



# Press release

Brussels, 16 June 2022, 7:00 CEST

## **KBC creates a first in Europe with the Kate Coin, its own digital coin based on blockchain**

A year and a half after the successful launch of Kate, the personal digital assistant, KBC is once again taking the lead in innovation.

Johan Thijs, CEO KBC Group is pleased to announce that KBC is the first financial institution in Europe to be ready to roll out its own digital coin based on blockchain technology, the Kate Coin: *"KBC has always been at the forefront of new developments such as mobile banking, digital assistant and blockchain. We have recently been awarded by SIA (Nr1 banking app worldwide) and D-Rating (Best Digital Performer in Europe 2021).*

*A completely new economy is currently developing on the basis of new technology such as web 3.0, cryptocurrencies, NFTs. With the Kate Coin, we are entering this new world and once again confirming our position as a leader and reference in digital banking insurance. This is how we are preparing KBC for the future.*

*The Kate Coin is a digital coin (e-money token), which is based on blockchain technology and was developed entirely within KBC. Soon, private KBC<sup>1</sup> customers will be able to acquire Kate Coins and effectively use them via their Kate Coin wallet in KBC Mobile. This takes place in a so-called "closed loop" environment, a closed environment outside of which the Kate Coin has no value. First of all within the KBC banking and insurance environment, but in time a whole world of application possibilities will open up in the wider ecosystem. Indeed, some KBC enterprise customers, third parties or partners who already offer their services via KBC Mobile and its 1.8 million users have developed their own ecosystem. They could also offer the Kate Coins and, together with KBC, further diversify and grow their business.*

*Powered by the digital assistant Kate, the Kate Coin will proactively make life easier for our customers throughout the KBC group, today and in the future. The combination of the digital assistant Kate and the Kate Coin will enable KBC customers to save time and money.*

*The first concrete steps are now being taken within KBC in Belgium, but the Kate Coin will eventually be rolled out throughout the entire KBC group. On Sunday 19 June, Werchter Boutique will be the scene of the first large-scale test of the Kate Coin. No fewer than 8,000 KBC employees present at the festival will be able to pay for snacks and drinks with Kate Coins".*

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<sup>1</sup> "KBC customers" includes KBC Bank, KBC Brussels and CBC Banque

## ***Kate Coin is digital and programmable money***

**Erik Luts, Chief Innovation Officer KBC Group** further explains the functioning of Kate Coin: *"The blockchain technology used by KBC ensures that the Kate Coin is fully programmable. KBC may attach specific conditions to both the acquisition and use of the Kate Coin. This allows for flexibility in, for example, the number of coins in exchange for a specific service, the scope of an acquired coin, or the period in which it can be used for this purpose. The customer can acquire Kate Coins in function of a certain loyalty, at a certain product purchase, if he performs certain actions ... and can use these KBC Coins again, e.g. for a discount on another KBC product. The customers who want to use the Kate Coin don't have to do anything: they automatically receive the Kate Coins in their Kate Coin wallet in KBC Mobile and Kate keeps them personally informed: why they receive Kate Coins, how long they can be used, etc. "*

Because the Kate Coin is a digital coin, its use is logically linked to KBC Mobile. However, the customer can also acquire Kate Coins when he comes into contact with KBC through other KBC channels (bank or insurance branch, KBC Live, KBC Touch, etc.). The Kate Coins are not transferable to other KBC customers and cannot be exchanged for euros.

***A fictitious example:*** *Customers earn Kate Coins when they undertake sustainable actions, such as taking out a loan for an electric bike. They can then use the earned Kate Coins for other initiatives, such as investing in a socially responsible investment fund. KBC can also increase the value of those coins (temporarily or otherwise) when they are used for a sustainable purpose. Kate, the personal digital assistant, can proactively inform the customer for which sustainable solutions he can use the earned Kate Coins.*

### ***Today within the KBC environment, but potential scope is much broader***

Currently, the planned uses of the Kate Coin are limited to the acquisition and use of KBC-related products and services. Think of products and services of KBC Bank, KBC Insurance, KBC Lease, CBC Banque, VAB, .... In the meantime, KBC is investigating how and to what extent the Kate Coin can also be used outside of these areas. After all, the KBC ecosystem contains many opportunities for connection with the wider environment. Some entrepreneurial customers, third parties or partners who already offer their services via KBC Mobile will in turn be able to use the Kate Coin and thus further diversify and grow their business together with KBC. After all, KBC can contractually agree with them that the Kate Coins can also be used in their ecosphere. This would give the customer access to a much larger area of application for his Kate Coins.

