



Clarification

Brussels, 21 September 2019

KBC clarifies suspension of Collective Bargaining Agreement negotiations in Belgium

Following the [announcement](#) on 16 May as regards optimising and redesigning group-wide governance at KBC, the trade unions asked for talks on a new Collective Bargaining Agreement on employment to be started earlier than planned (the current agreement expires at the end of 2019). KBC agreed to this request and negotiations started in June. After being suspended for the holiday period, talks were resumed a few days ago.

In addition to employment-related arrangements, the current Collective Bargaining Agreement contains an arrangement for flexitime. Adjustments to this system were introduced at the beginning of this year.

In the new negotiations, KBC has asked to discuss a next step for the flexitime system.

In its communication of [4 September](#) on the results of the operational efficiency exercise, KBC emphasised that, despite the impact on future job numbers, it would be adopting a gradual approach to implementing the decisions. The reduction in FTEs will be achieved through natural outflow and a restriction of the number of recruitments, while the necessary investment will continue to be made in the redeployment and training of employees. Given this situation, KBC¹ is prepared to make new employment-related arrangements –including increased flexibility and guarantees on job security – in a general agreement that would enter into force as from 2020.

As the introduction of increased flexibility requires the agreement of all trade unions and because one of the workers' organisations objected in principle, the negotiations have currently been suspended. In the meantime, the current Collective Bargaining Agreement will continue in full force and effect until the end of the year.

KBC prefers to conduct negotiations directly with the social partners, and not through the media. However, KBC would like to clarify the suspension of the negotiations.

In today's world, consumers in general, and also KBC's customers, expect agility and accessibility. They expect a flawless, customer-friendly process and instant decision-making and services from companies and organisations. Since 2012, KBC has been gradually and radically changing the company, its organisational structure, its distribution network and its way of working to reflect the changing behaviour of its customers. The extended opening hours at KBC Live (8 a.m. to 10 p.m. during the week and 8 a.m. to 5 p.m. on Saturdays) illustrate KBC's response to this situation. However, KBC is noticing that the expectations of its customers continue to evolve, partly due to pressure from other e-commerce and fintech players.

That's why KBC has proposed to the social partners that a limited experiment for Sunday opening be set up, with a limited number of KBC Live staff catering for customers. The experiment would run for the duration of the Collective Bargaining Agreement, entirely on a voluntary basis for the employees involved and with

¹ The KBC entities involved are KBC Group, KBC Bank, KBC Insurance, KBC Asset Management, KBC Autolease and KBC Credit Investments. KBC has its own HR policy.

additional remuneration. When it ends, the experiment can be evaluated together with the workers' representatives to see whether or not it should be continued.

In previous negotiations, a number of workers' organisations were willing in principle to discuss such increased flexibility. For KBC, this is a logical next step, which contributes to a further improvement in accessibility for its customers, while also underpinning the growth and stability of the company in light of societal change.

During current negotiations, KBC noted that one of the workers' organisations objected in principle to such a general agreement, which – in addition to including provisions on job security and end-of-career status – would also include this experiment for more flexible working at KBC Live.

As the introduction of increased flexibility requires the agreement of all trade unions, the negotiations have currently been suspended. Nevertheless, KBC's offer to all employees' organisations to negotiate a general agreement remains on the table. In the meantime, the current Collective Bargaining Agreement with all its provisions will continue in full force and effect until the end of the year.

KBC Group NV

Havenlaan 2 – 1080 Brussels

Viviane Huybrecht

General Manager

Corporate Communication /Spokesperson

Tel. +32 2 429 85 45

Press Office

Tel. +32 2 429 65 01 Stef Leunens

Tel. +32 2 429 29 15 Ilse De Muyer

Tel. +32 2 429 32 88 Pieter Kussé

E-mail: pressofficekbc@kbc.be

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