank's minority shareholder.

CIBank is one of the leading commercial banks in Bulgaria, with an extensive branch network throughout the country, a modern banking approach and a wide range of products and services for individuals, corporate clients and small and medium-sized enterprises. In 2007, CIBank became part of the Belgian KBC group. Its integration, together with DZI Insurance, into KBC's structure facilitates the development of a good partnership between both institutions and an innovative approach to offering bancassurance products on the Bulgarian market.

About KBC Group NV (www.kbc.com)

KBC is a bancassurer that focuses on retail, SME and midcap customers in its home markets in Belgium and Central and Eastern Europe (Czech Republic, Slovakia, Poland, Hungary and Bulgaria). KBC's headquarters are located in Brussels (Belgium), the heart of Europe. The group employs around 54 000 staff and caters for 12 million customers. KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC').