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## Green loans, the end of a success story?

The government measure granting a reduced interest rate on loans used for certain energy-saving investments ends at the end of 2011. Since this measure was launched on 1 August 2009 (with retroactive effect from 1 January of that year), KBC has been a pioneer in offering these loans to its customers. The number of these loans granted by KBC since their introduction has been a growing success. The measure has exactly achieved its goal of stimulating energy-saving measures as much as possible.

### N.B.!

Families who have definite plans to take energy-saving measures with the help of a **new** mortgage, must decide quickly if they wish to take advantage of the reduced interest rate, as the scheme is set to end on 31 December 2011, unless it is extended by the federal government. Borrowers who still wish to take advantage of this stimulus package to get a mortgage, must have completed their application via the notary-public **by 31 December 2011 at the latest**.

### A success story!

KBC has always been a pioneer and trendsetter in financing 'green' investments. And this is borne out by the figures. KBC carried out a thorough analysis of its portfolio of 'green loans to private individuals' based on the data generated since the federal measures were introduced on 1 August 2009 (effective retroactively to 1 January 2009) up to and including June 2011.

#### Nationwide:

- ☞ 1 in 4 of **all** green loans with reduced interest rates granted was with KBC. In money terms, it was even 1 in 3.

#### KBC:

- ☞ **More than 15%** of all private loans granted by KBC in **2010** were green loans. In money terms, this represented **5%** of the total.
- ☞ **More than 25%** of all private loans granted by KBC in **2011** were green loans. In money terms, this represented **8%** of the total. A growing success!
- ☞ Of all green loans granted so far by KBC:
  - **9/10** were in the form of a **mortgage**
  - and just **1/10** were in the form of an **instalment loan**

**87% of the green loans were renovation loans.** So just 13% of the green loans were granted for new-build projects. **This shows that the federal government did achieve its aims with these measures, namely to stimulate energy-saving improvements to existing homes.** For those interested in a more detailed analysis:

1. The **average amount** for 'green' renovation loans granted via **instalment loans** was ca **11 000 euros** (repayable on average over 48 months) and ca **18 000 euros** (repayable on average over 133 months) via **home loans**.
2. **30% of the green renovation loans were for customers aged 50 or over.** This age group only accounts for around 15% of all new loans.
3. All occupational groups (employees, the self-employed, members of the liberal professionals and retirees) are **evenly represented** among those granted green renovation loans.
4. The **income of more than 60% of the borrowers** (principal and others) of green renovation loans exceeds **3 000 euros**. So it is predominantly the higher income earners who take advantage of this government initiative.
5. In **major conurbations** (like Antwerp, Brussels, Ghent and Liege) and **regional capitals** (like Bruges, Genk, Leuven and Mechelen) **fewer green renovation loans** were granted than in **rural areas**. This lower presence of green renovation loans in city centres and major conurbations is possibly due to the fact that, in cities, solar panel installation may be hindered by smaller roof areas, more shadow from other buildings, etc.
6. **37%** of the green renovation loans were issued for **houses between 21 and 50 years** old. **61%** of the green renovation loans were issued for **houses between 21 and 100 years** old. For **houses between 11 and 21 years** old, the principal 'green' investment is solar panels. The government thus succeeded admirably in its aims of making older houses better insulated and more energy-efficient.

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