



Press Release

Outside trading hours – Regulated information*

Brussels, Dublin, 7 February 2022 – 8 a.m. CET (before stock exchange hours)

KBC Bank Ireland closes sale of substantially all of its remaining non-performing mortgage loan portfolio

KBC Group and KBC Bank Ireland finalised the deal [announced](#) on 30 August 2021 concerning the sale of a non-performing mortgage loan portfolio of roughly 1.1 billion euros (mainly Private Dwelling House (PDH) and Buy to let (BTL)) in a transaction financed by funds managed by CarVal Investors ('CarVal').

KBC Bank Ireland contacted the customers whose loans are included in the sale beforehand to inform them that their loans were being transferred.

Pepper Finance Corporation (Ireland) DAC will be managing the loans as legal title holder. Pepper is regulated by the Central Bank of Ireland. Customers will continue to have the same legal and regulatory protections (for example, under the Consumer Protection Code (CPC) and the Code of Conduct on Mortgage Arrears (CCMA)) after the sale.

The transaction is marginally capital accretive with a combined impact (P&L and RWA) of approximately 2 bps on KBC Group's CET1 ratio, fully recognised in 2021. The -0.1 billion euros impact on KBC Group's P&L was almost fully booked in 3Q2021. The risk-weighted assets decreased by 0.8 billion euros, also in 3Q2021.

Note to the editors

CarVal Investors is an established global alternative investment manager focused on distressed and credit-intensive assets and market inefficiencies. Since 1987, CarVal's team has navigated through ever-changing credit market cycles, opportunistically investing 133 billion US dollars in 5 610 transactions across 82 countries. Today, CarVal Investors has approximately 11 billion US dollars in assets under management in corporate securities, loan portfolios, structured credit and hard assets.

Pepper Finance Corporation (Ireland) DAC ('Pepper') will be managing the loans post completion as the legal title holder and the lender of record. Pepper is regulated by the Central Bank of Ireland, so all customers will continue to be afforded all regulatory protections.

For more information, please contact:

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

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