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KBC embraces the digital future

Omni-channel strategy bears fruit

KBC's 'client-centric' strategy focuses on an omni-channel approach of offering clients the solutions they want in a manner that's accessible, when and where they need them, and saving them time into the bargain. In the last two years, KBC Group has invested some 240 million euros in flawlessly and seamlessly interfacing its bank branches/insurance agencies, regional advisory centres, websites and mobile apps. Information from a variety of channels is integrated so that clients get a fast, optimum, targeted response to their specific needs, again saving them precious time.

Just how successful this omni-channel concept in Belgium has been is shown by numbers of new KBC clients (net growth of over 27 000) and users of our online capabilities (around 1 100 000 for KBC Touch and KBC Invest together) and mobile applications (500 000), plus a rise in client satisfaction and trust, and higher NPS¹. At year-end 2015, a fifth of households banking with KBC had at least three of our bank products plus three insurance products.

KBC continues to invest further in new, 'client-centric' projects by welcoming the challenges and opportunities of the digital world. At a press conference today, Belgium Business Unit CEO, Daniel Falque, and Senior General Manager of Direct Channels, Erik Luts, tell of our achievements to date and announce our biggest initiatives that are saving clients valuable time and increasing their ease of use.

- Regional advisory centres in Antwerp, Bruges, Ghent, Hasselt and Leuven make us easier to reach outside regular office hours, especially with features like voice and video calls and chat facilities.
- KBC Bank branches: more banking by appointment, investment in new branch concepts such as Bamboo Branches and the KBC Cube in Hasselt.
- New: KBC Touch for the blind and visually impaired.
- KBC Touch: a whole raft of new features including the ability to take out instalment loans online, display overviews and details of insurance policies, complete medical questionnaires for loan balance insurance policies, make appointments directly with an adviser, and use the car service facility (including insurance and vehicle registration, and ordering the number plate).
- KBC Touch for Business.
- KBC Invest: an app for tablet or desktop computer allowing clients to keep tabs on investment portfolios and savings schemes and share their screen with an adviser in real time, and sign investment proposals remotely.

¹ Net promoter score, which is the extent to which someone would recommend us to a family member or friend.

- KBC Mobile: more than 500 000 users, with a quarter aged under 26 and 56% between 26 and 55, now including the ability to log in with a simple thumbprint and sign transactions on an iPhone.
- KBC Assist app for submitting insurance claims following damage to car and home.

Daniel Falque, CEO of KBC's Belgium Business Unit, explains: *'KBC is reshaping itself from the bottom up to meet the future head on. Changes in client behaviour and technological developments are influencing the route KBC is taking. The digital evolution is speeding up, that's clear to see, and it's the client that's setting the pace. KBC is constantly launching new initiatives, developing new solutions and adjusting its distribution network and structure to face the future in the best possible way. KBC's goal is to foster long-term client relationships, and so a unique, optimal client experience is central to our philosophy. KBC's clients use a variety of means for handling their financial transactions. They decide when they need help, and how they want to get it. That's why KBC is going wholeheartedly for a wide-coverage omni-channel strategy. KBC is resolved that all channels (and applications) should be linked and should interface interactively, in real time. Which means that we're there for clients whenever and wherever they need their bank-insurer. In the past two years, KBC has invested major resources in this omni-channel approach^{2,1}*

Local people serving local clients

*'Today's KBC clients demand accessible solutions that ease their lives and save them time. That's why KBC is going all out for speed, accessibility and reliability. To get even closer to its clients, KBC has in the past two years developed **regional advisory centres** in each of the five provinces where KBC is present. Our current regional advisory centres in Antwerp, Bruges, Ghent, Hasselt and Leuven are staffed by personnel who have a real bond to the client and their region. These KBC advisers can be contacted by phone, video link or chat facilities by clients looking for answers to their day-to-day banking and insurance matters. There are days when the regional advisory centres get over a hundred calls from clients, and that number's rising, partly because we're also extending the service range,'* says Daniel Falque.

Centres can be contacted on weekdays from 8 a.m. to 10 p.m. and on Saturdays from 9 a.m. to 5 p.m. They underpin the service provided by our network of bank branches and via our digital channels, and garner high net promoter scores from our clients.

Since 1 March, the regional advisory centres have also been providing digital support to clients taking out instalment loans using KBC Touch. When clients use KBC Touch to calculate the cost of an instalment loan, a feature is available to put them in direct contact with a KBC staff member, who'll provide them with advice, so that they can complete their simulation and even sign the instalment loan contract online. In March, 16% of instalment loans were contracted entirely online, compared to 5% in 2015. And, if you count all loans simulated online but signed for at a branch or regional advisory centre, then around 40% of our instalment loans are initiated online. Within the next few months, the regional advisory centres will also start offering support to KBC's clients for other basic banking services, home loans, insurance and investments.

