



Joint press release

Brussels, Tokyo - 19 November 2010

Daiwa Capital Markets and KBC Group finalise the sale of KBC's Global Convertible Bond and Asian Equity Derivatives businesses

Today KBC Group finalised the sale of its Global Convertible Bond and Asian Equity Derivatives businesses to Daiwa Capital Markets (registered name in Japan is Daiwa Securities Capital Markets) for a total consideration of approximately USD 1.2 billion¹ consisting of approximately USD 0.2 billion for staff, IT infrastructure and other assets (excluding the trading positions) and approximately USD 1 billion for trading positions. The transaction allows KBC to free up capital resources for a total amount of USD 0.2 billion. The acquisition jointly announced on 5 July forms a strong foundation for Daiwa's growing derivatives business and fits within KBC's renewed strategy to focus on its home markets (in Belgium and Central and Eastern Europe) and further reduce the risk profile of the group.

Luc Popelier, CEO of KBC Group's Market activities, comments: "The sale that was finalised today is in line with KBC's renewed strategy to wind down the structured products business within KBC Financial Products and to focus on its core bancassurance market. The transaction allows KBC to free up capital resources for a total amount of USD 0.2 billion while also further reducing the group's risk profile. In the Asia Pacific region KBC will continue to concentrate on corporate banking including lending, trade finance and treasury sales for core clients with links to KBC's home markets in Europe."

Toshinao Matsushima, Head of Global Markets Division at Daiwa, says: "The acquisition fits within Daiwa Capital Markets' plans announced in November 2009 to significantly grow its global markets operations including derivatives. This acquisition represents a significant step towards implementing this strategy, and we intend to grow the acquired businesses, integrating them into our existing derivatives franchise, and so providing continuity and future growth opportunities for our customers and the 150 staff across offices in London, New York and Hong Kong."

¹ The exact amount will be determined at completion when assets are transferred at market value at that time.

Contact details:

KBC Group

- 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

Daiwa Capital Markets

- Masaya Serizawa, Head of Tokyo PR
Tel 81 3 5555 3053 publicrelations@jp.daiwacm.com

- Paul Lyon, Head of Communication & Marketing, London
Tel 44(0) 20 7597 8109 mediarelations@uk.daiwacm.com

- Caroline Klein, Communication & Marketing Manager, London
Tel: 44(0) 20 7597 8101 mediarelations@uk.daiwacm.com

Notes to editors

About KBC Global Convertibles and Asian Equity Derivatives

KBC Financial Products' Global Convertibles and Asian Equity Derivatives businesses are recognised market players in the sales, trading and structuring of global convertible bonds and Asian equity derivatives. These businesses employ approximately 150 staff across offices in London, New York and Hong Kong.

The Global Convertibles' product range comprises primary and secondary market services for issuers and investors in convertible bonds on the European, US, Asian and Japanese markets. The business is a top-ranked player making markets in over 1 200 global convertible bond issues.

Asian Equity Derivatives provides market-making services in listed Hong Kong warrants, and issues equity-linked notes and options based on the equity of Asian companies. It is one of the top three issuers of Hong Kong warrants.

About Daiwa Capital Markets (www.daiwacm.com)

Daiwa Capital Markets is the wholly-owned investment banking arm of Daiwa Securities Group. The award winning firm has more than 4 000 employees worldwide and provides integrated financial services including brokerage, derivatives, capital raising, IPOs, mergers & acquisition and other creative financial solutions to clients through a network of more than 20 offices in Asia, the Middle East, Europe, North America and Oceania.

In June 2008, Daiwa took the strategic decision to scale up its structured products platform, starting with its home market in Japan, and the firm is now expanding its offerings across Asia. This acquisition follows announcements, made last November, that the Japanese investment bank intends to double its headcount in Asia. Daiwa operates across equity, fixed income, rates and foreign exchange in the derivatives markets.

About Daiwa Securities Group (www.daiwa-grp.jp/english/)

Daiwa Securities Group is one of the largest brokerage and banking groups in Japan and employs approximately 16 000 professionals worldwide providing comprehensive financial services, including retail brokerage, investment banking and asset management. Daiwa Securities Group has been in continuous operation in the financial services industry since 1902. It is listed on the Tokyo Stock Exchange.

About KBC Group NV (www.kbc.com)

KBC is a bancassurer that focuses on 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').

KBC's press releases are available at www.kbc.com. Follow KBC on www.twitter.com/kbc_group