



Joint Press Release

Outside trading hours - Regulated information*

Brussels, Budapest, Bratislava – 17 February 2020 – 5.45 p.m. CET

KBC acquires OTP Banka Slovensko (Slovakia)

Today, Belgium's KBC Group and OTP Bank, the Hungarian parent company of OTP Banka Slovensko (Slovakia), reached agreement for KBC to acquire ownership of 99.44% of the shares in OTP Banka Slovensko, a mid-sized Slovakian bank focusing on retail, micro SME and SME customers. The remaining shares are held by a number of private individuals.

The acquisition will have a limited impact (-0.2%) on KBC's solid capital position, keeping KBC's excellent CET1 ratio well above regulatory minimum capital requirements. At the end of 2019, the CET1 ratio stood at 15.7%¹ (Basel III fully loaded, Danish compromise).

The transaction is still subject to regulatory approval from the National Bank of Slovakia (NBS) and to the authorisation of the National Bank of Belgium (NBB), the European Central Bank (ECB) and the Antimonopoly Office of the Slovak Republic. The parties involved in the transaction expect the deal to be finalised mid-2020 (in the second or third quarter).

After obtaining the necessary regulatory approvals, KBC Bank will become the new parent company of OTP Banka Slovensko. The future merged entity will substantially strengthen ČSOB's bank-insurance franchise in Slovakia and enhance its cross-selling potential with ČSOB Poist'ovna, ČSOB Leasing and ČSOB Asset Management.

The next logical step is the legal and operational merger of ČSOB Bank and OTP Banka Slovensko, which will further consolidate ČSOB's current position of fourth on the Slovakian banking market in terms of assets, with a market share of approximately 12.6%. KBC believes in the positive impact of cooperation and looks forward to welcoming OTP Banka Slovensko's employees into the KBC and ČSOB family when the transaction closes. OTP Banka Slovensko's brand name will remain in place for a certain period going forward to ensure a seamless transition for customers and staff until the merger is completed.

In the meantime, OTP Banka Slovensko, with the full support of ČSOB, will continue to honour its commitments to the market and to provide professional service of the highest level to all its customers, who will not have to take any action as a result of the transaction.

¹ After pay-out of dividend and approval of the announced share buy-back by the European Central Bank and AGM/EGM

The merger will not affect the grants system of The Bethlen Gabor Foundation² awarding or the option for Hungarian-speaking customers of OTP Banka Slovensko to be served in their own language at locations with a Hungarian population.

Johan Thijs, KBC Group CEO, welcomes today's agreement: *'This deal is a further execution of our strategy, which focuses on becoming the reference bank-insurance group for retail customers, small and medium-sized enterprises and midcaps in KBC's core markets. Through ČSOB Bank, we have been present in the Slovakian banking market since 2002. Acquiring OTP Banka Slovensko will allow us to substantially strengthen our share of the Slovakian market, while enabling us to benefit from economies of scale and increased visibility in this highly competitive market. It will also create opportunities for us to provide high level, complex financial services to a wider range of customers, who will undoubtedly benefit from this merger.'*

Sándor Csányi, OTP Bank Chairman and CEO, commented: *'OTP Group continually works towards increasing its market share in the CEE region through organic growth and acquisitions. The Group has followed this strategy throughout the almost twenty years it has been present in Slovakia. However, as it was unable to increase its market share to the optimum level, management took the decision to sell this group member. This deal will enable our group to focus on markets where we can achieve a higher market share in the future. From the very beginning of the sales process, it was of crucial importance for OTP Bank's management to come to an agreement with a partner that would be able to continue providing OTP Banka Slovensko customers with the innovative financial solutions and high standard of services they have become accustomed to, and where ongoing professional advancement and a stable employer background would be available to our Slovakian colleagues. I am fully convinced that the change in ownership will offer numerous opportunities for customers and colleagues both now and in the future.'*

I would like to thank the management and staff of OTP Banka Slovensko for their professional and devoted work during the nearly two decades in which our subsidiary bank has been a stable market player providing high-quality services in Slovakia.'

