



Joint Press Release

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The University of Antwerp and KBC are to establish a chair in financial risk management

Risk management is currently a hot topic in the financial sector; a fact borne out repeatedly over recent months and years by the financial crisis. New insights into the subject will lead to improved risk management in the future. Precisely for this reason, the University of Antwerp and KBC are joining forces to create the KBC chair in Risk Management, to be launched on Tuesday, 8 February, which will focus on financial risk management.

The chair will fund a doctoral study to thoroughly examine the management of financial risks: “*These risks exist in two areas*”, explains **Professor Jan Annaert of the University of Antwerp**. “*You have market risk and credit risk; the first covers the chance of stock price fluctuations and focuses on the short-term of maximum ten days, whilst credit risk includes, for example, the possibility that borrowers are unable to repay their loans, and that involves a longer term of up to a year.*”

Both risks, according to Annaert, are related. “*But until now, not much research has been carried out into the subject. While it’s possible for academics to obtain information on market risk, it is much more difficult to access data on credit risks. But a financial institution like KBC has that data, which is why this cooperation is so interesting. The University of Antwerp can supply the academic know-how, and KBC will provide the data and share the relevant practical problematics involved. It’s a clear win-win situation for both parties.*”

In addition to the investigative element, the chair also aims to build bridges with society. “*The university cannot live in an ivory tower,*” asserts Annaert. “*That’s why we’re also going to organise frequent workshops associated with the new chair, so that people outside the university and KBC can also benefit from these studies.*”

This four-year venture between the University of Antwerp and KBC starts immediately. “*As a socially responsible company,*” states **Jan Vanhevel, CEO of KBC Group NV**, “*we believe that it is important to support scientific research. And risk management is a subject that is very close to the heart of a financial institution like KBC. We are joining forces with the University of Antwerp to investigate how we can deal with risks better in the future, while still playing our full role in lubricating the motor of the economy. And we also want to attract Masters students completing their studies at the University of Antwerp to look upon KBC as an interesting employer. We are looking forward to an interesting and fruitful cooperation that will be intellectually as well as professionally stimulating for both parties.*”

John Hollows, Chief Risk Officer of KBC Group NV adds: “*This chair will help KBC get a better insight into how market risks and credit risks interact. The financial crisis showed how movements on the financial markets can go hand-in-hand with falling creditworthiness and defaults in loan or bond portfolios. A better insight into this relationship will allow us to manage - even more proactively - how this impacts on KBC.*”

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