

Press release



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1 July 2008

KBC Concord AM (Taiwan) launches first investment fund

Taipei, Brussels – KBC Concord AM has received approval from the Taiwanese Financial Supervisory Commission to launch its first mutual fund, 'KBC Concord Taiwan Home Run Equity Fund', whose offer period runs from 1 July until 11 July 2008. The fund will start investing immediately after the offer period closes.

KBC Asset Management, together with Concord Securities (CSC), acquired Taiwanese Sunrise Asset Management Co. Ltd. (Sunrise AM) in the fourth quarter of 2007. Sunrise AM was subsequently renamed KBC Concord Asset Management Company Ltd. KBC Asset Management has a 54% stake in the company, while CSC – the other key shareholder – has a participation of 25%.

KBC Concord Taiwan Home Run Equity Fund is a New-Taiwan-Dollar-denominated, open-ended mutual fund aimed primarily at the Taiwanese retail investor. The fund mainly invests in Taiwanese companies quoted on the Taiwan Stock Exchange and focuses on a number of key sectors, including the technology, chemical and financial sectors.

The management of the fund will be based on both quantitative and fundamental analyses. The custodian bank and main distributor of the fund will be Taiwan Business Bank. KBC Concord Taiwan Home Run Equity Fund will also be distributed through Concord Securities, Concord Capital Management Corporation, Mega Bank, Huanan Bank, Hwa-Tai Bank, Shin-kong Bank, Chang-hwa Bank, Sunny Bank, Jih-sun Securities and Polaris Securities.

The Taiwanese fund market:

At present, there are 39 asset management companies in Taiwan. These domestic fund houses have launched 185 equity mutual funds whose primary investment universe is the Taiwan stock market, and 109 equity mutual funds whose investment universe comprises global stock markets. At the end of May 2008, these 294 mutual funds had a combined AUM of 843 billion New Taiwan Dollar (18 billion EUR) and accounted for 40% of the local fund industry, which is worth 2.1 trillion NTD (44 billion EUR).

Since the beginning of 2008, the Taiwan Taiex Index has fallen 11.55% to just above 7 500. Despite its current weakness, we believe that the Taiwan equity market represents a good long-term investment target, given the low price/earnings ratio compared not only to its historical average, but also to the other regional markets.

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Note to the editor:

Concord Securities (CSC): CSC was established in July 1990 and became listed on Taiwan's OTC market in 1996. Its main business relates to securities and brokerage activities. It has also set up Concord Investment Management, Concord Futures, Concord Futures Brokerage and a number of other local and overseas investment companies. At present, there are 22 sales branches throughout Taiwan and the company employs over 800 staff.

KBC Asset Management NV (KBC AM) (www.kbcam.be) is a 100% subsidiary of the KBC group and a leading Belgian asset manager with operations around the world. It is mainly active on KBC's home markets of Belgium and Central and Eastern Europe & Russia, but it is also stepping up its activities in other growth markets like China, Taiwan, Hong Kong, Korea, Japan, United Arab Emirates, New Zealand, Australia, Ireland, Spain, Italy, the Netherlands, the UK, the US, Switzerland, Germany and Austria.

It had approximately 174 billion EUR worth of assets under management at year-end 2007 and has the resources and commitment to expand further at home and abroad.

Figures provided by the Belgian Asset Managers' Association (year-end 2007) show that KBC Asset Management leads the field in Belgium, with a market share of 35.6%. Its share of the Belgian market for capital-guaranteed products comes to no less than 55%.

KBC Group NV: www.kbc.com

KBC is one of the biggest financial groups in Europe. KBC occupies significant, even leading positions in Belgium and Central and Eastern Europe and Russia and has an extensive private banking network operating under the European Private Bankers concept. It has also selectively established a presence in a number of other countries and regions around the world.

The KBC group is present in more than 35 countries worldwide, employs 57 000 staff and caters for 12 million customers. KBC Group NV is listed on NYSE EURONEXT and the Luxembourg Stock Exchange.