



Press release

Brussels, 11 January 2017

Today, no fewer than 37% of KBC home loan applications signed digitally.

35% of all new PRICOS pension-savings funds contracted using KBC Mobile in December.

KBC joins its clients in jumping aboard the digital express.

At a press event at KBC's new 'branch of the future' in Ghent's Kouter, Johan Lema, Senior General Manager for Client Support in KBC's Belgium Business Unit and Karin Van Hoecke, General Manager, Mobile First, announced that KBC clients are increasingly discovering the digital highway for a range of products including home loans, instalment loans and pension-savings funds. Testimony to the fact that KBC has become even more accessible and reachable for its clients in recent years.

Since mid-October, 35% of KBC clients taking out home loans signed their loan documents and additional insurance policies (loan balance and home insurance) entirely digitally. Fundamentally, clients don't even need to leave home to take out a home loan to support them in their construction or renovation projects. Clients can prepare their home loan using KBC Touch or on the KBC website (www.kbc.be), opt for a meeting with a homes expert via video chat, submit a home loan application once they've decided the best plan for them and sign for the home loan using KBC Touch or KBC Mobile. In short, you can now do everything from home.

Batibouw (the Belgian ideal homes exhibition) will soon be here and KBC expects even more clients to make use of these features, saving them time and also making the process significantly easier.

At the press event, KBC also revealed a number of interesting trends in the field of home loans. (Further details are provided in a separate press release – only in Dutch and French - on www.kbc.com.)

- Borrowers are getting older: the age of the average borrower was 41 in 2016, against 39½ in 2012. There is substantial growth in the over-55s age group, most of whom are 'renovators' (altering their homes to more modern requirements in terms of energy and convenience) and 'real estate investors' (looking for a 'safe' return as an alternative to investments in movable assets).
- There are increases in the average investment amount and credit amount, though the average repayment instalment has hardly risen, partly due to the lower interest rate and the new statutory requirement for a higher upfront deposit. Average upfront deposit has risen 19% compared to 2012 and by no less than 61% for renovation projects.

- In 2016, most borrowers went for home loans with a term between 16 and 20 years. No one is now going for the longest terms.

How in practice has KBC implemented its increased accessibility strategy in recent years?

Johan Lema summarises the development by saying, *'It's often pointed out that banks and insurance companies are only open at the very time when their clients are at work. For some years now, KBC has been making efforts to change this. On 31 May 2013, KBC launched a brand new branch concept called 'Bamboo.'* The very first branch of the future was opened here in Ghent and stood as a symbol for a new way of working. In the past few years, we've invested heavily in making our know-how available via a range of client contact points: bank branches and insurance agencies, chat and video chat, websites and mobile apps. It's not by chance that we're again in Ghent today, now in our newest Bamboo XL branch in Kouter. Here you can see in the flesh what this new approach means in practice. Advice from our specialists and relationship managers remains at the heart of our services, but it's the client who decides when and via what point he wants to contact KBC. **Clients that combine different points of contact** – like using KBC Mobile to do a quick money transfer, video chat for advice on a home loan or popping into the branch to discuss something with a relationship manager – are **more satisfied and loyal than clients that bank and insure with us using only a single channel.** Using digital channels for customary transactions like opening an account or requesting a credit card has now actually become mainstream for our clients. **The classic KBC branch is therefore increasingly evolving into a local centre for specialist advice.** As concerns the future, we pay close attention to the context in which we operate and the impact that the digital revolution and changed client needs are having on our business model and strategy."

Karin Van Hoecke adds, *'Our clients have indeed jumped aboard the digital express very quickly and in increasing numbers. So, today, 37% of all our home loan contracts are signed digitally using KBC Touch or KBC Mobile and some 24% of all instalment loans are signed digitally. In December, traditionally a popular month for pension savings, no fewer than 35% of all new PRICOS pension-savings schemes were contracted via KBC Mobile.* Today's clients are demanding accessible, easy-to-use solutions that help save them valuable time. Accessibility, reliability and – the increasingly cited factor of – speed, are paramount in this regard. Consequently, KBC is continuing to invest in client-centric initiatives that embrace digital opportunities with familiar points of contact like branches and insurance agencies. Anyone who nowadays wants to take out a home loan is able to do so remotely, and entirely digitally, all thanks to a combination of website, mobile app, video chat with our specialists and our digital signing app."

How a fully digital home loan file works within KBC's omni-channel approach

By going to our website at www.kbc.be, clients can look up information about home loans (various plans, terms, rates) and the related insurance policies (loan balance insurance, home insurance). They can they do a calculation of what a given home loan plan would cost them. Existing clients can also do this via KBC Touch. These simulations help clients look for a property that they then know they can afford. Since the calculator's launch at the end of June 2016, no fewer than 40 000 home files have been opened.

For other questions or advice, clients can contact an advisor at any KBC branch or agency. Or they can video chat remotely (from home or such like) and also contact a homes expert outside regular office hours. This remote service is available every business day from 8 a.m. to 10 p.m. and Saturdays from 9 a.m. to 5 p.m.. In May 2016, 1 100 remote calls - predominantly video chats - were handled, while in September 2016 the

number already increased to 1 400 and in December to 1 702. The number of sessions conducted by almost 200 KBC staff at local advisory centres is steadily increasing.

Since the middle of October, moreover, KBC has made it possible for clients to use KBC Touch to digitally sign documents in support of a home loan application and the relative insurance policies. Since December, it's also been possible to use KBC Mobile to sign. There is therefore absolutely no further need for clients to leave home to sign papers and they can complete their home project digitally, regardless of where they had their appointment, whether at the branch or remotely.

Once their home project has been digitally signed, clients can still access it in KBC Touch (the app that they use to do their banking and insurance business on tablet or PC), allowing them to keep an easy eye on their repayments and any interest rate changes.

KBC's approach makes sure that all these contact points (website, KBC Touch, KBC Mobile, branch/agency, chat and video chat) are interconnected in real time, are in possession of exactly the same information and can also quickly and accurately exchange that info. **This means that, whichever contact point they use, clients can always be helped with speed and precision without having to submit the same information time and again.**

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