

Joint press release – Before trading hours – Regulated information¹

Brussels, 4 March 2011

Crédit Agricole (Belgium) acquires Centea from the KBC group

KBC Group has reached an agreement with Crédit Agricole (Belgium) for the sale of its subsidiary Centea (Belgium) for a total consideration of 527 million EUR.

- The addition of Centea to the Crédit Agricole Group is a major step in the growth and diversification policy that the bank has been pursuing for many years. Crédit Agricole and Centea will combine forces to become a new and important player in the Belgian banking world, maintaining Crédit Agricole's co-operative values and boasting one of the biggest networks of tied agents that caters for more than one million customers.
- Today's announcement fits in with the strategic refocus plan that KBC announced at the end of 2009. The divestment of Centea is a significant step in implementing this plan and will not adversely affect the strength of KBC's business model in its core markets. Indeed, the company will continue to provide banking and insurance services under the KBC brand name in Flanders and Brussels through its network of 722 bank branches, 19 private banking branches, 13 corporate branches and 569 insurance agencies. It will continue to do the same under the CBC name in Brussels and Wallonia through 88 bank branches, 13 corporate branches, 7 private banking branches and 75 insurance agencies.
- This deal will free up around 0.4 billion euros of capital for KBC, primarily by reducing risk-weighted assets by 4.2 billion euros, which will ultimately boost KBC's tier-1 ratio by around 0.4% (impact calculated on 31 December 2010). The gain on this deal is negligible.
- Centea is one of the strongest savings banks in Belgium and a renowned brand. The company caters for the banking and insurance needs of more than 615 000 private customers, the self-employed and small companies through an extensive network of 657 points of sale operated by 608 tied bank agents across Belgium. Its comprehensive range of products includes deposits, investments and loans, as well as life and non-life insurance provided in close co-operation with Fidea (the complementary network of insurance brokers owned by KBC).
- Crédit Agricole, Centea and Fidea have agreed that, in an initial phase, Fidea will continue to offer its life and non-life insurance products through the Centea agents, as well as through Crédit Agricole's network. This co-operation model will, therefore, open up prospects and growth opportunities for Fidea.
- Together with Centea's management team, Crédit Agricole will review the joint operation going forward.
- In order to guarantee continuity of service, KBC will continue providing ICT-related support to Centea during the transition phase.
- Finalisation of the deal depends on the customary approval of the regulator(s) and is likely to occur in the second quarter of 2011.
- In this deal, Crédit Agricole was advised by Econopolis, Deloitte, CMS DeBacker and A.T. Kearney, while KBC was advised by KBC Securities, Morgan Stanley, Eubelius and Linklaters.

¹ This press release contains information subject to the transparency requirements imposed on listed companies.

Jan Vanhevel, KBC group CEO: *'Today's deal is another major step in the implementation of our updated strategy. This divestment will free up a considerable amount of capital and help us further strengthen the KBC group. With a lower risk profile, we will continue to focus on our core activity as a bancassurer in our core markets of Belgium and Central and Eastern Europe. In Belgium, we will operate as before through our comprehensive network of KBC and CBC bank branches and insurance agencies. Nevertheless, this divestment is one of the difficult choices we have had to make to meet the demands of the European Commission.'*

Johan Thijs, CEO of KBC's Belgium Business Unit and Chairman of Centea's Board of Directors: *'Centea is one of the strongest savings banks in Belgium, with a long and rich history, and committed staff and agents who provide a top-quality service to their customers. Personally speaking, therefore, it is with a heavy heart that we have to bid farewell to our Centea colleagues, with whom we have had a successful working relationship for many years. The new owner, Crédit Agricole, affords new opportunities for Centea's staff and agents, while also opening up new prospects to the colleagues and brokers of Fidea. We believe that Crédit Agricole will ensure the requisite continuity and guarantee the future of Centea's staff and agents.'*

Luc Versele, Crédit Agricole CEO: *'This deal is unique in Crédit Agricole's history. Not only does it double our total assets and market share, but we will also acquire 600 000 new customers in one fell swoop. As it is a sizeable transaction, we have been preparing for it thoroughly since the end of 2009. I am, therefore, delighted that this long and thorough preparation period has ended in a promising agreement. This deal would not have been possible without the express support of our shareholders. I am extremely pleased to welcome Centea into the Crédit Agricole Group. Centea's corporate culture, values and business model closely match those of our co-operative bank, Crédit Agricole. Centea is a profitable, top-quality bank and, just like Crédit Agricole, has a network of tied agents. We are, therefore, convinced that this agreement is appropriate for both the Crédit Agricole Group and Centea, and that both banks combined will be able to provide an even better service and more extensive range of products to more than one million customers.'*

