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Yinren Group acquires Antwerp Diamond Bank from KBC

KBC has reached agreement with the Shanghai-based Yinren Group for the sale of its subsidiary Antwerp Diamond Bank (ADB). Financial details of the deal, which is still subject to regulatory approval, are not being disclosed. In the meantime and pending closure of the deal, Antwerp Diamond Bank remains committed to continuing its business activities and serving its customers.

- Under the agreement – and pending regulatory approval and final closure of the deal – the Yinren Group will acquire 100% of KBC's participation in ADB, which represents 99.9% of ADB's shares.
- The sale of ADB will have only a negligible upfront impact on the KBC group's earnings. The deal will free up around 0.1 billion euros of capital for KBC, primarily by reducing risk-weighted assets, which will ultimately improve KBC's tier-1 ratio (Basel II) by almost 0.2% (pro forma impact calculated on 30 September 2013).
- Before the deal is closed, part of ADB's loan portfolio – primarily the higher risk and non-performing loans with a net book value of 0.4 billion euros (out of a loan portfolio of 1.2 billion euros in total) – will be transferred to KBC Bank N.V. and put in ordinary run-down. After closure of the deal, KBC will also provide funding to ADB totalling 0.2 billion euros for a maximum period of two years on a secured basis.
- The Yinren Group is a diversified enterprise group with activities in real estate, international trade and the diamond industry. The group has operations in mainland China, Hong Kong and Brazil. The acquisition of ADB will allow Yinren to leverage upon ADB's know-how, network and brand reputation in view of the further development of the Chinese market, and to play a role in the interaction between the world's main diamond centres (including Antwerp, Mumbai, Dubai and Hong Kong) and the upcoming centres of the Far and Middle East. The Yinren Group is now able to add financing of the diamond sector to its scope of activities. Yinren will provide ADB access to the entire diamond value chain in Asia and Greater China, in particular.
- Antwerp Diamond Bank (ADB) is a leading market player in providing finance to the diamond trade and industry, with an established market presence and widely recognised expertise. The ADB brand, management team and operations will be maintained and its headquarters will stay in Antwerp. ADB's business activities in Mumbai, Hong Kong and Dubai will continue and be further developed.

Johan Thijs, CEO of KBC Group NV commented as follows: *'Because of Antwerp Diamond Bank's very specific business activity in a niche market, this divestment turned out to be a challenging project, though one which we have managed to conclude successfully. Antwerp Diamond Bank is a strong brand and a leading player in the diamond banking industry, with a long and rich history, and committed staff. We are convinced that the Yinren Group will develop Antwerp Diamond Bank's business going forward, securing the future of its staff and ensuring that quality service will continue to be provided to its customers.'*

Pierre De Bosscher, CEO Antwerp Diamond Bank concluded: *'We welcome the Yinren Group as our new shareholder. The Yinren Group fully supports our customer-oriented model and strategy and has a valuable long-term strategic outlook. We look forward to working closely with our new shareholders in further developing the bank's global capabilities and business plan. We are convinced that our customers and staff will benefit from the commitment and support the Yinren Group has shown during the acquisition phase.'*

Note for the Editors:

About KBC (www.kbc.com)

KBC is a bank-insurer that focuses on its home markets in Belgium and Central and Eastern Europe. Its headquarters are located in Brussels (Belgium), the heart of Europe. The group employs around 37 000 staff and caters for 9 million customers on its home markets. KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

About Antwerp Diamond Bank (www.antwerpdiamondbank.com)

Antwerp Diamond Bank is a specialised bank focusing exclusively on the diamond and the diamond jewellery sector; it has 75-years of experience and boasts a solid degree of know-how. It is the second largest diamond bank in the world, with a network of offices covering all the major traditional and emerging diamond centres, including Antwerp, Dubai, Hong Kong, and Mumbai. Antwerp Diamond Bank pursues a strong, well-outlined strategy and offers its customers high-level tailor-made banking services with a powerful personal approach.

Antwerp Diamond Bank, which is a 99.9% subsidiary of KBC, provides different types of financial products and know-how at all its branches and representative offices. The company is based in Antwerp (Belgium) and employs some 160 staff (106 of whom work in Antwerp).

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

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