



# Joint Press Release – Outside Brussels trading hours – Regulated information\*

Moscow, Brussels - 24 December 2012

## **Absolut Bank acquired by the Russian companies that manage the pension reserves of Non-State Pension Fund “BLAGOSOSTOYANIE”**

### **New landmark in KBC Group’s divestment programme**

- ✦ KBC Group NV has decided to sell its Russian banking subsidiary Absolut Bank to a group of Russian companies, which manage the assets of the 2nd largest Non-State Pension Fund in Russia, “BLAGOSOSTOYANIE”.
- ✦ This deal – for a total consideration of 0.3 billion euros and repayment of all KBC funding that is currently placed within Absolut Bank for the amount of 0.7 billion euros - will free up around 0.3 billion euros of capital for KBC, primarily by reducing risk-weighted assets by 2 billion euros, which will ultimately improve KBC's tier-1 ratio by around 0.4% (pro forma impact calculated on 30 September 2012). The transaction will have no material impact on KBC's consolidated results in 2012. At closing, an impact of about – 0.1 billion euros on the consolidated result is expected but not on the capital account.
- ✦ The transaction is still subject to regulatory approval. In the meantime and pending the expected closing of the transaction in the 2nd quarter of 2013, Absolut Bank with the support of KBC remains fully committed to further developing its business activities. Being a highly reputed premium brand in the Russian financial landscape, Absolut Bank’s brand name, staff and management will be maintained in their entirety.
- ✦ The divestment of Absolut Bank is another step in the implementation of the KBC Group’s updated strategy of focusing on retail customers, small and medium-sized enterprises and mid-caps in its core markets of Belgium and Central and Eastern Europe, while reducing risk-weighted assets. Consequently, it was decided to earmark Absolut Bank for divestment, notwithstanding its built-up market presence and expertise.

**Johan Thijs, CEO of KBC Group NV** commented on the deal: *“I am pleased to announce this deal, which can be considered as another landmark in the divestment programme of foreign and national assets KBC has committed to execute with the European Commission. KBC will continue to focus on its core activity as a bank-insurer in our core markets with a reduced risk-profile. The new ownership for Absolut Bank is a recognition of the bank’s experience and expertise, and will provide continuity to staff and customers.”*

Welcoming the announcement, **Mr. Yuri Novozhilov, CEO of BLAGOSOSTOYANIE** said: *“The Non-State Pension Fund “BLAGOSOSTOYANIE” supported the offer of the companies which manage the pension reserves of Non-State Pension Fund to make an investment of assets of “BLAGOSOSTOYANIE” in the shares of Absolut Bank. Absolut Bank is a big, solid financial institution. It is among the TOP-45 in terms of net wealth. The Bank has a wide branch network and a platform that works according to high-level, western standards. We regard this as a profitable and secure investment for the pension funds of our clients. The Non-State Pension Fund “BLAGOSOSTOYANIE” will provide support to Absolut Bank in its business development”.*

**Mr Nikolai Sidorov, CEO of Absolut Bank** concluded: *“First of all, the new shareholder gives Absolut Bank new opportunities. We understand that the good standing and the long-term resources of the NPF Blagosostoyanie will give a new impetus to Absolut Bank’s development. The experience we’ve obtained with change management during the last 5 years will help us provide maximum predictability and reliability to Absolut Bank’s clients, partners and employees through the transition period. It will also help us maintain*

*the high quality of services. Results for the first 11 months of 2012 show that Absolut Bank has earned 1.6 billion RUR. The H1 capital adequacy ratio is 17.44% (RAS). With our new shareholder, we aspire to continue the positive development trend and to increase our business profitability."*

Note for the editors:

### **About The Non-State Pension Fund "BLAGOSOSTOYANIE" ([www.npfb.ru](http://www.npfb.ru))**

The Non-State Pension Fund "BLAGOSOSTOYANIE" was founded in 1996. "BLAGOSOSTOYANIE" is the 2<sup>nd</sup> largest Non-State Pension Fund in the Russian Federation. It provides services in the field of non-state pension provision and mandatory pension insurance in 80 regions of Russia. Based in Moscow, it has own assets amounting to €6,5 billion. It has 2.9 million customers. It has achieved continuous growth in customers, pension savings and reserves.

### **About KBC ([www.kbc.com](http://www.kbc.com))**

KBC is an integrated multi-channel bancassurance group, catering mainly for retail, SME and local midcap customers. 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 provides banking, insurance and asset management products and services via its integrated distribution channel consisting of bank branches, insurance agents and brokers and the Internet. KBC's headquarters are located in Brussels (Belgium), the heart of Europe. The group employs more than 47 000 FTE. KBC is listed on NYSE Euronext Brussels (ticker symbol 'KBC').

### **About Absolut Bank ([www.absolutbank.com](http://www.absolutbank.com))**

Absolut Bank, a full-service bank founded in 1993, is successfully developing in the 15 largest regions of Russia. Absolut Bank is among the TOP-45 largest Russian banks by net assets (RBC Rating), and among the TOP-10 banks by the size of the mortgage portfolio (RBC Rating). As of 1 December 2012, the bank's equity amounted to RUB 19 bn, profit – RUB 1.6 bn, while the capital adequacy ratio N1 as of 1 November 2012 amounted to 17.44%. The Bank's key strategies are high-quality service, customer base diversification, continuous monitoring of the loan portfolio quality and conservative approach towards risk management. The Bank employs nearly 3,000 employees who render services to more than 140,000 customers.

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\*This press release contains information provided in compliance with European transparency legislation for listed companies.