KBC Bank's bricks-and-mortar branch network is also being transformed to meet shifting client needs. Since 2013, around 320 KBC Bank branches have been setting their afternoons aside for meetings by appointment. This increases accessibility and relaxes the time constraints on giving advice and finding tailored solutions, while saving clients time. Both our clients and our staff find the move a very good thing. For that reason, KBC

² See also our press releases of 17 June 2014 and 3 June 2015 at www.kbc.com.

has launched a pilot project this spring with **Banking By Appointment** at all 17 branches in one of our clusters. We'll be evaluating the pilot a little later in the spring.

KBC is also continuing to invest in **new branch concepts**.

KBC now has 18 'Bamboo Branches' or **branches of the future** that concentrate their efforts on providing an omni-channel experience. At the beginning of this year, KBC **extended its Bamboo Branch concept to major locations, like Hasselt**. Our **Gent Kouter** branch in Ghent will follow at the end of April.

At the Corda Campus for innovative start-ups in Hasselt, we've opened our **KBC Cube**, an open meeting space giving on-site support and assistance to private and business clients alike. It's open to all – non-KBC clients included – to answer any and all of their questions about bank-insurance. This new pop-up concept is yet another way for KBC to improve its service provision, ease access and offer targeted solutions.

The digital world in motion. Trending technologies offer opportunities

'For the direct channels – and by that I mean KBC Touch³, KBC Mobile, KBC Invest and the KBC website – we use the latest technologies to ensure convenience, security and speed for our clients. Not only are we developing new apps, but our current ones are constantly being fine-tuned and upgraded, a process that draws on client input and so optimises their experience,' says Erik Luts, Senior General Manager of Direct Channels.

Regardless of whether they are private clients, businesses, merchants, professionals or start-ups, all are warmly invited to tell us their ideas for how we can add new features and improve existing apps.

KBC's website

A prime example of this is the restyled website (www.kbc.be and www.kbc.be/business), which is being fully aligned to our clients' online behaviour. The site's structure now offers more-personalised content that is tailored to each client's needs and search criteria, and is no longer based on a product offering.

KBC Touch and KBC Touch for the blind and visually impaired

KBC Touch is our app for doing banking and insurance business on tablet or desktop computers and now has over a million users (it'll be superseding our old KBC-Online application as of mid-April).

At the start of April, we also launched a version of **KBC Touch for the blind and visually impaired**, which provides helpful guidance in the form of speech technology and a higher screen contrast.

KBC Touch is being expanded to include more features that will let users contract instalment loans, display an overview of their insurance policies, calculate the cost of a home loan, and take out a home insurance policy or loan balance insurance. In addition, clients can complete **medical questionnaires** for their loan balance insurance from the comfort of their home.

KBC Touch is also a great tool for businesspeople, giving them a fast, simultaneous overview of both their business and personal accounts. It lets them manage their transactions, transfers and balances, all in a single app.

[KBC-Online for Business](#) is our **dedicated online banking service for entrepreneurs**. Its extensive professional features enable the client to view and print reports, digitally countersign transfer orders, connect to their accounting software and do much more besides. The familiar process of logging in with a card reader (which has to be linked to computer) and an e-Business Card now has a more modern young cousin: **Mobile Sign** where the client can log in on his mobile phone.

³ Our existing application, KBC-Online, will be gradually wound down as of 12 April.

KBC Invest

Over 70 000 clients use the **KBC Invest app** for tablet or PC to follow the progress of their investment portfolios and savings schemes. A new feature lets clients share their screen with a dedicated KBC adviser, who can then simply and quickly provide tailored advice on optimising the investment portfolio. Plus, the e-proposal facility lets clients sign up to investment suggestions remotely.

Clients get clear, up-to-date information on which to base their investment decisions. With its easy-to-read, at-a-glance dashboard, investors can analyse their asset holdings from a number of viewpoints (including return and risk and asset-class allocation compared to the target portfolio). Messages and reports on significant events (like maturity dates or market events) warn clients of any action we believe they need to consider taking.

