

Press release



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2 June 2010

Management buy-out for KBC Asset Management (UK) Ltd

Brussels / London: On 1 June 2010, KBC Asset Management NV completed the management buy-out of its London-based subsidiary KBC Asset Management (UK) Ltd (hereinafter 'KBCAM UK') with Mr Simon Radford, CEO.

KBC AM UK has £755 million assets under management. The impact of the MBO on KBC's earnings and capital is negligible given the size of the activities.

Although KBCAM UK has a very positive results track record over recent years, it was no longer deemed part of the core strategy of the KBC group which focuses on bancassurance to retail, SME and midcap customers in its core markets (Belgium and Central & Eastern Europe).

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

KBCAM UK is a property-specific asset manager specialising in direct and indirect investment solutions for institutional investors seeking exposure to the real estate sector. It is a 100% subsidiary of KBC Asset Management NV, a leading Belgian asset manager, which is in turn a wholly owned subsidiary of the KBC group. The 18 staff currently employed by KBCAM UK will remain with the newly created company. The investor customers will continue to receive the same highly professional service as they did in the past and will not be affected by the management buy-out.

Mr Danny De Raymaecker, Chairman of the Board of Directors of KBC Asset Management NV, commenting on the transaction, said: *"The decision to divest KBCAM UK 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 Simon Radford and his team will ensure continuity and growth opportunities to KBCAM UK's customers, staff and other stakeholders"*.

Mr Simon Radford, CEO of KBCAM UK added: *"I am proud the KBCAM UK team will be able to continue to grow its successful franchise under the **new name** of **Lothbury Investment Management Limited**. We have been trading exceptionally well this year, notwithstanding the difficult market environment, and remain fully committed to further developing our business activities and serving our investors and clients."*

About KBC Asset Management (UK) Ltd.

The KBCAM UK team and business joined the KBC group in 2004, having managed property investment on behalf of institutional clients for over 20 years. The current client base comprises corporate and local authority pension funds, insurance companies, charities and private banking organisations. The business manages property investments equivalent to £755 million across a number of vehicles providing access to the UK and European property markets.

Lothbury Property Trust, the flagship fund is a balanced property unit trust providing exposure to the office, retail and industrial sectors and is geographically spread across the UK with 80% exposure to the South East. The Fund delivers an innovative investment solution through a core/active strategy that comprises a predominantly core portfolio of prime assets to achieve stability of return combined with active management initiatives to create additional value and an enhanced return for the investor. This strategy has produced outstanding results and 10 years outperformance of the IPD Short Terms Fund Index. The Fund has continued to outperform during 2010, recording a Quarter 1 2010 performance of 5.4% against the IPD Pooled Property Fund Indices Balanced Property Unit Trust Index Benchmark of 4.9%. Lothbury is therefore Upper Quartile over 1, 3 and 5 years.

About KBC Asset Management NV: www.kbcam.be

KBC Asset Management is a 100% subsidiary of the KBC group and a leading Belgian asset manager. It is mainly active in KBC's home markets of Belgium and Central & Eastern Europe, but also has two long-term growth options in the emerging markets of China and India.

Figures provided by the Belgian Asset Managers' Association (from December 2009) show that KBC Asset Management leads the field in Belgium, with a 39.2% share of the total market and a 59% share of the market for structured funds. As per end March 2010, total assets under management amounted to 163.2 billion EUR.

About KBC Group NV: www.kbc.com

KBC is a bancassurer that focuses on its home markets in Belgium and Central & Eastern Europe (Czech Republic, Slovakia, Poland, Hungary and Bulgaria). 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').

Contact details:

KBC:

Viviane Huybrecht, General Manager, Group Communications/Spokesperson, KBC Group
Tel 32 2 429 85 45 pressofficekbc@kbc.be

Lothbury Investment Management Limited:

Simon Radford, CEO
Tel 44 20 7614 6062 Simon.radford@lothburyim.com - www.lothburyim.com