



Press Release – During trading hours

Warsaw, Brussels, 4 December 2012

Polish Financial Supervision Authority KNF approves merger of Kredyt Bank and Bank Zachodni WBK

Today, the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) approved the merger of KBC's and Banco Santander's respective Polish banking subsidiaries Kredyt Bank and Bank Zachodni WBK. Both banks are listed on the Warsaw Stock Exchange.

The merger intention was already announced on 28 February 2012 and in the meantime received also the relevant competition clearance. For KBC, the transaction is another major milestone in the further implementation of the strategic plan agreed with the European Commission. Following this regulatory approval, the merger is expected to be registered by the Registry Court around year-end.

With nearly 900 branches and 3.5 million retail customers, the merged bank becomes Poland's third bank by deposits, loans, branches and profit. The merged bank will continue to be listed on the Warsaw Stock Exchange.

Based on the exchange ratio as per the agreement of 27 February 2012, Santander and KBC agreed that Santander holds approximately 76.5% of the merged bank and KBC around 16.2%. Other minority investors hold around 7.1%.

KBC, with the full support of Santander, commits to divest its 16.2% participation with a view to maximizing value. Both parties consider an exit through a Secondary Public Offering as the most preferred route.

For KBC, at the date of the merger, the transaction results - at current market valuations - in a capital release of EUR 0.5 billion, predominantly based on a reduction of Risk Weighted Assets. The (pro forma) tier-1 impact of the merger at KBC Group consolidated level (based on 3Q2012 figures) stands at approximately +0.8%. The (pro-forma) total tier-1 impact (including the divestment of the 16.2% participation) at KBC Group consolidated level stands at approximately 1,21% (based on 3Q12 figures).

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