

Management report of the Board of Directors
dated 31/12/2015

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2015 to 31 December 2015. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The financial statements are presented in Euros.

2. The Company recorded a result of EUR 2 296 717.

Total assets amounted to EUR 6 630 556 146 as at 31 December 2015, compared with EUR 10 276 741 708 as at 31 December 2014.

The financial assets are composed by:

- loans to affiliated undertakings: EUR 6 614 374 777
- a structured deposit to affiliated undertakings: EUR 4 803 264
- accrued interests: EUR 94 269 575

The cash at bank amounts to EUR 6 471 842

3. Risks and uncertainties facing the Company:

The Company is actively managing risk on its existing portfolio by ensuring that the entity maintains a market risk neutral position. These risks are overseen by an independent risk management function and a risk committee which are in turn overseen by the risk management function, committees and audit functions at KBC Bank NV level, in accordance with outsourcing agreements taken out by the Company.

4. Financial statements have been established under LuxGaap in 2015.

5. Activities in research and development, as provided for by law, are not applicable to the Company.

6. The Company did not purchase any of its own shares.

7. The Company has no branch offices.
8. No subsequent event has occurred since 31 December 2015.
9. The Company is included in the consolidated accounts drawn up by the KBC Group.
10. A dividend of EUR 1.700.000 has been paid on 2 January 2015.

The Board of Directors proposes:

- To approve annual accounts as disclosed hereafter,
- To net profit of EUR 2 296 717 will be allocated as per below:
 - Legal Reserve to be constituted (5% of the net result): EUR 114 835,85
 - Dividend to be distributed: EUR 2 181 88,15
- To discharge Directors from their current mandate within the period from 1 January 2015 to 31 December 2015,
- To nominate an external auditor: as per all steps initiated by KBC Group in order to designate a new principal auditor within most of its components, we propose you to nominate PricewaterhouseCoopers as auditor of our Company for a period of one year.

Luxembourg, 27 April 2016



Rik Jahssen
Chairman



Frank Caestecker
Director



Ivo Bauwens
Director



Fatima Boudabza
Director



Sabrina Gockel
Director