



Press release



15 January 2009

KBC reacts to latest cut in short-term interest rates

Today, the European Central Bank cut short-term interest rates again, this time by another 0.50%. This latest cut means that these rates have been reduced by 2.25% in barely three months.

KBC applies prevailing market rates to new home loans on a weekly basis. The rate applied to home loan formulas subject to annual change has been cut thirteen weeks in a row, and the KBC Convenience Rate for the annually-adjustable home loan formula over 20 years is now 3.95%.

Next week, KBC will trim its rates for car loans, too.

Of course, this trend of falling interest rates, which has been noticeable for some time, also exerts pressure on the rates on savings accounts. Therefore, KBC will adjust the base rate on savings accounts held by individuals, cutting them from 2.25% to 1.75%, with effect from 1 February 2009. The growth premium and fidelity bonus remain unchanged at 0.75%. The rate applies to the full amount on all savings accounts held by individuals.

The savings account is just one product in a wide range of savings formulas and an ideal way for customers to maintain a limited cash buffer. In its capacity as a bancassurer, KBC also has a broad offering of other savings and investment products. The choice of product is therefore up to the customer, who can decide on the mix as regards the term, potential return, risk, flexibility and liquidity. Of course, KBC provides advice when customers are making their choice.

An up-to-date overview of the prevailing rates applying to KBC's savings products and loan formulas can be found at www.kbc.be.

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