

Management report of the Board of Directors *dated 30 June 2016*

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2016 to 30 June 2016. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The annual accounts are presented in Euros.

2. The Company recorded a result of EUR 1 003 578.

Total assets amounted to EUR 4 967 664 731 as at 30 June 2016, compared with EUR 6 630 556 146 as at 31 December 2015.

The financial assets are composed by:

- loans to affiliated undertakings: EUR 4 880 842 458
- a structured deposit to affiliated undertakings: EUR 14 190 315
- accrued interests: EUR 57 259 876

The cash at bank amounts to EUR 7 580 758

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. Annual accounts have been established under LuxGaap for the first time 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 2 181 881,15 has been paid in 27 June 2016 .

Luxembourg, 25/07/2016

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Frank CAESTECKER
Rik JANSSEN
Sabrina GOCKEL



Fatima BOUDABZA



Sabrina GOCKEL