



Brussels, 6 November 2015

Ghent Court of Appeal dismisses charges against KBC in cash companies case

Yesterday, the Ghent Court of Appeal ruled to dismiss the charges against KBC Group NV in the so-called 'cash companies' case. The case had been running since the mid-1990s and, according to the Court, had now become prescribed. Furthermore, the reasonable period of time for correctly handling the case has been exceeded for some of the individuals involved. KBC will examine the ruling in more detail and does not intend to make any further comment on the matter.

Background information on the case

From the end of 1995 until the beginning of 1997, KBC Bank and KB Consult were involved in the transfer of cash companies. Cash companies are characterised by the fact that the asset side of their balance sheets comprises primarily amounts receivable and cash, in addition to other liquid assets.

The transfer of a cash company is in principle completely legitimate. Nevertheless, in March 1997, the former Kredietbank and KB Consult discovered that, in these files, the buyers had acted in bad faith given that they did not invest any further in the company purchased or file any tax returns. Kredietbank and KB Consult immediately took the necessary measures to end the commercial relationship with the parties involved. The bank, therefore, acted in good faith and was itself the victim of fraudulent business practice on the part of the buyers of the cash companies in question. In addition, the bank has since the outset co-operated fully in the judicial inquiry.

Besides a number of civil proceedings against KBC Bank and/or KB Consult, KB Consult was also placed under suspicion by an investigating judge in 2004, and together with KBC Bank and KBC Group NV, was summoned to appear before the court sitting in chambers in Bruges. On 9 November 2011, this court dismissed the charges against KBC Group NV, but KB Consult and KBC Bank were referred to the criminal court. The Belgian State lodged an appeal against this ruling. On 5 November 2015, the Court of Appeal found that the period of prescription relating to the case had lapsed.

For more information, please contact:

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