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KBC Securities expands and optimises service to clients and goes all out for growth

Bolero strengthens commercial clout as part of KBC Bank

KBC Securities has long been valued as an independent stockbroker. Now it wants to fortify its position as market leader in Belgium and a leading player in the Benelux, and further improve the service it delivers to its clients. Consequently, it has examined how it can optimise its operations.

Following a thorough internal assessment, KBC Securities has concluded that it can realise its ambitions even better by focusing to the maximum on investment banking, offering its solutions to professional clients active on the financial markets. It concerns brokerage and equity research, equity capital markets, financial advisory services and M&A advisory services.

A number of other successful business lines within KBC Securities (Bolero, Bolero Crowdfunding, Securities Services) have reached a new level of maturity and will, therefore, be transferred to other parts of the KBC group¹ where they have even greater potential to expand, will get even better support and can deliver an even better service to their clients.

Bolero and Bolero Crowdfunding will keep their brand names, as well as their own platforms and client portfolios. However, as of 1 July 2018, they will from a legal perspective form part of the KBC Group Belgium Business Unit so that they fit perfectly into the omnichannel offering of KBC Bank & Insurance.

The processing of orders for securities will be streamlined from end to end and will become part of the KBC Securities Services Division of KBC Bank. This will result not only in economies of scale but also, more importantly, will enable KBC to invest further in a top-notch service and to deliver a more competitive offering for securities processing to KBC clients as well as to other financial service providers and professional end clients.

Such exercises are not new at KBC. They ensure the group has the dynamism and agility it needs to respond quickly and effectively to changes in client behaviour, regulation and society.

Luc Popelier, Chairman of the Board of Directors of KBC Securities explains the decision: *'Just as KBC aims to continuously improve the services its other businesses deliver, the way KBC Securities operates is also examined on a regular basis. Following a thorough assessment, we have concluded that we can further optimise the service we deliver to our clients and our own internal operations by having KBC Securities focus*

¹ Subject to the approval of the National Bank of Belgium and the European Central Bank.

to the maximum on the KBC group's investment banking business. Bolero and Securities Services are highly successful business lines within KBC Securities. However, they have reached a new level of maturity and are, therefore, better off being moved to other very closely related parts of the KBC group where they will be developed even further and will get even better support. The sharper focus will allow KBC Securities to grow to be the reference in debt, equity, M&A and specialised finance in the Benelux.'

Daniel Falque, Belgium Business Unit CEO adds: *'Bolero already has a leading position in Belgium. Our aim now is to build on its solid growth of recent years and further strengthen its position as a leading online broker in Belgium. Now that Bolero and Bolero Crowdfunding will soon be part of the Belgium Business Unit, our investor clients will have quicker and easier access to and will be able to pick and choose among the extensive range of investment channels offered by KBC, CBC or KBC Brussels. The move will also generate opportunities to improve the customer journey in which our clients can choose whether to go it alone (Bolero), get advice from us or leave it to us to do it for them (discretionary management).'*

Bartel Puelinckx, KBC Securities CEO concludes: *'The result of this exercise – an agile and dynamic KBC Securities – will first and foremost benefit our clients. They will continue to be able to rely on their trusted contacts and the years of experience and expertise within the KBC Securities team. So nothing will change for them in that regard. By organising our internal activities differently and more simply, we can focus more effectively on realising our ambition, which is to be a client-driven company that builds long-term relationships with its clients and goes for sustainable and profitable growth, to the benefit of its staff and all other stakeholders. Our well thought-through growth strategy will allow us to fortify our position as Belgium's largest stockbroker and thus meet the challenges of the future.'*

KBC Securities, the reference on the financial markets

KBC Securities is and remains an independent stockbroker within the KBC group. Its strategy remains driven by market leadership in the equity capital markets (around 70% market share), in equity sales and research (top 3 in the Extell ranking in the Benelux) and in specialised finance in Belgium. Furthermore, KBC Securities is targeting continued growth in M&A and in the debt capital markets.

KBC Securities will position itself as an independent reference player in debt and equity for mid-caps (i.e. companies with a market capitalisation of up to 10 billion euros) in the Benelux. It will focus on three lines of business:

- Origination (equity capital markets, M&A, debt capital markets, syndicated lending, specialised finance and family capital solutions)
- Research, sales and sales trading
- Investment services and brokerage

Midcaps in the Benelux can thus count on support throughout the entire lifecycle of their company – from start-up through stock market launch, business transfer, and, where desired at a later stage from a wealth management perspective. In providing this service, KBC Securities plays a crucial role in KBC's service for corporate clients.

Within the KBC group strategy, KBC Securities will use its trademark entrepreneurial spirit to continue to develop as the leading expert on the financial markets for professional clients.

Bolero, with its leading position in Belgium, will continue on its strong path ... from now as part of KBC Bank

Today, Bolero holds a leading position in Belgium in terms of both the number of clients and assets under custody. Bolero wants to build on its solid growth of recent years and further strengthen its position as a leading online broker on the Belgian market.

Consequently, it was decided that, as of 1 July 2018, Bolero and Bolero Crowdfunding will form part of the Direct Channels & Support Directorate and of the omnichannel offering of KBC Bank & Insurance. Bolero and Bolero Crowdfunding will keep their brand names as well as their own platforms and client portfolios.

Most Bolero clients are already also clients of KBC Bank or CBC Banque. By making Bolero part of KBC Bank, extra opportunities will be created to improve the customer journey. This will give investor clients quicker and easier access to the full range of investment services offered by KBC, CBC and KBC Brussels. According to the type of investor they are and the type of service they are looking for, they will be able to pick and choose among and switch seamlessly between the various investment channels (Bolero, KBC/CBC Invest, KBC/CBC Live, etc.). Thus KBC can offer them a hassle-free customer journey, and clients can choose whether to go it alone (Bolero), get advice, or leave it to KBC/CBC to do it for them (discretionary management).

The move will also allow Bolero to offer its services to a broader group of clients and use the distribution capacity of KBC Bank & Insurance. The know-how and specialised information offered by Bolero and greatly appreciated by do-it-yourself investors can be valorised.

The staff of Bolero and Bolero Crowdfunding will also make the transfer. The legal transfer of Bolero and Bolero Crowdfunding clients will automatically take effect on 1 July 2018.

More synergy and extension of services by integrating the securities services and IT services of KBC Securities into the larger group

Orders for securities are currently processed by different departments dispersed across different parts of KBC Bank and KBC Securities. This process will now be streamlined from end to end. This will result not only in economies of scale but also, more importantly, will enable KBC to invest further in a top-notch service and to deliver a more competitive offering for securities processing to its clients, as well as to other financial service providers and professional end clients.

The staff of KBC Securities involved will transfer to the KBC Securities Services Division of KBC Bank on 1 July 2018.

As a result of the above changes, the IT systems and IT staff that support the processing of securities orders will transfer to the IT Department of KBC Group, where their valuable technological know-how and expertise can be deployed to the benefit of the whole KBC group.

KBC Securities Hungary to be integrated into K&H Bank

The past few years have seen a gradual overlapping of the activities of K&H Bank and KBC Securities Hungary. It has now been decided to fully integrate from a legal perspective the activities of KBC Securities Hungary into K&H Bank² during the course of 2018. From then on, K&H Bank will, therefore, deliver the corporate finance, custody and retail brokerage services that had been provided by KBC Securities Hungary.

K&H will strive to offer employment opportunities to as many of the talented KBC Securities Hungary employees as possible.

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² Subject to the approval of the Hungarian Central Bank.