

Press Release



25 September 2009 – Brussels

KBC concludes new company collective labour agreements

On 23 September 2009, KBC and the social partners concluded three new company collective labour agreements for employees in KBC Belgium*. In order to clarify matters relating to the questions and concerns of KBC employees in the near term, KBC and the social partners commenced talks in June without waiting on any sectoral or other agreements. The agreements provide a clear framework in the areas of job security, variable pay, purchasing power, labour flexibility and the distribution network over the next few years. In this way, KBC aims to safeguard its competitive position in the labour market, to enhance its customer focus and to gradually improve employment conditions after the major concessions made by staff in 2008 and 2009. It is worth noting that, even after these collective labour agreements have been implemented, the total wage bill will remain under its 2007 level.

At the end of last year, agreement was reached between KBC and the employee representatives about new arrangements for the variable pay components relating to 2008 and 2009. It was decided that all profit-related pay mechanisms would be discontinued for both years, according to the principle that 'the broadest shoulders should bear the heaviest burden'. The impact on wage costs amounted to roughly 150 million euros. At individual level, the total wage-bill reductions ranged from 9% (for administrative staff) to 15% (for junior/middle management) and from 35% to 50% (for senior management).

The main focus of the agreements concluded on Wednesday is on guarantees for job security and income. They aim at restoring purchasing power, although in 2010 there will still be some elements of wage restraint at all levels.

- The current guarantee of job security until the end of 2009 will be extended to the end of 2011.
- During 2010, talks will be held with the social partners about the principles relating to variable pay, with consideration being given in particular to income guarantees, sustainability and transparency. A variable component will be guaranteed for 2010 pending the new arrangements.
- The right to 'time credit', the gradual reduction of working hours for older employees and – to a limited extent – early retirement arrangements will continue undiminished. As a result, KBC is maintaining the ceiling for these schemes at 12.5% of its workforce, well above the 5% prescribed by law.
- In the network of retail bank branches, the organisational aspects will be aligned even more closely with the needs of the customer, both during and outside traditional opening hours.
- A number of measures to increase purchasing power will be taken in accordance with the multi-sector agreement.

KBC is pleased that this agreement could be concluded in a constructive atmosphere over a fairly short time period and that it has received the approval of all employee representatives.

() KBC Belgium covers KBC Group NV, KBC Bank NV, KBC Insurance NV, KBC Asset Management NV, KBC Global Services NV, KBC Credit Investments NV, KBC Real Estate NV and Fin-Force NV.*

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