

Press Release

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Management buy-out for KBC Lease Deutschland

KBC Lease Holding NV today completed the management buy-out (MBO) deal led by Mr Ulrich Helmdach (CEO of KBC Lease Deutschland) for Kronberg-based subsidiary KBC Lease Deutschland. The impact of the MBO on KBC's earnings and capital is negligible given the size of the activities.

Although KBC Lease Deutschland has had an excellent track record in recent years, it was no longer deemed part of the core strategy of the KBC group, which focuses on providing bancassurance services to retail, SME and local midcap companies in its Belgian and Central and Eastern European home markets. KBC Lease Group has been thoroughly reassessing all its activities in view of KBC Group's strategic refocus and, consequently, is concentrating on developing its business in a number of KBC Group's core markets.

Both parties have agreed not to disclose financial details of the transaction.

Based in Kronberg, KBC Lease Deutschland has over 20 successful years of developing its business. It was founded in 1989 by the management team and the former Kredietbank NV (now KBC), operating under the name Merca Leasing. The company is one of the 20 largest institutional leasing companies in Germany.

Using its extensive asset and industry knowledge, KBC Lease Deutschland has become a renowned specialist in the financing of movable assets over the last 20 years. It now offers its customers – SMEs and multinational corporations that are looking to invest in movable assets of any kind – customised financing solutions in small, midcap or big ticket fields, whether by means of finance leasing or operating leasing. Vendor leasing and vendor finance are other major areas in which KBC Lease Deutschland operates.

Mr Danny De Raymaeker, Chairman of the Board of Directors of KBC Lease Holding NV, commenting on the transaction, said: *'The decision to divest KBC Lease Deutschland fits within our group's updated strategy. We are glad to have reached an agreement reflecting the quality of the company's assets and we are confident the experience, business case and vision of Mr Helmdach and his team will ensure continuity and growth opportunities for its customers, staff and other stakeholders.'*

Mr Herwig Huysmans, CEO of KBC Lease Group added: *'I am proud to see that the quality and skills of KBC Lease Deutschland's staff and management have strongly contributed to the success and excellent reputation of the company in the many years that it was part of our group. I would like to thank them for their commitment throughout all these years. We wish them all the best. Moreover, I personally wish to thank Mr Helmdach and his team for the help and dedication in the search for a solution to make a new start.'*

Mr Ulrich Helmdach, CEO of KBC Lease Deutschland concluded: *'I am very pleased that we have succeeded in enabling KBC Lease Deutschland to continue its 23 years of successful activity under the responsibility of the existing management team. My special thanks go to Mr Huysmans, CEO of KBC Lease Group, and his team for their confidence in the competence and commitment of our employees and management. Another special word of thanks goes to our employees for their hard work, dedication and loyalty in recent years and during the negotiations to separate the company from the KBC Lease Group. I am confident that our company will continue its success seamlessly in the future under its original name of Merca Leasing. As before, we will be a reliable and competent partner for our customers.'*

Note for the editor

About KBC Lease (www.kbcleasegroup.be)

KBC Lease Holding NV, a subsidiary of KBC Bank NV, is a holding company that owns a network of leasing companies in Belgium and other European countries. In line with KBC Group's strategy, new leasing financing will only be offered in strategic countries. This MBO deal in Germany is part of this strategic repositioning exercise.

KBC Lease Group is the management structure that covers the strategic leasing entities in Belgium, the Czech Republic, Slovakia and Hungary. The Group offers asset finance solutions to its direct customers and to the KBC Group's banking customers in these home countries.

About KBC Group NV (www.kbc.com)

At the end of 2009, KBC refocused its strategy and now concentrates on its core activity as a bancassurer in its home markets of Belgium and certain countries in Central and Eastern Europe (the Czech Republic, Slovakia, Bulgaria and Hungary). Elsewhere around the globe, the group has established a presence in selected countries and regions.

KBC provides banking, insurance and asset management products and services via its integrated distribution channel consisting of bank branches, insurance agents and brokers, and the Internet.

Its headquarters are located in Brussels (Belgium). The group employs more than 47 000 FTEs. KBC is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

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