



Joint press release



Brussels, London – 29 July 2010 –before trading hours

Buy-Out for KBC Peel Hunt

KBC Group continues focus on core activities and reduced risk profile

KBC Group and KBC Peel Hunt have reached agreement on a buy-out of KBC Peel Hunt for a total consideration of GBP 74 million.

This deal has been supported by KBC Peel Hunt staff and backed by a group of external investors. The rationale is part of KBC Group's decision to focus on its core strategy of providing bancassurance services to retail, SME and midcap customers in its core markets (Belgium and Central & Eastern Europe). Within this context, KBC Peel Hunt was no longer deemed a part of the KBC Group going forward. The transaction is still subject to regulatory approval and is expected to be completed in the next few months.

- KBC Peel Hunt's management intends to maintain growth of the business, providing continuity for staff, customers and other stakeholders.
- KBC Peel Hunt is a respected player in the UK market in corporate finance advice, research, sales trading, agency sales and market making for mid and small cap companies. The company operates from offices in London, employing 136 staff who will all remain with the company.
- KBC Peel Hunt is a 100% subsidiary of KBC Group and was deemed no longer to be core within the 2009 updated strategy of KBC Group, which focuses on retail customers, small and medium-sized enterprises and midcaps in its core markets in Belgium and Central and Eastern Europe, and on a reduced risk profile.
- KBC will continue to act as a major player in the securities markets in Belgium and Central and Eastern Europe, with a complete set of capabilities to give domestic corporate customers access to capital markets and capital market products.
- The impact of the sale on KBC's capital is slightly positive (around EUR 13 million) and the impact on KBC's P&L is non material.

Luc Popelier, CEO of KBC Group's Market Activities, commented: "I am pleased that we have succeeded in finding a suitable and promising solution for KBC Peel Hunt. The agreement announced

today marks another step in the implementation of KBC's strategy which focuses on its core markets and customers and on a reduced risk profile.

At the same time, today's agreement provides KBC Peel Hunt with a new and stable environment which will be beneficial to all its stakeholders. We are convinced that KBC Peel Hunt's management will succeed in further developing their business, fully valuing staff competence and know-how while maintaining customer service at an excellent level."

Simon Hayes, CEO of KBC Peel Hunt added: "Today marks an important milestone for KBC Peel Hunt. Our priority is to benefit our clients and staff and to help KBC Peel Hunt grow its already strong franchise. We feel that the best outcome for Peel Hunt is the alignment of interests between staff and clients. We now have the right structure to develop a leading independent mid and small cap UK broker. This is the rebirth of a 21 year old company."

Steven Fine, Managing Director of KBC Peel Hunt, added: "This is a very positive next step for the business. We believe that KBC Peel Hunt differentiates itself from its competitors in many ways; we have a relentless focus on providing value-added service and advice to the mid and small cap market; and we have a top-rated quality research team and a particular strength in trading.

Neil Utley, an Investor, said : "As a long-standing client of KBC Peel Hunt, we recognise that this is the sort of financial services business we like to back; KBC Peel Hunt has great prospects based on offering an excellent service to its clients and we are hugely excited about working with the management team to grow the business."

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Notes for Editors

About KBC Peel Hunt (www.kbcpeelhunt.com)

Peel Hunt was founded in 1989 by Charles Peel and Christopher Holdsworth-Hunt, and floated on AIM in February 2000. In 2001, it was acquired by KBC Bank and Insurance Holding Company NV, and became KBC Peel Hunt. Key divisions include research, corporate finance, sales, trading and market making. Peel Hunt has approximately 50 corporate clients from FTSE250 to AIM. It has one of the largest trading desks in the UK and makes markets in over 1600 stocks. Analysts provide valuations, forecasts and written research on over 240 companies and are specialised by sector. The company conducts its activities from offices in London and employs 136 staff.

About KBC Group NV (www.kbc.com)

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KBC is a bancassurer that focuses on its home markets in Belgium and Central & Eastern Europe. KBC's headquarters are located in Brussels (Belgium), the heart of Europe. The KBC group employs around 54 000 staff and caters for 12 million customers.

KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC').