



Press Release – Outside trading hours - Regulated information*

Brussels, 31 July 2012

KBC group closes the sale to Precision Capital of its private banking subsidiary KBL epb

Today, KBC group (“KBC”) finalised the sale, announced on 10 October 2011, of its private banking subsidiary KBL European Private Bankers (“KBL epb”) to Precision Capital S.A. (“Precision Capital”) for a total consideration of approximately EUR 1 billion. The sale is expected to release a substantial amount of capital (approximately EUR 0.7 billion) for KBC, increasing its tier-1 ratio by 0.7 %.

KBL epb is one of Europe’s largest onshore private banking groups with affiliated local banks in numerous locations across nine European countries: Belgium, France, Germany, Luxembourg, Monaco, the Netherlands, Spain, Switzerland and the United Kingdom.

Johan Thijs, KBC Group CEO: *“I am happy to announce that KBC has finalised the sale of KBL epb to Precision Capital. This transaction is a major step in the implementation of our updated strategy of focusing on our core bancassurance business in our home markets in Belgium and Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Bulgaria). I am convinced that Precision Capital is ideally placed to further develop the business of KBL epb. I would like to thank all KBL epb’s management and staff - with whom we have had a successful working relationship for many years - for their commitment and effort over the years and wish them every success in their future careers.*

KBC will continue to offer private banking services in its home markets in Belgium and Central and Eastern Europe through its KBC-branded private banking businesses.”

George Nasra, the CEO of Precision Capital: *“I am very pleased with our acquisition of KBL epb, a solid, solvent and well-established European banking group. We are going to support its development, not only in the European markets in which its reputation for excellence is already well known, but outside Europe as well.*

Our commitment to KBL epb, its clients and staff is a long-term proposition. We will preserve and promote the group's entrepreneurial spirit - a hallmark of its unique business model. I am confident that KBL epb's management and staff, who have always demonstrated great competence and dynamism, will continue to build on these strengths for our future success.”

Jacques Peters, KBL epb CEO: *“I am very pleased with the conclusion of this agreement and the significant opportunities it represents for KBL epb. With the support of Precision Capital, we are strengthening our stability and our unique business model based on a network of local private banks. While looking to offer our specific approach to new customers in emerging markets, we will continue to safeguard the future of our staff and to provide our existing customers with the quality service they are accustomed to. The support of Precision Capital will enable us to reinforce our strong competitive edge in the dynamic and demanding international private banking market.”*

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Note for the editors:

About KBL *epb*

KBL *epb* operates a unique private banking business model focused on local client service supported by centralised operations. This model has resulted in the global-hub concept based in Luxembourg with control functions such as audit, compliance and risk management.

KBL *epb* operates some of the strongest brands in leading European markets:

- Brown Shipley & Co in the United Kingdom
- KBL *epb* España
- KBL *epb* Luxembourg
- KBL *epb* Monaco
- KBL *epb* Richelieu Banque Privée in France
- KBL *epb* Switzerland
- Merck Finck & Co in Germany
- Puilaetco Dewaay in Belgium
- Puilaetco Dewaay Luxembourg
- Theodoor Gilissen Bankiers in the Netherlands
- Luxembourg-based life insurance subsidiary VITIS Life.

The group employs 2 339 staff (end of 2011), approximately 400 of whom are private bankers.

About KBC

On 18 November 2009, KBC announced its updated strategy of focusing on its core bancassurance expertise in its home markets (in Belgium and Central Europe) and further reducing the risk profile of the group.

As part of this updated strategy, the group announced its intention to deconsolidate the activities of the European Private Banking Business Unit, which operated with commercial autonomy and had lower-than-average synergies with the bancassurance activities of the group. The announcement today represents the implementation of a major element of the strategic plan presented in November 2009.

KBC will continue to offer private banking services in Belgium and Central and Eastern Europe through its KBC-branded private banking businesses.

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