

Brussels, 3 May 2018

7.6 billion people on earth: 7.6 billion reasons to choose sustainable pension saving¹

KBC, as promotor, about to become the first Belgian financial institution to offer fully fledged sustainable pension saving

- **The first and only pension savings fund to comply with BEAMA sustainability criteria**
- **More than half of all new pension savings contracts at KBC are taken out by young people**
- **Assets under management in SRI funds² managed by KBC Asset Management have doubled to 7.7 billion euros in the space of a year**

KBC – as promotor – is set to become the first in the Belgian market³ to launch an SRI pension savings fund managed by KBC Asset Management that is fully compliant with BEAMA sustainability criteria. Pricos SRI, which does not have a maturity date and does not offer capital protection, is an actively managed pension savings fund that invests exclusively in companies and issuers that come through KBC Asset Management's sustainability screening. This requires the firms in question to achieve a high score in terms of environment, social policy and corporate governance. By opting for a sustainable pension savings fund, the investor can actively contribute to a more sustainable society and also have the possibility of earning an attractive long-term return.

Johan Thijs, KBC Group CEO, explains: *'Our decision to launch a sustainable pension savings fund on the market is entirely in keeping with the pioneering role that KBC has played for almost 30 years in the field of socially responsible investment. At the same time, it is a clear illustration of the strategic importance we attach to fulfilling our role in society. I'm pleased to see that our clients obviously share our vision of sustainability. By opting for sustainable investment products, they are actively contributing to a better society for everyone. KBC is the first Belgian financial institution to offer its clients the possibility of also saving for their retirement in a sustainable manner.'*

First BEAMA-compliant sustainable pension savings fund

Pricos SRI is the first – and at this point only – pension savings fund to meet the exceptionally strict sustainability criteria imposed by the Belgian Asset Managers Association (BEAMA). It combines a 'best-in-class' approach with stringent exclusion rules and investment policies. Investment is not permitted, for instance, in:

- Companies involved with the manufacture of weapons;
- Companies or sectors that speculate on food prices;
- Companies that extract fossil fuels;

¹ The term 'pension saving' refers to 'investing in a pension savings fund'.

² 'Fund' is the name more often used for a UCI ('Undertaking for Collective Investment').

³ Pricos SRI is available as of 7 May from KBC, CBC and KBC Brussels.

- Companies without a clear anti-corruption policy in place.

The tobacco and gambling industries are also excluded.

Pricos SRI also maintains a valuable focus on small businesses with attractive earnings potential. As with large companies, however, these are subject to a strict selection policy. In order to rate these firms on sustainability, KBC Asset Management works closely with a globally recognised sustainability analysis agency and draws on the advice of an independent panel of specialist academics.

Johan Thijs adds: *'Applying strict selection criteria and collaborating with independent specialists provides a broad, high-quality basis for sustainable pension saving with Pricos SRI. At the end of the day, it's up to the client to choose. We'll make sure that they get every opportunity to invest in a socially relevant way. After all, sustainability and returns are entirely compatible.'*

Clients who want to switch their existing pension saving to Pricos SRI can do so free of charge and with little red tape. What's more, they keep the return they have accrued and their tax advantage. They need to take account, however, that – within the usual ongoing charges – an annual fee of 0.10% is charged for the sustainability screening exercise. Investors may only open one pension savings account per taxable period. If they have already entered into a contract in a previous year, they can start another one. However, they are entitled to tax relief on just one of the two (or more) contracts

Pricos SRI is a legally authorised mutual fund under Belgian law managed by KBC Asset Management NV.

The assets of a pension savings fund must be allocated within certain legal limits. For instance, up to 75% of the assets may be invested in bonds, up to 75% in shares, while no more than 10% may be held in cash. Moreover, no more than 20% of its assets may be denominated in a currency other than the euro. Pricos SRI invests more in shares than in bonds.

Risk and reward indicator: 4 on a scale of 1 (lower risk and potentially lower return) to 7 (higher risk and potentially higher return). The legally required risk and return indicator is determined on the basis of the fund's sensitivity to the markets. In addition, an investment in Pricos SRI is subject to an average risk of inflation: the bond component does not provide any protection against an increase in inflation. Pricos SRI does not offer capital protection and has no maturity date.

One-off tax of 8% when you turn 60 (or after 10 years if you start at 55), calculated on the total of your deposits and capitalised at a fixed rate of 4.75%. You can withdraw your savings earlier, but you'll be penalised with a tax rate of 33%. For more information on the taxation, please refer to the prospectus, D. Tax treatment for investors.

The tax treatment will depend on your individual circumstances and may change in the future.

Entry charges: 2% on new investments. Ongoing charges (estimate as the fund launches in May 2018): 1.36%; of which management fee: 1.02% (including 0.10% for the sustainability screening described in the prospectus). There is no exit charge or stock market tax and you can switch to Pricos SRI free of charge from your current pension savings fund. Amount to discourage sale within one month of purchase: up to 5%.

The Prospectus, the Key Investor Information Document and the most recent interim report are available in Dutch and English free of charge at any KBC bank branch. **Please read the Key Investor Information Document and the prospectus before deciding to invest in Pricos SRI.**

This information is governed by the laws of Belgium and is subject to the exclusive jurisdiction of its courts. You can submit any complaints you may have by e-mail to complaints@kbc.be, by telephone on 0800 62 084 or by e-mail to ombudsman@ombudsfin.be. The financial services are provided by KBC Bank NV and CBC Banque SA. All net asset values can be found at www.beama.be and/or in the Belgian newspapers, *De Tijd* and *L'Echo*. You can read all other practical information at www.kbc.be/fundfinder.

Pension savings funds: a starter product for young investors

More than half of our new pension savings contracts today are taken out by young people (under 30) and that proportion is growing steadily. For many of them, it is the first investment product they take out. By also offering a sustainable version now, KBC, as promotor, is meeting the growing demand for sustainable investment (SRI) products. Assets under management in KBC SRI funds managed by KBC Asset Management have more than doubled to 7.7 billion euros in the space of just one year. Some 45% – almost one in two – KBC clients who have all their assets invested by KBC, as promotor, opt for the sustainable allocation. In addition to an economic return, SRI funds seek to achieve a social dividend. At the same time, sustainable investors are giving a clear and powerful signal to businesses and governments that do not operate in a socially responsible manner.

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