



Press release

Brussels, 5 January 2021 (2 p.m. CET)

KBC reflects changing consumer behaviour in adjusted charges and a ‘convenience-driven’ range of services (as of 1 April 2021)

Customer and consumer expectations throughout society have evolved enormously in recent years, with fast, easy-to-use, proactive and personalised products and services becoming the norm. The popularity of digital forms of communication, online purchases and contactless payments, for instance, has been given a serious boost by the Covid-19 pandemic in a relatively short period of time.

In recent years, KBC¹ has systematically increased the added value of its digital offering and significantly expanded it by adding its own bank-insurance solutions and third-party non-financial services. And that has proven to be popular. The success of KBC's digital offering is fully in line with the consumer's new way of thinking, with more and more customers using the digital products and services on offer and increasingly more new customers being convinced of the benefits involved:

- 77% of customers now use this digital service
- 62% of customers opt only for ‘digital contact’ with the bank and this trend is increasing

Given these developments, KBC is consciously choosing to expand its services around digital channels as a matter of priority, while continuing to pay heed to the wishes of customers who prefer the more traditional, analogue way of working.

In practice, this means that:

- KBC is giving priority to digital services
- KBC is making less-frequently-used analogue alternatives available but will be reviewing them
- KBC is reflecting the frequency with which some products and services are used in their price and composition

Customers are increasingly going down the digital route

At the end of October 2020, the overall rate of digitalisation (i.e. the extent to which customers – across all age groups – use digital channels) stood at 77.0%. A number of trends were clearly visible:

¹ “KBC” refers to both KBC and KBC Brussels and CBC

- 1 in 3 KBC customers (34.6%) in the over-80 age category uses a digital channel to contact KBC
- more than half of KBC customers (59.1%) in the 65-80 age category use digital channels
- the fastest growing group of digitally active customers is the over-55 age category

Because physical contact with customers in times of Covid-19 is kept to a minimum, and therefore initiatives such as DigiWise and Digi Tuesdays are limited, KBC is working on an initiative in which digicoaches guide analogue customers who wish to do so, on the digital highway.

KBC has also noticed that the use of postal communications and statement printers in the lobby areas of bank branches is falling very sharply.

- Over the last two years, more than 100 000 customers have decided to stop printing their account statements in branch lobby areas, opting instead for the much easier, faster and free digital way of retrieving and saving their statements. This is 25% of customers who still printed account statements at the statement printers.
- The number of paper statements sent by post has fallen by 27% in the space of one year and by as much as 40% since 2016.
- At present, almost two-thirds of customers communicate with the bank solely through digital channels.

Starting on 1 April 2021, KBC will reflect the frequency with which some products and services are used in their price and composition:

- From then on, account statements will by preference be made available in digital form (free of charge).
- Customers who are not digitally active will still have the option of receiving paper statements. KBC will send them by post on a daily or monthly basis, depending on the customer's wishes. As regards the cost of this service, 2.5 euros per month will be charged per account for which statements are to be sent monthly or 25 euros a month when they are sent daily. The cost reflects increased postal charges and handling costs.
- For customers where digital bank-insurance is more difficult, the cost of sending account statements will be waived. The group of customers concerned includes the over-80s, minors, those who are not legally competent and the visually impaired.
- Due to the fact that ever fewer customers are using it, KBC will disable the print function of account statement printers in self-service banking areas with effect on 1 April 2021. The devices will retain their other functions, i.e. for checking account balances, transferring money and updating ID details.

Customers increasingly appreciate fast, simple, proactive and personal products and services, including non-banking services.

A 'convenience-driven' range of accounts is catering for this change.

Customers prefer fast, simple, proactive and personal services. Therefore, it comes as no surprise that more than 80% of customers have a KBC Plus Account with all its add-ons. This current account offers total convenience for routine banking tasks and provides holders with the opportunity to use the full range of financial and non-financial services in KBC Mobile and KBC Touch. KBC provides this product to make life easier and enhance convenience for its customers.

In the Digital Maturity report – a recent large-scale study in which Deloitte examined 318 banks in 39 countries – KBC is among the top 5% worldwide in mobile banking. 'What Bol.com is for products, is what these banks can become for services,' states Deloitte.

KBC's ambition is to offer its customers a high-quality and modern, innovative service and user experience, tailored to what they want and expect of digital services. It is therefore continuing to focus on proactive, customer-friendly and secure solutions.

To be in a position to continue guaranteeing this high-quality range of accounts in the future, KBC will be adjusting a number of applicable charges on 1 April 2021. These adjusted charges reflect the market and also KBC's continuous investment in digitalisation, security and compliance with complex and rapidly changing regulations.

- The monthly fee for the KBC Plus Account will be 3.25 euros (currently 2.50 euros). However, under 25s will continue to get this account for free.
- As is currently the case, no monthly fee will be charged for the KBC Basic Account.
- The monthly fee for the KBC Current Account (an *à la carte* account that is only available when specifically requested) will be 2 euros (currently 1,75 euros).

KBC¹ will inform its customers in person and in writing of these adjustments.