Alain Diéval, Chairman of the Board of Directors of Crédit Agricole: *'The Belgian co-operative savings banks, the French shareholders, the regional savings banks "Crédit Agricole Nord de France" and "Crédit Agricole du Nord Est", and Crédit Agricole SA, have all been studying the file ever since it was announced that Centea would be sold. They have come to the conclusion that this represents a fine opportunity for the Crédit Agricole Group to establish a new, stronger co-operative banking group that is active in all sectors of the Belgian economy. We were, therefore, immediately prepared to make the necessary funds available to purchase Centea and to make this unique project a long-term success.'*

Paul D'Haeyer, Centea CEO: *'We consider this acquisition to be a positive and reassuring development for our customers, employees and agents. The period of uncertainty is now over. We know our new shareholder. Crédit Agricole fully supports our customer-oriented model and strategy and has a long-term outlook. We look forward to working closing with them and developing the bank further. We are convinced that our customers, staff and agents will benefit considerably from the strong commitment and support from the new owner.'*

About Centea (www.centea.be)

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 Central and Eastern Europe, as well as on reducing its risk profile.

Under that strategy, and at the request of the European Commission, KBC decided to divest a number of businesses, including the activities of Centea and Fidea in Belgium. Centea and Fidea are the complementary distribution channels (under separate brand names) that KBC uses in addition to its core bancassurance platform.

Centea is one of the strongest savings banks in Belgium and a renowned brand. The bank employs 456 people and has a share of 2.99% of the market for savings accounts and savings certificates, and around 7.04% of the home loans market (30 November 2010).

Centea meets the banking and insurance needs of more than 615 000 private customers, self-employed and small and medium-sized enterprises, thanks to its extensive network of 657 points of sale run by 608 tied bank agents throughout Belgium and with whom it has worked closely for many years.

Its comprehensive range of products includes deposits, investments and loans, as well as life and non-life insurance provided in close co-operation with Fidea (the complementary network of insurance brokers owned by KBC that has also been earmarked for divestment).

Impact on KBC (www.kbc.com)

Throughout its more than 90-year history, Centea has consistently pursued and achieved a strategy of cautious but profitable growth.

The company has contributed an average of approximately 60 million euros (before funding costs) to KBC group profit over the past five years.

In 2010, Centea's contribution (after taxes and before funding costs) to the underlying profit of the KBC group amounted to 58 million euros, or approximately 3%.

On 31 December 2010, Centea accounted for 4.2 billion euros in risk-weighted assets.

The direct impact on KBC's capital comes to some 0.4 billion euros in core capital released, which will in turn have an impact on the group's tier-1 ratio of around 0.4% (calculated on 31 December 2010).

Bancassurance with Fidea (www.fidea.be)

Fidea is a financially sound and profitable player on the Belgian insurance market. The company offers a complete range of non-life, life and investment-type insurance products to private customers, the self-employed and companies. It sells its policies through independent insurance brokers and – within a bancassurance co-operation agreement – through Centea's network of agents.

Crédit Agricole, Centea and Fidea have agreed that, in an initial phase, Fidea will continue to offer its life and non-life insurance products through the Centea agents, as well as through Crédit Agricole's network. This co-operation model will, therefore, open up prospects and growth opportunities for Fidea.

The divestment process for Fidea (also part of the strategic refocus announced by KBC in November 2009) is still underway.

About the Crédit Agricole Group (www.credit-agricole.be)

The Crédit Agricole Group is a Belgian bank comprising four fully complementary entities: the co-operative bank, Crédit Agricole, and its three subsidiaries, Crédit Agricole Assurances (insurance), the niche bank, Europabank, and the online bank, Keytrade Bank.

Crédit Agricole is a solid bank that offers a broad range of banking and insurance products and services.

To help it achieve its goals, the Crédit Agricole Group can rely on two solid shareholders, namely the Belgian co-operative savings banks, Lanbokas and Agricaïsse (a 50% shareholding), and the French company, Crédit Agricole (more specifically the regional Crédit Agricole Nord du France and Crédit Agricole du Nord Est savings banks and Crédit Agricole SA (a 50% shareholding)).

Crédit Agricole has 1 866 employees, 301 agencies, 582 000 customers and 142 000 co-operative entities.

Since the French Crédit Agricole became a shareholder in the bank in 2003, Crédit Agricole has been working on implementing its strategic plan, which focuses on diversification and growth in Belgium on both an organic and external basis. Following the takeover of Europabank in 2004 and Keytrade Bank in 2005, the development of the original Fidelio concept in 2006, the establishment of Crédit Agricole Assurances in 2007, the start-up of private banking activities in 2008, the acquisition of Kaupthing Bank Belgium's customers in 2009 and the launch of Crédit Agricole Direct in 2010, the acquisition of Centea is the next decisive step in the group's positioning in Belgium.

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