



Press Release

Outside trading hours - Regulated information*

Brussels, 24 September 2013 (08.00 a.m. CEST)

KBC Announces Sale of KBC Bank Deutschland

- ✚ KBC today announced it has reached an agreement to sell KBC Bank Deutschland AG, a wholly-owned subsidiary of KBC Bank NV, to several investors including affiliates of Teacher Retirement System of Texas (TRS), Apollo Global Management, LLC (NYSE: APO), Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI), and Grovepoint Capital LLP (Grovepoint).
- ✚ KBC Bank Deutschland specialises in corporate banking and financial services for medium-sized German companies. It also provides professional real estate financing, acquisition finance, institutional asset management and private wealth management services for German high-net-worth individuals.
- ✚ The transaction is subject to antitrust and regulatory approval. Meanwhile, KBC Bank Deutschland, with the support of KBC, remains fully committed to all its current business activities and serving its customers.
- ✚ This deal will free up around 0.1 billion euros of capital for KBC, primarily by reducing risk-weighted assets and will have no material impact on KBC's financial results. This will result in an improvement of KBC's solvency position with roughly 15bp.
- ✚ In November 2009, KBC agreed a strategic plan with the European Commission that involves refocusing on retail customers, small and medium-sized enterprises and mid-caps in its core markets of Belgium and Central and Eastern Europe (Czech Republic, Slovakia, Hungary and Bulgaria), while reducing risk-weighted assets. As part of this plan, KBC Bank Deutschland was earmarked for divestment, despite the presence and expertise it has built up. At the same time, KBC continues to respond to the international banking needs of its corporate customers outside its home markets through a network of branches and network desks in a selection of countries, including Germany.

Johan Thijs, CEO of KBC Group NV commented on the transaction: *'With this deal, the divestment programme KBC has committed to execute is nearly complete. This agreement also affirms KBC Bank Deutschland's expertise, and will provide continuity to the bank's staff and customers. I am pleased that under its new ownership, KBC Bank Deutschland will be able to further enhance its business and its reputation and continue to deliver high quality service for its customers, supported by a dedicated staff and our well-reputed brand. At the same time, the agreement allows KBC to continue supporting its home-market corporate customers requiring financial services for their German business activities.'*

Mr Axel Bartsch, CEO of KBC Bank Deutschland said: *'We are pleased that a period of uncertainty regarding our future ownership is nearing an end. We have been very impressed with the depth of knowledge and understanding shown by the bank's proposed new owners. They understand our heritage, our values and the importance of high quality service and continuity to our clients. We are excited to be working with them.'*

Note for the editors:

About KBC (www.kbc.com)

KBC is an integrated multi-channel bank-insurance group, catering mainly for retail, SME and local midcap clients. It concentrates on its home markets of Belgium and certain countries in Central and Eastern Europe (Czech Republic, Slovakia, Bulgaria and Hungary). Elsewhere around the globe, the group has established a presence in selected countries and regions. KBC's headquarters are located in Brussels (Belgium). The group employs more than 37 000 FTE and is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

Follow KBC at www.twitter.com/kbc_group

About KBC Bank Deutschland (www.kbcbank.de)

KBC Bank Deutschland is a stand-alone specialised financial institution for German medium-sized corporate clients (the *Mittelstand*). The bank is also active in professional real estate financing, acquisition finance, institutional asset management and private wealth management for German high-net-worth individuals. Its foundation dates back to 1863 as a cooperative banking organisation in Bremen. The bank is specialised in financing and providing financial advice to the *Mittelstand*. In 1982, the bank was acquired by the former Kreditbank, which expanded the bank's network with additional branches in several German major cities. In 1999, the brand name became KBC Bank Deutschland.

- 180 staff members
- Branches in Bremen (head office), Hamburg, Hannover, Berlin, Düsseldorf, Frankfurt, Stuttgart and Munich
- Total assets: 2,607 million euros (end 2012)

About TRS (www.trs.state.tx.us)

TRS delivers retirement and related benefits authorised by the Texas Legislature and manages a 117 billion-dollar trust fund established to finance member benefits. More than 1.3 million public education and higher education employees and retirees participate in the system.

About Apollo Global Management (www.agm.com)

Apollo Global Management, LLC (NYSE: APO) is a leading global alternative investment manager with offices in New York, Los Angeles, Houston, London, Frankfurt, Luxembourg, Singapore, Mumbai and Hong Kong. Apollo had assets under management of approximately 113 billion US dollars as of 30 June 2013, in private equity, credit and real estate funds invested across a core group of nine industries where Apollo has considerable knowledge and resources.

About Apollo Commercial Real Estate Finance, Inc. (www.apolloreit.com)

Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI) is a real estate investment trust that primarily originates, invests in, acquires and manages performing commercial real estate mortgage loans, subordinate financings, CMBS and other commercial real estate-related debt investments throughout the U.S. The company is externally managed and advised by ACREFI Management, LLC, a Delaware limited liability company and an indirect subsidiary of Apollo Global Management, LLC, a leading global alternative investment manager with approximately 113 billion US dollars of assets under management at 30 June 2013.

About Grovepoint Capital (www.grovepoint.co.uk)

Grovepoint Capital LLP was founded in 2010 as a specialist private investment firm for sophisticated investors. It operates through three business units, namely Investment Management, Principal Investments and Specialist Lending. Grovepoint Investment Management, manages investments for pension funds, financial institutions, family offices and high net worth individuals, offering its clients specialised opportunities and bespoke portfolio management services. Grovepoint Capital operates as a partnership that has been founded on a set of values that are fundamental to the way it does business. Grovepoint is authorised and regulated by the UK's Financial Conduct Authority (FCA).

For more information, please contact:

Wim Allegaert, General Manager, Investor Relations, KBC Group
Tel +32 2 429 50 51 - E-mail: wim.allegaert@kbc.be

Viviane Huybrecht, General Manager, Corporate Communication/Spokesperson, KBC Group
Tel +32 2 429 85 45 - E-mail: pressofficekbc@kbc.be

* This news item contains information that is subject to the transparency regulations for listed companies.

KBC Group NV

Havenlaan 2 – 1080 Brussels
Viviane Huybrecht
General Manager
Corporate Communication/Spokesperson
Tel. +32 2 429 85 45

Press Office
Tel. +32 2 429 65 01
Tel. +32 2 429 29 15
Fax +32 2 429 81 60
E-mail: pressofficekbc@kbc.be

KBC press releases are available at www.kbc.com
or can be obtained by sending an e-mail to
pressofficekbc@kbc.be

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