



# Press release

Brussels, 5 January 2022 – 9.30 a.m.

## **KBC gives more environmentally friendly mobility solutions an extra boost.**

### **Cheaper loans for bicycles, and electric and plug-in hybrid cars.**

KBC and KBC Autolease have seen that customers are increasingly opting to buy or lease electric or plug-in hybrid vehicles and that electric bicycles are also growing steadily in popularity.

- The number of finance agreements concluded at KBC for electric vehicles and plug-in hybrid vehicles in 2021 was up 45% on the 2020 level. At the start of 2021, this segment accounted for 4% of all car finance and had grown to 10% by the end of November 2021.
- 2020 was the year of Covid-19 lockdowns, but also the year when Belgians (re)discovered the bicycle as a means of transport. The number of bicycle loans extended in 2021 was slightly lower than in 2020, but still 20% higher than in 2019.
- The lion's share of financing was arranged online.
- At KBC Autolease, the share of leased electric vehicles in the annual production has soared by no less than 900% in the space of two years, rising from 1.8% in 2019 to 18% in 2021.
- Plug-in hybrid leased petrol vehicles were also up, increasing by 263% (share up from 8% in 2019 to 29% in 2021).
- Bicycle leasing also grew steadily, with KBC Autolease currently leading the market (managing approximately 22 000 bicycles).
- The KBC MoveSmart digital portal has increased convenience for the end-user, fleet manager and bicycle dealer.

In line with its sustainability targets, KBC is using its financing, insurance and leasing solutions to give more environmentally friendly mobility solutions an extra boost.

Financing –KBC customers<sup>1</sup> and non-customers can benefit from top-value rates for car and bicycle finance between 5 January 2022 and end of February 2022:

- 0.69% for electric and plug-in hybrid vehicles
- 0.69% for bicycles
- 0.89% for other vehicles (up to 3 years old), new motorcycles and new motor homes
- 3.40% for second-hand vehicles older than 3 years

Up to 110% of the value of a new vehicle can be borrowed, meaning that the installation cost of a charge station can also be fully installed using the same financing arrangement. Customers and non-customers alike can simulate, apply for and subsequently take out a loan completely digitally.

Given that waiting times for new vehicles are very long, the period for drawing down the finance has been doubled to 12 months (from 6 months). The duration of the loan depends on the amount borrowed, as required by law.

Insurance – anyone taking out fully comprehensive insurance for an electric or plug-in hybrid vehicle between 1 January and 31 December 2022 gets the first two months' cover for free.

## **Cheaper rate for anyone taking out a loan for an electric vehicle, plug-in hybrid vehicle or a bicycle**

Dirk Mampaey, Senior General Manager, Banking Products – Belgium Business Unit: *'In a move that is fully in line with our sustainability targets, we are encouraging the take up of more environmentally friendly types of mobility solutions. We're again offering existing and new customers a special rate of 0.69% to cover the purchase of an electric car, a plug-in hybrid car or a bicycle. The rate for other vehicles is 0.89%. We're also offering businesses these attractive financing rates for these specific types of vehicle. Not only that, but we're making the offer even more attractive by including two months' fully comprehensive insurance for free.'*

## **MAIN TRENDS IN 2021**

### **KBC noticing an increasing trend in electrification and digital car finance and leasing**

#### **Car finance**

- The number of finance agreements for electric and plug-in hybrid vehicles in 2021 was up 45% on the 2020 level. At the start of 2021, this segment accounted for 4% of all car finance and had grown to 10% by the end of November 2021. However, the total number of car finance loans fell by 13%, reflecting the further decline in car sales in 2020 and 2021.

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<sup>1</sup> These rates and conditions also apply to customers of KBC Brussels and CBC.

- The number of loans to finance electric and plug-in hybrid vehicles doubled in Flemish Brabant, soared by 66% In Antwerp and went up by 50% in West Flanders.
- Lending to finance the purchase of second-hand vehicles was up 13% on its level for 2020.
- **The lion's share of finance was arranged digitally:** more than 80% was arranged in this way, with 49% of customers using KBC Mobile to finance electric vehicles and 60% conventional vehicles.
- Those borrowing for an electric vehicle have a slightly different profile than those borrowing for a conventional one:

	Electric	Non-electric
Average amount borrowed	29 000 euros	20 000 euros
Amount borrowed as % of car's value	73%	78%
Average term	5 years	5 years
Average age of borrower	50	44

**Dirk Mampaey continues:** *'We also provide user-friendly solutions that save the customer time and money. When customers want to start a simulation and apply for finance, they can easily ask Kate – our digital assistant – who will then guide them through the process. Customers make full use of these digital apps to arrange finance or insurance cover. The KBC Mobile app now has 1.75 million users. It comes as no surprise then that 68% of bicycle loan applications are made by customers using this app.'*

## Car leasing

**KBC Autolease** now sees that one-third of the fleet of leased vehicles is non-diesel (diesel cars still accounted for 89% of leased vehicles in 2016).

