



# Press Release

Brussels, New York – 21 December 2010

## KBC closes sale of Life Settlement Portfolio (USA)

**KBC yesterday finalised the sale of the US life settlement portfolio held by KBC Financial Products to certain funds managed by affiliates of Fortress Investment Group LLC (NYSE: FIG), as announced on 10 November 2010.**

- KBC Insurance Derivatives is a New York-based specialised business line of KBC Financial Products. KBC's exit from the life settlements market has to be seen against the backdrop of KBC's strategic choice to refocus its Merchant Banking business, as a result of which the life settlements activities were not deemed core.
- While reducing KBC's risk profile and future volatility, the transaction has no impact on KBC's Tier-1 ratio and is not material to KBC Group's results.
- In recent months, KBC Financial Products has divested its Japanese Equities business, its US reverse mortgage business, its Asia-focused fund of funds management activities and its global convertibles and Asian equity derivatives businesses.

**Luc Popelier, CEO of KBC Group's Market Activities** comments on yesterday's transaction:

*"The sale that was finalised yesterday is in line with KBC's renewed strategy to reduce the Group's risk profile and to focus on its core bancassurance markets. KBC Merchant Banking will from now on focus on servicing core corporate customers of the Group's home markets in Belgium and Central and Eastern Europe and internationally active corporate customers with a natural link to KBC's home markets."*

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