



# Press Release

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Brussels, 27 February 2019

## **KBC successfully places an Additional Tier-1 instrument for 500 million euros**

**KBC Group NV (“KBC”) yesterday placed 500 million euros in non-dilutive, Additional Tier-1 (AT1) securities (the “Securities”). There was considerable interest in the issue, which was 4 times oversubscribed.**

**Johan Thijs, KBC Group CEO** commented on the transaction as follows: *‘We continuously monitor our capital structure and our current portfolio of outstanding securities in light of market conditions. The issue of the Securities enables us to maintain an optimal capital structure and continue to support our already excellent solvency ratios. There was considerable interest in the issue of our euro-denominated CRD IV-compliant Additional Tier-1 instrument of benchmark size, which was 4 times oversubscribed. The success of the transaction emphasizes the trust of the market in KBC’s solid capital position and business model.’*

KBC is one of the best capitalised and well-positioned financial institutions in Europe. KBC’s common equity ratio under the Danish Compromise came to 16% fully loaded at the end of 2018, well above the minimum capital requirements set by the competent supervisors of 10.70% by 2019.

This AT1 instrument will be 5-year non-call perpetual with a temporary write-down at 5.125% CET1 and an initial coupon of 4.75% per annum, payable semi-annual.

The instruments were placed with institutional investors spread across Europe and Asia.

The Securities were offered in minimum denominations of 200 000 euros and are expected to be rated ‘BB+’ by Standard & Poor’s (“S&P”) and ‘Ba1’ by Moody’s. The Securities are expected to be issued on 5 March 2019. Application will be made for the Securities to be listed on Euronext Brussels.

Bank of America Merrill Lynch, BNP Paribas, Credit Suisse, Goldman Sachs International, J.P. Morgan and KBC Bank were mandated as Joint Bookrunners and Joint Lead Managers for this transaction.

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

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