



Statement - update

Brussels, 8 August 2019 – 6 a.m. (update from statement of 3 May 2018)

KBC provides transparency regarding tax rulings

Over the years and on several occasions, KBC Bank NV and KBC Group NV have requested the tax authorities in a number of countries to provide clarity on the tax treatment of some product-related or accountancy-based issues. The decision of these tax authorities (a 'ruling') provides legal certainty on the correct application of the tax rules and allows for a correct and transparent financial reporting by KBC. A ruling also ensures a level playing field for all market participants.

With the aim of being as transparent as possible, KBC has provided below an overview of the tax rulings it has so far concluded with various tax authorities (in different countries) to provide clarification on interpretation of tax rules.

As such and in line with its own transparency policy, KBC doesn't object to ruling commissions providing public details of their decisions.

Overview by country

1. KBC Tax Rulings in Belgium

KBC Asset Management obtained a number of tax rulings providing clarity and certainty on the tax qualification of investment products it issues.

In a ruling in September 2018, the Ruling Commission reconfirmed to **KBC Bank** and **KBC Group** that the payments on the Additional Tier-1 notes issued by KBC Group and the payments on the mirroring Additional Tier-1 loan between KBC Group and KBC Bank, should be treated as tax deductible interest.

KBC Bank received a ruling for the financial years 2017 and 2018 confirming the innovative character of a series of proprietary software developments and the method to determine the resulting innovation revenues. In this way, it obtained legal certainty about the way in which the innovation deduction can be calculated in accordance with Belgian law.

2. KBC Tax rulings in other countries

Recently, no rulings were concluded by KBC in other countries except Belgium.

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