



# Joint Press Release

Outside trading hours – Regulated information\*



Brussels, 16 April 2021 (8.00 a.m. CEST, before stock exchange hours)

## **KBC Bank Ireland enters into a Memorandum of Understanding with Bank of Ireland Group**

- **KBC Bank Ireland has entered into a Memorandum of Understanding (MoU) with Bank of Ireland, expressing the parties' intention to explore a route that could potentially lead to a transaction whereby Bank of Ireland commits to acquire substantially all of KBC Bank Ireland's performing loan assets and liabilities. The transaction remains subject to customary due diligence, further negotiation and agreement of final terms and binding documentation, as well as obtaining all appropriate internal and external regulatory approvals.**
- **KBC Bank Ireland's remaining non-performing mortgage loan portfolio, which is not part of the MoU, is currently being analysed whereby KBC Group is reviewing its options to divest this NPL portfolio.**
- **Execution of these two transactions would ultimately result in KBC Group's withdrawal from the Irish market. While these discussions are ongoing, KBC Bank Ireland remains committed to offering its retail banking and insurance services of the highest level through its digital channels and hubs, for its existing and new customers. There is no impact on KBC Bank Ireland customers' products or services and they do not need to take any action as a result of this announcement.**
- **Further announcements will be made in due course.**

Announcing the MoU, **KBC Group CEO, Johan Thijs**, said : *"Over the last decade, KBC Bank Ireland has managed to build a digital first retail bank and launched recently a digital pension insurance business for the Irish market. Given the challenging operational context for European banks and after careful consideration, we have reached an agreement with Bank of Ireland Group regarding the potential sale to Bank of Ireland Group of substantially all of the performing loan assets and liabilities of KBC Bank Ireland. Next to this MOU, KBC Bank Ireland's remaining non-performing mortgage loan portfolio is currently being reviewed for potential divestment."*

**Francesca McDonagh, Group CEO of Bank of Ireland** continued : *"When we look at opportunities we consider if they are a good fit for the customers involved and for the bank. This MOU complements our strategy to grow our business in Ireland, and supports the investments we are making in the*

*transformation of our systems and digital banking services. We would be very pleased to provide KBC Ireland customers with a good home, and look forward to progressing our discussions with KBC over the coming period.”*

**KBC Bank Ireland CEO, Peter Roebben** added : *“KBC Bank Ireland remains committed to offering its quality retail banking and insurance services. For the time being nothing changes, neither for existing nor for new customers. Our customers do not need to take any action as a result of today’s announcement. KBC Bank Ireland continues to benefit from a strong liquidity and capital position. The Board and the Executive Committee of KBC Bank Ireland are fully conscious of our responsibilities to our customers and colleagues, and the role of KBC as part of the Irish banking system, and we are fully committed to assuming those responsibilities while the talks with Bank of Ireland are ongoing”.*

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*\* This announcement contains inside information.*