Daniel Kollár, CEO of ČSOB Bank Slovakia and Country Manager concluded: *'Today's announcement is another milestone for ČSOB in Slovakia. It will allow us to substantially strengthen our current market position and help us fulfil our role in the economic fabric of Slovakia and in society as a whole. We are convinced that the customers and employees of OTP Banka Slovensko – whom we all warmly welcome to ČSOB and KBC – will benefit significantly from this future merger. We guarantee our new customers access to high quality, modern and innovative financial services enabled by digital technologies, as well as a personal and professional approach. At ČSOB, we believe in dynamic collaboration initiatives between employees and advocate adding valuable insights to – and gaining them from – our teams, even across borders. With this in mind, let me take this opportunity to encourage, and invite, our new colleagues from OTP Banka Slovensko to embrace our community and to share their ideas and experiences with us.'*

Note for the editor:

About OTP Banka Slovensko

OTP Banka Slovensko operates on the Slovak market as a universal bank. Since 4 April 2002, OTP Bank Plc., Hungary's largest bank, has been the majority shareholder of OTP Banka Slovensko, a.s.

At the end of 2019, OTP Banka Slovensko had a market share of 1.75% in deposits and 1.85% in loans.

² The Bethlen Gábor Fund (Hungary) is a dedicated public money fund. Its main task is to promote individual and community prosperity, material and intellectual growth in the homeland of Hungarians abroad and to provide support for the preservation of their culture. The Bethlen Gábor Fund operates a transparent tendering system for the use and effective allocation of grants. OTP Bank grants drawdown of the funding and managing an account for awarded applicants free of charge.

It currently operates a network of 58 branches throughout Slovakia and serves roughly 176 000 retail customers and 14 400 corporate / SME customers. The bank is based in Bratislava and the bulk of its business relates to banking products and services provided to individuals and legal entities within the Slovak market.

About KBC's presence in Slovakia (www.kbc.com)

Belgian-based KBC Bank NV is the parent company and sole shareholder of Československá obchodná banka (ČSOB). ČSOB is a leading Slovak bank boasting over 50 years of tradition. It is one of the most significant and strongest banking entities on the Slovak market. As a universal bank, it provides services to all customer segments, i.e. retail, the self-employed, SMEs, corporate customers, as well as institutional and private clients. The bank is a member of the ČSOB Financial group, which also includes ČSOB stavebná sporiteľňa (building savings bank), ČSOB Leasing, ČSOB Real, s.r.o. and ČSOB Nadácia (foundation). ČSOB Poistovňa (insurance company) is an affiliate of ČSOB.

The acquisition of OTP Banka Slovensko will boost the scale of mainly retail operations, leading to an increase in the share of the market for:

- o mortgages (from 12.9% to 14.8%)
- o consumer loans (from 4.7% to 8.2%)

Based on the group bank-insurance model, ČSOB Insurance, ČSOB Leasing and ČSOB Asset Management will also benefit from the acquisition through the cross-selling of products and services to OTP Banka Slovensko's retail customer base.

For more information, please contact:

Kurt De Baenst, General Manager, Investor Relations, KBC Group
Tel +32 2 429 35 73 - E-mail: IRO4U@kbc.be

Viviane Huybrecht, General Manager, Corporate Communication/Spokesperson, KBC Group
Tel +32 2 429 85 45 - E-mail: pressofficekbc@kbc.be

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

KBC Group NV

Havenlaan 2 – 1080 Brussels
Viviane Huybrecht
General Manager
Corporate Communication /Spokesperson
Tel. +32 2 429 85 45

Press Office
Tel. +32 2 429 65 01 Stef Leunens
Tel. +32 2 429 29 15 Ilse De Muyer
Tel. +32 2 429 32 88 Pieter Kussé
E-mail: pressofficekbc@kbc.be

[Check this document's authenticity](#)

KBC press releases are available at www.kbc.com or can be obtained by sending an e-mail to pressofficekbc@kbc.be

Follow us on www.twitter.com/kbc_group

Stay up-to-date on all innovative solutions at <https://www.kbc.com/en/innovation-2019>