‘Convenience-driven’ range of accounts gives the customer ‘value for money’

80% of KBC customers hold a **KBC Plus Account**. They benefit from an extensive payment package and, besides the basic payment functions (like the ones in the free KBC Basic Account), are entitled to a whole range of other services that include:

- Making instant credit transfers to other accounts
- Using the digital safe
- Withdrawing cash for free at all ATMs in Belgium and Europe/the euro area
- Submitting paper-based transfers at branch counters
- Paying by smartphone, smartwatch or contactless (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay, wearables)
- 2 debit cards (also personalised with a photo of choice) and free replacement cards
- An optional credit card
- Getting highlights of Jupiler Pro League football matches via Goal Alert

The free KBC Basic Account comprises the basic payment functions and entitles customers to:

- 1 debit card
- Pay contactless by debit card
- Pay by smartphone, smartwatch or contactless (Google Pay, Fitbit Pay, Garmin Pay, wearables)
- Bank online with their PC and tablet (KBC Touch)
- Bank on the go with their smartphone (KBC Mobile)
- Withdraw cash from KBC-KBC Brussels and CBC ATMs

In addition, all KBC current accounts (the KBC Plus Account, free KBC Basic Account and KBC Current Account) give holders access to a whole range of non-financial services. These broader 'economic services' provided under the 'bank insurance +' concept are becoming increasingly more valued by customers and non-customers alike.

These include solutions that help customers:

- save money by, for instance, advising them to switch to a cheaper energy supplier
- make money, such as discounts offered under KBC Deals
- simplify everyday payments, like the ability to pay for parking automatically

The most popular services so far (figures end of November 2020) are the ones for managing parking sessions (635 000 sessions), checking meal voucher balances (570 000 checks) and - despite the lockdowns - buying bus and train tickets (767 000).

Other non-financial services offered in the KBC Mobile app:

- Mobility-related
 - Buying train tickets or multi-journey cards
 - Buying single fares and 10-journey cards for De Lijn public transport services
 - Paying automatically at Q8 filling stations
 - Renting a shared car from cambio
 - Paying for parking with 4411
 - Paying automatically at Q-Park car parks (with easy access in and out)
 - Fast renting of shared bikes
 - Buying STIB 10-journey JUMP tickets
 - Booking a Brussels Airport Fast Lane Pass or Lounge Pass
 - Practising your driving theory

- Other services
 - Checking meal, eco and gift voucher balances
 - Ordering service vouchers
 - Viewing government documents online with eBox
 - Sending registered e-mails
 - Linking PayPal accounts to KBC Mobile
 - Topping up Proximus Pay & Go cards or Orange prepaid cards
 - Managing Cera-related business, such as registering to buy cooperative shares, registering to attend the General Meeting or viewing member benefits
 - Switching to a cheaper energy deal (with June)
 - Supporting the 'Kom op tegen Kanker' cancer charity
 - Getting highlights of Jupiler Pro League football matches via Goal Alert
 - Buying Plopsa or Bobbejaanland tickets (at discount prices)
 - Buying Kinopolis cinema tickets
 - Saving Joyn loyalty points

Thanks to the discounts offered under KBC Deals, KBC Mobile users can also earn back some of the money they spend through cashbacks.

Many retailers are now offering cashbacks. When customers activate the deals offered by their favourite retailer(s) in KBC Mobile, they will receive a cashback when they pay for their purchases (online and in-store) with a means of payment provided by KBC. The cashback in question will then be credited to their account. They can also channel their cashbacks to Trooper and use them to support a club or organisation of their choice.

KBC Deals was launched at the end of 2019 and until the end of November 2020, 63 000 KBC Mobile users have activated some 286 000 deals, resulting in almost 230 000 euros being paid back to them.

Since the end of November, private customers have been able to use the services of their **very own fully digital assistant called Kate**, who is AI-powered and gradually becomes more accurate – or what you might call smarter – over time and is therefore continuously improving the user's overall experience.

Kate provides customers with unparalleled ease of use by simplifying a **number of daily routines, and integrating them seamlessly and smoothly into KBC Mobile**, helping our customers save time and money.

Customers can ask **Kate** questions about their basic financial transactions (including transferring money and filing insurance claims) and regularly receive proposals from KBC in their mobile app. This maximises convenience and enhances accessibility when they have straightforward routine questions. They are completely free to choose whether or not to accept a proposal. If they do, the solution will be offered and processed completely digitally. In this way, **Kate** relieves pressure on staff and frees up more time for them to concentrate on service provision to customers. When customers prefer a non-digital channel, **Kate** will provide branch staff with insights and even suggest solutions.

KBC deliberately decided to start with a limited number of specific apps to enable **Kate** to learn faster. KBC will use the feedback it receives to make rapid adjustments, where necessary. Customers will see at first hand

that **Kate** will be able to do more every week (answering a wider array of questions, helping customers with tasks like changing card limits, etc.).

Starting in 2021, KBC will release at least two new Kate-driven apps every month.

Find out more in this [press release](#) or in the '[Innovation Corner](#)' at www.kbc.com .

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