- **At KBC Autolease, the share of leased electric vehicles in the annual production has soared by no less than 900% in the space of two years, rising from 1.8% in 2019 to 18% in 2021.**
- **The share of plug-in hybrid leased petrol vehicles was also up, increasing by 263% (share up from 8% in 2019 to 29% in 2021).**
- Diesel vehicles still accounted for 63% of the annual production of lease contracts in 2019, but that has fallen by 55% to 28% in 2021.
- Petrol vehicles have a relatively stable share of around 24%.
- To help make an informed choice, the web-based **KBC MoveSmart** app shows the exact CO2 emissions of the simulated vehicle (WLTP method<sup>2</sup>).

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<sup>2</sup> Worldwide Harmonised Light Vehicle Test Procedure: provides a more accurate measure of emissions and fuel consumption than the former NEDC method.

## Belgians still like to cycle

2020 was the year of Covid-19 lockdowns, but also the year when Belgians (re)discovered the bicycle as a means of transport. The number of bicycle loans extended in 2021 was slightly lower than in 2020, but still 20% higher than in 2019.

- Compared to 2020, the average amount financed increased by 10% to 3 600 euros.
  - The average financing term was 29 months
  - The average age of the borrower was 45, with the youngest being 19 and the oldest 79
  - **87% of applications for finance were made digitally, 68% of which are made using KBC Mobile**

## Bicycle leasing remains popular on the market

**Stefan Delaet, General Manager of KBC Autolease, points out:** *'As market leader in bicycle leasing, KBC Autolease has clearly found its place on the market as illustrated by the 22 000 bikes under its management. The coronavirus pandemic and worldwide supply problems have significantly increased delivery times for new bicycles. Many customers found a fine alternative in the range of second-hand bikes offered by KBC Autolease. Our wide range of bikes with a 12-month warranty and immediate delivery have clearly been a success. We're very proud that we've contributed to the mobility shift in this way.'*

## KBC Autolease currently manages approximately 22 000 bicycles

- When a contract is concluded, accident prevention guidance and bike training are often required (especially for high speed bikes).
- At the end of the contract, more than 80% of cyclists purchase their bikes. KBC Autolease's second-hand channel/platform has ensured that as many as 700 bikes have found a new owner (79% more than in 2020). [See the full range of such bikes with 12-month warranty \(for private individuals\)](#) on the KBC Autolease website.
- 4 out of 10 cyclists take out a new lease contract immediately after the old one ends.

## The KBC MoveSmart digital portal increases convenience for the end-user, fleet manager and bicycle dealer:

- Employers can indicate the types of bicycle the employee can choose from.
- A unique barcode enables employees to put together their ideal bicycle at the dealer (who immediately knows what is and isn't possible for this employer).
- Employees receive a bicycle leasing quote in KBC MoveSmart (an extra service in KBC Mobile) right away and can finalise and follow up their order in it. After ordering the bicycle through MoveSmart, they have a handy link to the insurer and the VAB roadside bike assistance service.
- **This portal is available to KBC customers in KBC Mobile.**

## KBC Autolease has identified the following trends for lease bicycles:

- The non-electric bike segment still accounted for 34% of all lease contracts in 2017 but has continuously declined since then, falling to 23% in 2021. The growth of speed pedelecs has slowed down somewhat (from 20% in 2018 to 15% in 2021). The steadiest growth was in electric bikes (pedal assistance up to a maximum speed of 25 km/h), which were opted for in 62% of contracts in 2021.
- We have also seen a shift in the type of bicycle chosen in 2021 compared to 2017
  - o The share of folding bikes halved during this period, while the share of cargo bikes doubled and would seem to confirm its role as the urban mode of transport for families.
  - o Racing bikes and mountain bikes usually have a fairly stable share, but there was clear growth of 14% and 27%, respectively, in 2021 compared to 2017, most likely because people wanted to get out more on the bike during the Covid crisis.
- The average price of a lease bike in 2021 was up 40% on its 2017 level. This came about not only because of the type of bicycle chosen, but also because of the higher price of imports from Asia and the increased cost of carbon and aluminium.

## Simulation example:

\* Representative example: for an instalment loan of 20 000 euros to be repaid over 60 months at a fixed annual percentage rate of charge and fixed actuarial debit interest rate of 0.69%, you pay 60 monthly instalments of 339.20 euros (or 20 351.45 euros in total). Rate applies from 5 January 2022 for terms up to 60 months, for an instalment loan to finance an environmentally friendly vehicle (electric, plug-in hybrid, CNG) bought by a private individual.

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