All in all, KBC Invest is the perfect complement to our online savings and investment offering. We have KBC Touch for the classic saver, while KBC Invest is available for more-experienced savers and investors who are looking for personalised advice. [Bolero](#) was launched in 1999 and was the Belgian pioneer in online brokerage at the time. Its 'execution only' service makes it ideal for investors who want to manage and monitor their portfolios themselves. At the end of May a specific app for Android-phone will be available and later this year there will be ones for Android-tablets. Until then Android-users can follow their investments online on the responsive Bolero-platform.

KBC Mobile is our free, user-friendly mobile banking app for checking current and savings account movements, transferring money between accounts or between two smartphones, cardless cash withdrawals at KBC and CBC ATMs, loading prepaid credit cards, paying online, checking credit card transactions, plus verifying and paying insurance premiums and invoices issued via Zoomit. KBC Mobile now has nearly 500 000 users (a quarter are under 26). Clients can now even log in with a simple fingerprint and sign transactions on their iPhone without any need for a card reader and bank card. KBC Mobile will be undergoing a make-over later this year, making it even easier to use.

KBC Mobile Pay is a facility that now lets clients buy on the fly, both in the high street and online. KBC/CBC is the first bank to offer this payment method in Belgium. The Colruyt Group was the first retail chain to also promote KBC Mobile Pay in store. Since the beginning of 2016, customers have been able to pay by smartphone in all 400 Colruyt Group stores. There are no fewer than 150 000 'mobile payments' every month.

KBC Assist

KBC also recently launched a new version of **KBC Assist**, a personalised mobile app letting clients submit insurance claims following damage to car and home, simply and digitally, anytime, anywhere. It even allows them to change their risk profile. The app immediately shows them what insurance cover they have at that moment. Claims always go straight to the right file handler. There's even a feature that lets you securely store photos of your valuables, which you can then simply attach to a theft or loss claim.

New technologies, FinTech, blockchain and community working

KBC looks at how it can employ new technologies, community working (teaming up with players in other sectors) and FinTech to even further fine-tune its omni-channel approach and service offering to its clients' needs.

Recent initiatives like **Storesquare** (an e-commerce platform for merchants, developed together with Roularta and UNIZO), **Citylife** (a loyalty/payment platform with VikingCo and LRM) and **Eggsplore** (a European FinTech ecosystem initiative whose structural founder partners are Belfius, BNP Paribas Fortis, Cresco,

Euroclear, ING, KBC, McKinsey, Proximus, SmartVentures and SWIFT) give KBC a better low-down on shifts and changes in society.

KBC affiliates to existing ecosystems but is also taking initiatives of its own. For instance, the launch in Antwerp in November 2013 of [Start it@kbc](#), an early-stage incubator set up together with a number of partners (Accenture, Flanders DC, Antwerp University, Cronos and Mobile Vikings). Today, [Start it@kbc](#) has grown into the largest incubator in Belgium, with centres in Antwerp, Brussels, Ghent, Hasselt, Kortrijk and Leuven, housing around 300 start-ups and creating some 700 jobs. Another initiative is [Farmcafé](#), a platform inspiring over 400 businesses in the agro and horticultural sector with the means to promote their commercial growth.

Last but not least is Bolero's recent development of a **blockchain** application to create a secondary market for buying and selling crowdfunding shares.

Business with a future. Not just for KBC but for our clients, too

It's KBC's ambition to be the reference when it comes to accessibility and targeted solutions. That our 'client-centric', omni-channel approach works is proved by our results and the steady rise in our client-satisfaction ratings. In each age category, omni-channel clients give KBC a higher NPS than single-channel clients who just use their local branch or only bank online.

Digital challenges and shifts in client behaviour are also giving our commercial clients cause to rethink how they do business.

In February this year, KBC, UNIZO and Comeos commissioned market researchers Profacts to survey consumer behaviour and expectations in relation to omni-channel shopping. Profacts quizzed retailers on their experience of the interplay between high street shopping and online sales. They found that Belgian consumers' expectations in terms of choice, speed and delivery have moved on considerably. Customers want to be free to decide themselves when and how they make purchases.

KBC is using the research findings to help their retail business clients develop their approach to omni-channel selling.

'As a partner to business, KBC wants to do all it can to allow merchants to grow and prepare for the future, by already offering payment solutions for both over-the-counter and online sales. Our 'Business with a Future' campaign, which gets going in April, will go one step further, helping businesses arm themselves for the future. The www.businesswithafuture.be website (accessible as from 14 April) gives the commercial sector both insight into what consumers want and information and expert tips on how to respond to their demands. Not only does it provide inspiration and ideas, it tells businesses how their sector peers are already successfully developing omni-channel strategies,' concludes Daniel Falque.

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