



Changes to Business Deposit Account Rates

Effective 6th December 2021



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Effective from 6th December 2021

Negative Interest Rates only apply to the balance in excess of the thresholds below. Thresholds are €1,000,000 for all accounts.

€ Euro Accounts:	Up to 5th December 2021				From 6th December 2021			
	Account Threshold	Current Gross Return Rate	Current Interest Rate	Current AER	Account Threshold	New Gross Return Rate	New Interest Rate	New AER
Business Smart Access Demand	€3,000+	0.00%	0.00%	0.00%	≤€1m >€1m	0.00% -0.50%	0.00% -0.49%	0.00% -0.50%
Business Standard Demand	€0.00+	0.00%	0.00%	0.00%	≤€1m >€1m	0.00% -0.50%	0.00% -0.49%	0.00% -0.50%

Note: Interest is subject to Deposit Interest Retention Tax (DIRT) where applicable. Terms & Conditions apply. The Interest Rate illustrates the daily interest payable on the account. The Gross Return Rate is the indicative rate of the gross interest (before DIRT) that will be paid to the customer based on the length of time the funds are in the account. AER means annual equivalent rates and illustrates what the interest rate would be if interest was paid and compounded once each year (instead of monthly or over any other period).

FAQs

- ?** **What is a negative rate?**
A negative interest rate is an interest rate that is less than zero. This means that where a negative interest rate applies to your account you pay KBC Bank Ireland interest.
- ?** **What can I do to avoid paying negative interest rates?**
From 6th December, if your account balance is kept below the thresholds, outlined in the table above, Negative Interest Rates will not be applied to your account.
Thresholds are €1,000,000 for all accounts.
- ?** **If my account balance is over the threshold will my full balance be subject to a Negative Interest Rate?**
No, Negative Interest Rates are only applied to the amount in excess of the threshold. This includes any interest paid to you, which may result in your account balance exceeding the threshold of your account.
- ?** **If a negative interest rate applies to my account how often do I pay interest to KBC?**
For Business Demand Deposit Accounts, any negative interest due to us will be automatically deducted from your account balance each month. This will reduce the balance in your account.
- ?** **What if I make a withdrawal request and there's not enough money in my account to pay the negative interest at the end of the month?**
If you make a withdrawal request, we will check your account balance before processing your instruction to make sure you'll have sufficient funds to pay for any negative interest calculated up to the date of the withdrawal.
If we find you'll have insufficient funds to pay for this negative interest, we will not be able to process your withdrawal request. We will contact you if this occurs.

Examples

How Negative Interest Rates are applied

The below examples and calculations are for illustrative purposes only and do not represent the actual returns on amounts shown. It is assumed the rates are as stated with no changes in the account balance (unless noted) and does not take into account any tax liabilities.

Example 1: Business Smart Access Demand Account with a balance of €500,000.

Account Type	Account Thresholds	Current Gross Return Rate	Current Interest Rate	Current AER
Business Smart Access Demand Account	€0.00 - €1m >€1m	0.00% -0.50%	0.00% -0.49%	0.00% -0.50%

As per the table above:

- €500,000 will have an interest rate of 0%.
- No negative interest will apply to the account if the account balance remains under €1,000,000.

Example 1a: A lodgement of €1,000,000 is made to the above account.

- Total balance is now €1,500,000
- €1,000,000 will have an interest rate of 0%
- €500,000 will have a negative interest rate of -0.49%

How Negative Interest will be calculated for one month using this example:

Opening balance	€1,500,000
Negative Interest deducted at the end of the month	-€200
Total balance	€1,499,800

- €499,800 will be subject to a negative interest rate for the next month, assuming there are no additional lodgements/withdrawals made.
- Reminder: interest will be deducted every month in which your balance is in excess of the threshold.



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