***A fictitious example:*** *Sustainable Food Company (fictitious company) launches new type of food products with minimum CO2 emissions. KBC is preparing a contract with Sustainable Food Company whereby Kate Coins can be used by KBC customers to acquire these products at a special discount. Kate could even send push messages when the customer is near a shop that sells this new type of food.*

### ***Kate Coin is a programmable digital coin, not bitcoin or stablecoin***

Kate Coin is fully collateralised by KBC and pegged to the euro on a 1:1 basis (at a rate of 1 euro per Kate Coin), which means that volatility and speculation are not an issue. Kate Coin will of course fully comply with the applicable European and national regulatory or legislative framework. All transactions take place in the trusted KBC environment, a private blockchain managed by KBC, where KBC controls who has access.

As a "digital coin", Kate Coin is thus fundamentally different from the stablecoins and virtual currencies (on the global blockchain network) that are better known to the general public and that are characterised by their speculative nature, high volatility and lack of applicable regulation. Moreover, stablecoins and virtual currencies are not or only partially covered by underlying assets.

## Werchter Boutique on Sunday 19 June 2022: first big test case with 8,000 KBC employees!

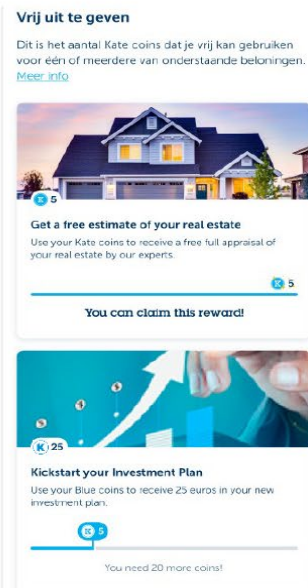
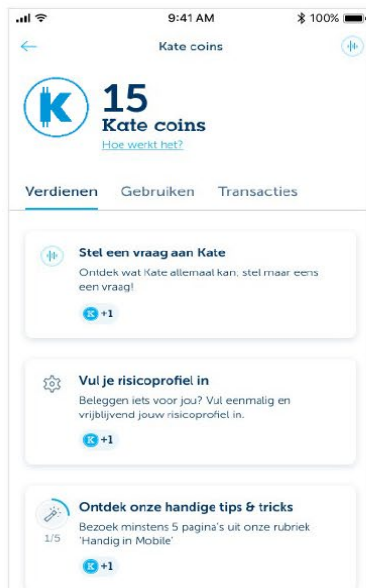
On Sunday 19 June, Werchter Boutique will be the scene of the first large-scale test of the Kate Coin. No fewer than 8,000 KBC employees present at the festival will, as a test, pay for snacks and drinks with Kate Coins.

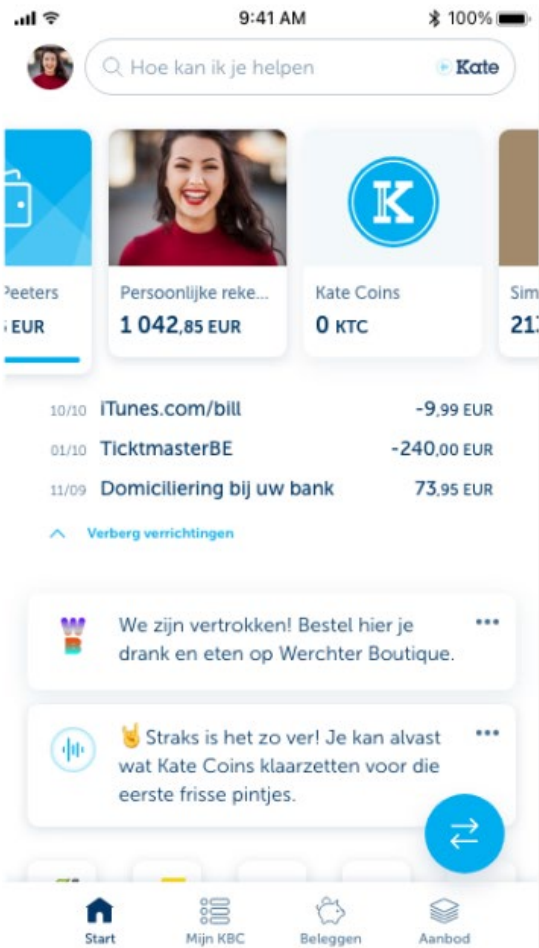
A first limited test in the past few weeks with 200 KBC employees was already successful. With the larger-scale test at Werchter Boutique, KBC wants to check whether the specific ('permission-based') KBC blockchain platform can also process a large number of small transactions within a relatively limited timeframe smoothly and correctly, a typical application of programmable digital money.

The Kate Coins can only be used at food and beverage stands in the designated KBC area on the festival ground (so-called 'closed loop' environment).

## Kate Coin in Mobile

Verdienen en uitgeven





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